



ikatu  
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yes i can

PHASE 1 RESEARCH

# Global Youth Employment:

An Overview of Need and Interventions



### **IKATU is GUARANI FOR "YES I CAN"**

Ikatu International is attempting to create employment opportunities for the world's youth population. We are identifying gaps within current youth employment efforts, strategically modeling and implementing solutions that leverage our blended value experience (economic, social, and environmental), and creating significant impact measurements that drive dialogue on transparency and accountability. Ikatu International aspires to enable self sufficiency, teach life and social skills, and create building blocks for future generations by connecting youth to economic opportunity.

Ikatu is Guarani for "Yes I Can", a translation that speaks to both our organization and the belief systems we hope to cultivate. We would like to inspire personal dignity, realized opportunity, and leadership within young adults who have been underexposed by circumstance. Giving back to the community through smart business can stimulate positive change regardless of economic, political, religious and social context.

At Ikatu International, we believe in endless possibilities and the power of "Yes I Can".

# **Global Youth Employment:**

## An Overview of Need and Interventions

**Revised Report**  
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Ikatu International

The original report was authored by Meghan Corroon and Elizabeth Stewart from Causemopolis in November, 2008.

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## LIST OF ACRONYMS

- ALMP Active Labor Market Policy  
ARVs Antiretroviral  
BMZ German Federal Ministry of Economic Cooperation  
and Development  
CBOs Community-Based Organizations  
ECE Eastern and Central Europe  
GNI Gross National Income  
HDI Human Development Index  
HIV/AIDS Human Immunodeficiency Virus/  
Acquired Immunodeficiency Syndrome  
ICT Information and Communication Technology  
IDB Inter-American Development Bank  
ILO International Labor Organization  
IYF International Youth Foundation  
LAC Latin America and the Caribbean  
LIIPs Labor Intensive Infrastructure Projects  
MDGs The Millennium Development Goals  
MENA Middle East and North Africa  
MEPs Micro-entrepreneurs and Producers  
M&E Monitoring and Evaluation  
MSMEs Micro, Small, and Medium Enterprises  
NGO Non-Governmental Organization  
NTS National Training Standards  
NQF National Qualification Frameworks  
ODA Overseas Development Assistance  
OJT On-the-Job Training  
PPPs Public-Private Partnerships  
PRSP Poverty Reduction Strategy Papers  
PTAs Parents & Teachers Association  
SSA Sub-Saharan Africa  
STIs Sexually-Transmitted Infections  
TVE Technical Vocational Education  
TVET Technical Vocational Education and Training  
UN United Nations  
WB World Bank  
YEF Youth Employment Framework  
YEI The World Bank's Youth Employment Inventory  
YEN Youth Employment Network  
YEP Youth Employment Promotion  
YES Youth Employment Summit

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# EXECUTIVE SUMMARY

“Young people should be at the forefront of global change and innovation. Empowered, they can be key agents for development and peace. If, however, they are left on society’s margins, all of us will be impoverished. Let us ensure that all young people have every opportunity to participate fully in the lives of their societies.” —**KOFI ANNAN**<sup>1</sup>

Globally, youth represent 25 percent of the world’s working-age population. They constitute the future promise and development of every nation. They represent its political leaders, tradesmen, academics, doctors, innovators, and artists. Institutions, both public and private, are realizing the need to invest in building the capacity of young people in order to assure a sustainable future for their society. This report, in accordance with the United Nations, defines youth as those individuals between the ages of 15 - 24.

Young people today are faced with unprecedented challenges as well as opportunities and must be seen as a unique population with their own set of diverse characteristics.

This report focuses on the topic of Youth Employment Promotion (YEP), a field that combines issues of social and economic development for young people. YEP programs, by integrating a thorough understanding of labor market forces with youth development issues, can effectively help youth transition to secure and stable employment and begin their working lives with dignity and respect.

Section I of this report provides an overview of global indicators and an analysis of the current status of youth at the regional level, including data on youth demographics, disadvantaged youth populations, literacy, education, and youth employment. Section II focuses specifically on youth employment promotion models and presents a theoretical framework for better understanding this aspect of youth development. Section III builds upon the World Bank Youth Employment Inventory dataset to explore which categories of YEP interventions are best represented globally and which regions have the highest concentration of YEP interventions, and identifies gaps in YEP programming across regions. Section IV concludes by integrating the status of youth today with the identified gaps in YEP programming to provide strategic findings and recommendations for moving youth development forward.

## Section I THE GLOBAL STATUS OF YOUTH: A COMPLEX LANDSCAPE

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Youth are a diverse population with varied economic, educational, and health characteristics that result in different levels of vulnerability or resilience. This report found that, in terms of economic status, young people are still more than three times more likely than adults to be unemployed. Youth living in Sub-Saharan Africa are the most impoverished, with youth in South Asia close behind.

According to the Human Development Index (HDI), a composite statistic indicator that ranks countries by level of “human development”, all Sub-Saharan Africa countries are categorized as Low Human Development. Sub-Saharan Africa and the Middle East and North Africa also have the largest proportion of out-of-school youth, with females making up the largest share. Similarly, Sub-Saharan Africa has the lowest GNI per capita and has more than half its youth population living below the poverty line.

In terms of education, all regions have made significant improvements in attaining universal primary school as well as closing the gender gap at the primary level. For secondary schooling, however, Africa stands out far below the global standard, with only 26 percent of its youth enrolled in secondary school. For every region, women complete less schooling in their lifetime than men.

## Section II YOUTH EMPLOYMENT PROMOTION: A CONCEPTUAL FRAMEWORK FOR YEP INTERVENTIONS

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The Youth Employment Framework (YEF) is based on the work of the German Federal Ministry of Economic Cooperation and Development (BMZ). The YEF outlines economic approaches to youth employment promotion and encompasses a conceptual framework for understanding the universe of Youth Employment Promotion (YEP) interventions that exist today. It organizes YEP interventions into four primary categories that fit with an economic understanding of labor markets, namely 1) supply-side

<sup>1</sup> <http://www.cultureofpeace.com/heroes/annan.htm>

interventions that focus on promoting the employability of the labor **supply**, 2) demand-side interventions that expand employment opportunities by creating a **demand** for labor, 3) **matchmaking and mediation (M&M)** interventions that facilitate information exchange between labor supply and demand, and bring transparency to the market and 4) **comprehensive** interventions that include activities from a combination of the other three categories. Within each primary category of the YEF, sub-categories create the bridge between the labor market and youth development. Activities and programs for each sub-category are geared toward the challenges and barriers youth face in their transition into the workforce and into adulthood in general.

The supply-side sub-categories—basic education, TVET, entrepreneurship training, and social services support—all contribute to enhancing youth employability. Subcategories on the demand-side contribute to expanding job opportunities and supporting entrepreneurial activities. Active Labor Market Policy (ALMP), Labor Market Intermediaries (LMIs), and youth policy and institutions are all activities within the matchmaking and mediation category that aim to make the labor market function more effectively. Finally, the category of comprehensive interventions, viewed by YEP practitioners as the most successful approach to addressing youth employment needs, combines several interventions from more than one primary category. The comprehensive category addresses several different types of labor market failures simultaneously.

### Section III AN ANALYSIS OF YOUTH EMPLOYMENT PROGRAMS WORLDWIDE

The World Bank's Youth Employment Inventory (YEI) is a database of 289 global youth employment programs from 84 countries. The dataset was customized to fit the Youth Employment Framework (YEF) in order to identify which categories of YEP interventions are most common globally, which regions have the highest concentration of YEP interventions, and where the gaps in YEP programming are across regions. The analysis was performed on a sub-section of the data, 167 programs representing YEP interventions in developing countries.

The majority of YEP programs can be described as addressing failures on the supply-side of the labor market. Approximately 50 percent of interventions in developing countries focus on training, education, and workforce development. Comprehensive interventions account for 34 percent of all interventions, with the demand-side and

matchmaking and mediation categories the least represented globally. Programs focused on boosting demand to expand job creation and mediating between both sides of the labor market make up 12 and 4 percent, respectively.

Regionally, 41 percent of YEP interventions take place in Latin America and the Caribbean, followed by Eastern Europe and Central Asia with 25 percent and Sub-Saharan Africa with 17 percent of all programs. The majority of YEP activities are concentrated on supply-side interventions such as Technical Vocational Education and Training (TVET). Conversely, there is a scarcity of YEP programs that focus on demand-side interventions, and more specifically job creation across all regions.

The YEI data captures several other program characteristics relevant to this analysis, specifically geographic location (rural versus urban), target populations, emphasis on entrepreneurship and levels of monitoring and evaluation. Within the YEP programs, there is a geographic preference toward urban programs, which could reflect the large differences between urban and rural areas in economies, human capital, and cultural contexts, which affect YEP programming outcomes.

The majority of programs target low-income youth and youth with low educational attainment.<sup>2</sup> Besides economic status and educational attainment, the third most common target population is young women, as they experience a significant disadvantage in employment outcomes.

Lastly, there is scarcity of rigorous program monitoring and evaluation in the form of net impact evaluations and cost-benefit analyses within the YEI. Demand-side programs have the highest percentage of net impact evaluations that also include cost-benefit analysis. Both M&M and supply-side programs have the lowest quality of evaluations with the highest percentage of missing evaluations information.

### Section IV KEY FINDINGS & STRATEGIC RECOMMENDATIONS

The major findings in the report identify where the greatest need for Youth Employment Promotion is by geographic region. Secondly, the report uses the Youth Employment Framework to analyze the World Bank's YEI dataset and provide a snapshot of the status of YEP programs globally. The findings from this analysis will help inform on-the-ground assessments regarding root causes of youth unemployment and underemployment and result in

<sup>2</sup> "Low income youth" generally refer to youth living on under USD1 per day. "Low educational attainment" youth generally refer to some secondary education or less. These definitions vary by agency and/or author.

better informed program design. The recommendations presented below are a blend of the quantitative analysis presented and best practices from programs on-the-ground. They reflect broad themes related to youth employment programming and policy design and were formulated specifically with Ikatu's priorities in mind.

The report finds that, based on the condition of its youth, Sub-Saharan Africa (SSA) exhibits the greatest need for YEP programs when compared to other regions. SSA, while having the third largest population of youth, also has the highest proportion of youth in the total population. In addition, more than half of the region's youth live below the poverty line. SSA also contains the greatest number of countries designated at Low Human Development on the Human Development Index, and the greatest population of out-of-school youth. It is also important to note that although the majority of the youth population still lives in rural areas, SSA has the fastest rate of urbanization in the world.

The analysis of the YEI database shows that the majority of youth interventions in SSA are comprehensive in nature and emphasize entrepreneurship. Although the demand-side and M&M intervention categories are not well represented in SSA, the fact that comprehensive interventions are so prevalent may make up for this gap. Without careful assessment on the ground however, it is hard to know if the lack of programs in these two categories is a cause for concern.

Several strategic recommendations for future YEP programming emerge from the findings in this report. The recommendations respond to broad themes related to youth employment program and policy design such as geographic location, level and type of engagement with stakeholders, YEP intervention category based on the Youth Employment Framework, target population, and types of program monitoring and evaluation.

New YEP interventions should prioritize urbanizing areas within Sub-Saharan Africa and South Asia, the two regions with the greatest need for YEP interventions. Interventions will have to take into account the geographies of urban slums where the majority of the working poor live and earn a livelihood through activities in the informal economy. New interventions, especially in Sub-Saharan Africa, should be comprehensive in nature and be heavily focused on demand-side and M&M interventions.

Young women are disproportionately at a disadvantage for all indicators of need in Sub-Saharan Africa and South Asia. Therefore, all YEP interventions should use a gender lens in program design as a best practice. In addition, interventions should understand and target the sub-populations of youth, such as low-income young people, rather than attempt to address youth as a whole. However, decisions to target a specific disadvantaged population, such as young women or HIV/AIDS orphans, need to be based on assessment of their levels of vulnerability and root causes of unemployment in the local context.

Finally, regardless of the intervention type and target population, monitoring and evaluation (M&E) should be incorporated in the design and planning phases of all YEP interventions. Similarly, ongoing program evaluation should be integrated throughout the project cycle in order to adjust and revise program design based on evidence of what works and what should be reassessed. To be effective, methods of monitoring and evaluation should also include community feedback mechanisms.

In conclusion, the overview of global need presented in this report, along with data analysis of existing YEP programs, has led to critical findings and recommendations for organizations interested in developing new programs addressing youth unemployment worldwide.



# INTRODUCTION

Youth constitute the human capital of a nation. They represent its political leaders, tradesmen, academics, doctors, innovators, and artists. Institutions, both public and private, must invest in building the capacity of young people in order to assure a sustainable future for their society.

The Millennium Development Goals (MDGs) as well as the United Nations define youth as those individuals between the ages of 15 to 24 (see Figure 1.1). While this constitutes the generally accepted international standard used to define youth, a young person is often characterized as such based on socioeconomic, cultural, or institutional contexts that vary by country and individual situation.<sup>3</sup>

Some scholars and institutions prefer to use the term *young person* based on a more contextualized understanding of youth. Governments also may use the term *youth* to refer only to young males, thus excluding young women. Yet another definition of youth is based on a lifecycle approach and encompasses a much wider age range, often from 10 to 35.<sup>4</sup> For the purpose of this report, youth will be defined as ages 15 to 24 unless otherwise noted.

The term *youth* defines a period of time when a person moves from dependency on parents or guardians to the independent life of adulthood. This developmental process is full of many challenges such as securing employment, which provides a stable source of income, beginning to live separate from family, and establishing meaningful relationships with people outside family circles. These important transitions often results in marriage and the start of one's own family, denoting the increased responsibility of adulthood in many cultures.<sup>5</sup>

The topic of Youth Employment Promotion (YEP) combines issues of youth development with issues of labor markets. Employment is only one aspect of the wider field of youth development that can encompass socialization, education, health behaviors, and civic participation. Similarly, the field of labor markets and employment is rooted in the larger field of economic development.

YEP programs can effectively help young people transition to secure and stable employment and begin their working lives with dignity and respect by integrating a thorough understanding of labor market forces with youth development issues. Figure 1.1 illustrates the wide array of youth development goals as outlined by the United Nations (UN) MDGs. While youth employment may be a specific program goal to achieve, it is vital that those working in the YEP sector remain aware of the wider challenges that many youth face in developing countries such as the threat of HIV/AIDS, access to education, environmental degradation, poverty, and hunger.

This report is designed to assess the current need for Youth Employment Promotion (YEP) at a regional level and assess the type of interventions already in place globally. Section I provides an overview of global indicators and an analysis of the current status of youth at the regional level, including data on youth demographics, disadvantaged youth populations, literacy, education, and youth employment. Section II focuses specifically on YEP interventions and presents a conceptual framework for better understanding this field of youth development. Building on the Youth Employment Framework explained in Section II, Section III analyzes the World Bank Youth Employment Inventory dataset of existing YEP programs to explore which are most common globally, which regions are well represented with YEP interventions, and identify gaps in YEP programming across regions. Section IV concludes by integrating the challenges youth face today with gaps in YEP programming to provide strategic findings and recommendations for moving youth employment and development forward (see Appendix A for complete methodology).

3 O'Higgins, 2003

4 Curtain, 2004

5 World Bank, 2005

FIGURE 1.1 **Youth and the Millennium Development Goals<sup>6</sup>**

HOW IS YOUTH RELATED TO THE MILLENNIUM DEVELOPMENT GOALS?	
<b>Goal 1: To eradicate extreme poverty and hunger</b>	Youth poverty and rural development Youth living in urban slums Role for youth in combating corruption
<b>Goal 2: To achieve universal primary education</b>	School participation Youth as peer mentors
<b>Goal 3: To promote gender equality and empower women</b>	Education for young women Enhancing non-formal ed for young women Creating girls clubs and orgs
<b>Goal 4: To reduce child mortality</b>	Training youth to provide basic health services Establish teen clinics and peer education/ counseling
<b>Goal 5: To improve maternal health &amp; Goal 6: To combat HIV/AIDS</b>	Reduce adolescent pregnancy and STIs Peer education
<b>Goal 7: To ensure environmental sustainability</b>	Engage youth in environmental issues through advocacy and local action
<b>Goal 8: To develop a global partnership for development</b>	Fairer trade Youth employment Youth entrepreneurship Young people and ICT

### A NOTE ON GLOBAL DATA

It is important to note that when using global data to construct comparisons by region or by country, there are several potential complications.

Firstly, nations often have different systems to quantify indicators. An example is indicators measuring the informal economy. Since this is a more recent area of study, there has been no worldwide standardization of measurement and many countries label the informal economy with a range of titles from “self-employed”, to “informal”, to “enterprises”.

A second complication, and probably the most challenging, is the vast difference in the quality of data by region and nation. Data often comes from a government entity, such as in the case of census data, but can also come from NGOs, research centers, or private firms. The resources and capacities of these institutions vary greatly by country and by region, thus affecting the ability to compare data.

Lastly, data is political. Indicators for the number of migrants flowing into a country, the economic needs of youth, and literacy rates can represent highly charged political debates both internal to a nation and in the wider international realm. Donors rely on these numbers to provide aid, which can also influence methodology depending on the country. Despite these challenges, there is a wealth of information that exists even for the poorest nations. The key is to understand the context in which the data was collected, rely on established sources, and maintain a critical eye throughout the analysis.

<sup>6</sup> The Millennium Development Goals (MDGs) were established in 2000 by the UN and other world leaders as a target to end poverty by 2015. They have been adopted by most international development agencies as a framework for program intervention and impact measurement.

# THE GLOBAL STATUS OF YOUTH:

## A Complex Landscape

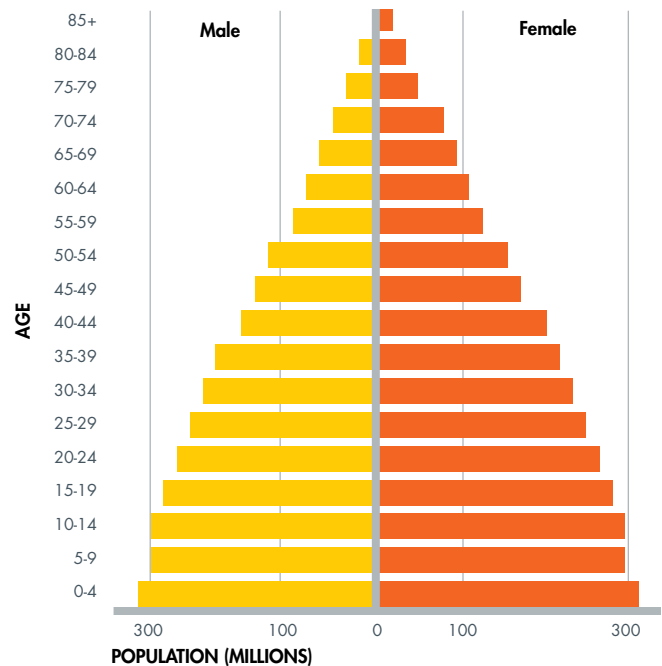
### Youth Demographics

Youth represent a country or region's future growth, health, and prosperity. In order to fully activate this source of human capital, policy-makers must understand the diverse nature of youth as a heterogeneous population with wide ranging skills, challenges, and belief systems. A basic demographic description of the global youth population, disaggregated by region, is the foundation needed to build a more articulated understanding of the state of youth in the world today, and how this picture affects employment and economic opportunities. For instance, while young people represent only 25 percent of the world's working age population, they account for almost one-half of global unemployment.<sup>7</sup>

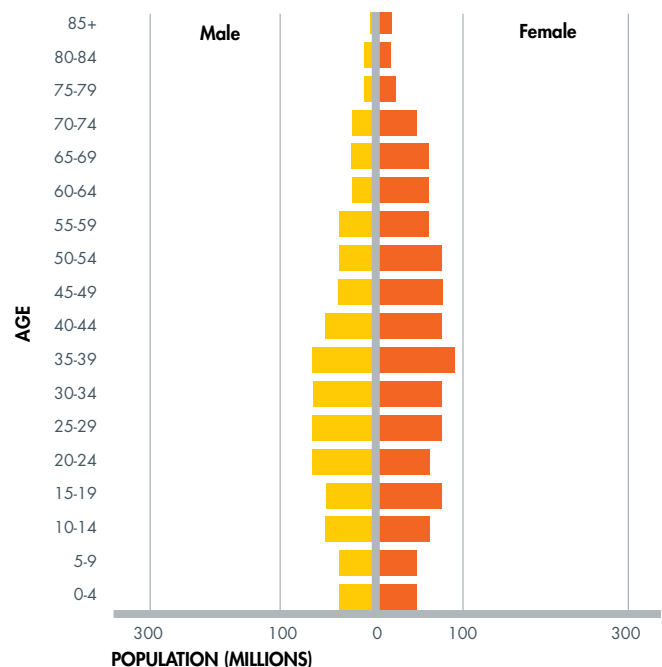
The demographic pyramid depicting the number of people by age range reveals a *youth bulge* (see Figure 1.2). The largest age grouping is the youngest, forming the wide, bulging base of the pyramid, and the smallest sliver at the top represents the oldest cohort of the population. The *youth bulge* is most often observed in developing countries with high fertility rates and low life expectancy. Developing countries that are in conflict may have these same indicators, but show a different demographic pattern, particularly if there is a sharp decline in life expectancy for youth due to conflict-related injuries and deaths.

Figure 1.2 **Global Youth Bulge** Source: World Bank, 2007

POPULATION BY SEX AND AGE GROUP, LESS DEVELOPED COUNTRIES, 2004



POPULATION BY SEX AND AGE GROUP, MORE DEVELOPED COUNTRIES, 2004

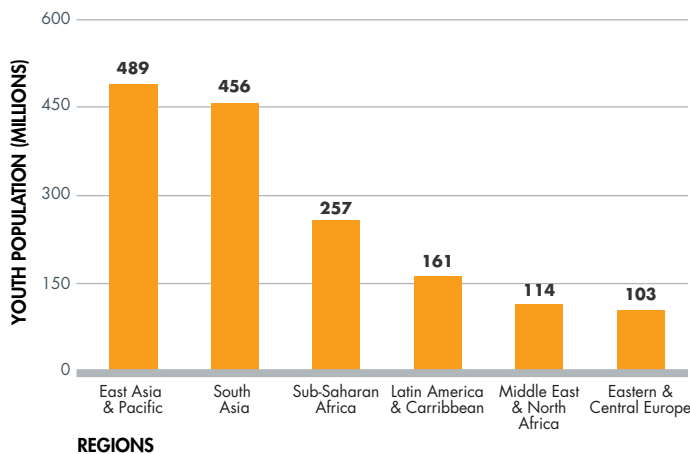


<sup>7</sup> Betcherman & Godfrey, et al., October 2007.

Having a large proportion of youth in a population presents both challenges and opportunities for the national economy. For instance, the cost of social programming and services, such as healthcare and education, may be disproportionately high compared to the tax contributions of the wage-earning population. On the other hand, much has been discussed about the economic opportunities that can arise when there are a large number of new workforce entrants, which boost economic growth in a country.<sup>8</sup>

Youth demographics vary greatly between middle-income and low-income nations (see Appendix E for definitions) and dictate very different approaches to youth training and employment strategies. For instance, in Thailand, a middle income country, the youth-population ratio has been on a steady decline since 1990 when it peaked at 22 percent of the total population. A shrinking population of young, cheap labor necessitates that the economy shift away from lower-skilled industries that employ larger numbers of workers to higher-skilled labor, which tends to employ less of the population. For middle-income countries, the issue is how to make this adjustment. For most developing countries, youth are generally at a lower level in terms of skills and education, due in part to their demographic profile.

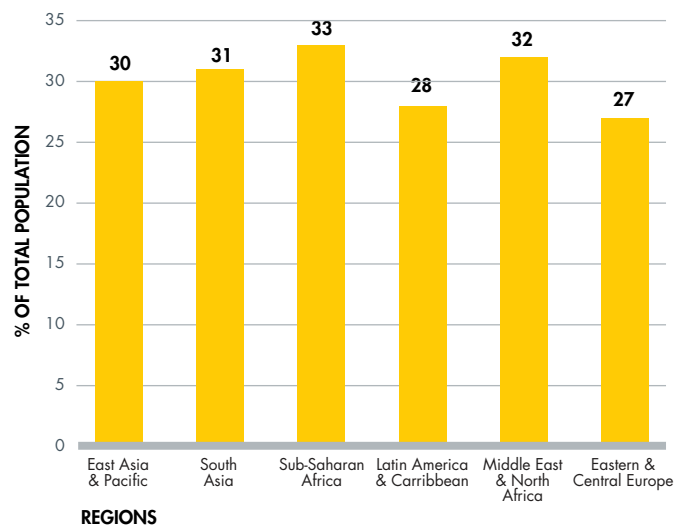
Figure 1.3 **Global Youth Population by Region (ages 10–24), 2006** Source: World Bank, 2007



8 World Bank, 2008.

As much as 89 percent of the world’s youth were living in developing economies as of 2005.<sup>9</sup> When this number is broken down regionally, East and South Asia contain the largest number of young people with close to 489 and 456 million young people, respectively. Africa contains the third largest youth population with 257 million, followed by Latin America and the Caribbean (LAC), the Middle East and North Africa (MENA), and lastly by Eastern and Central Europe (ECE) (see Figure 1.3), (see Appendix B for the regional breakdown by country).

Figure 1.4: **Youth as Share of Total Population by Region, 2006** Source: PRB, 2006



The sheer numbers of youth worldwide must also be put into perspective in terms of the overall population of a region. If a country has a higher proportion of youth, this can indicate a potentially different labor market structure than a region where youth are a relatively small proportion of the population. Figure 1.4 illustrates this point, showing that SSA, with the third largest number of youth, actually contains the highest proportion of youth, making up 33 percent of the total population. The MENA region is close behind with 32 percent, followed by South Asia with 30 percent.

9 ILO, 2006.

Youth also vary in terms of their participation in the labor force. While a region may have a large number of young people, they may delay working until later in life in order to remain in the formal education system rather than entering the labor market. This is one possible reason for the discrepancies seen in Figures 1.5 and 1.6, which highlight rates of entry into the labor pool. The arrows in Figure 1.6 indicate a higher or lower percent of entry into the global youth labor force. Notably, regions with higher youth labor entry are SSA, East Asia, and Southeast Asia and the Pacific (SEAP) regions. Prolonged education is one common reason for lower youth labor force participation. However, in the case of the MENA, another possible explanation might be the lower levels of female youth participation, which may also reduce the labor force rates.

Another key factor to examine is youth labor participation as it compares to the adult working-age population. This can also shed light on the options (if any) that youth have for delaying entry into the workforce or, conversely, the barriers that exist for youth who are ready to enter.

Figure 1.5 **Regional Distribution of Youth**

Source: ILO, 2006

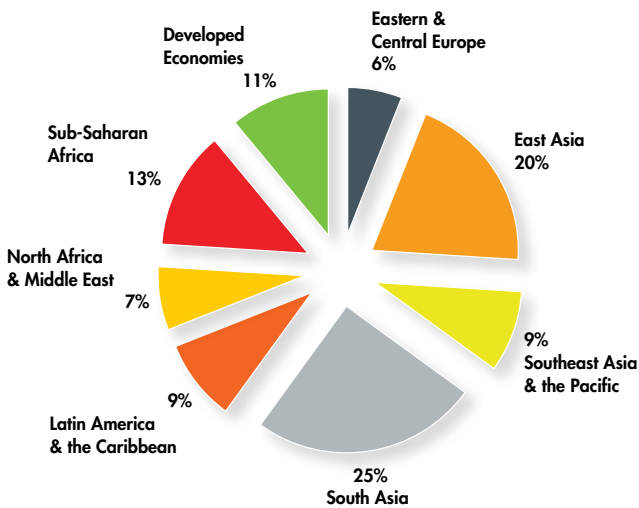
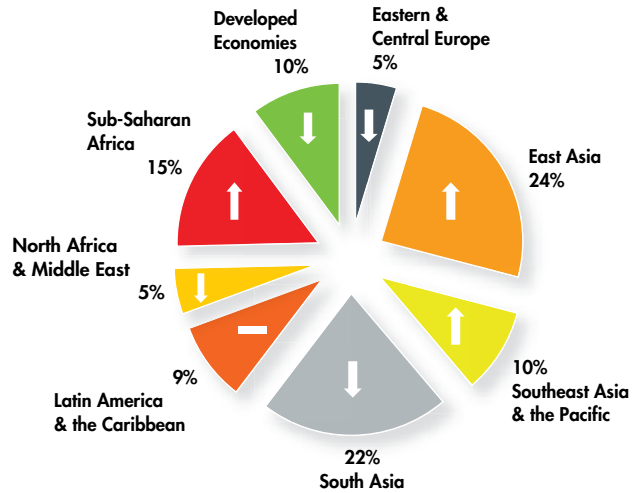


Figure 1.6 **Regional Distribution of the Global Youth Labor Force, 2005** Source: ILO, 2006



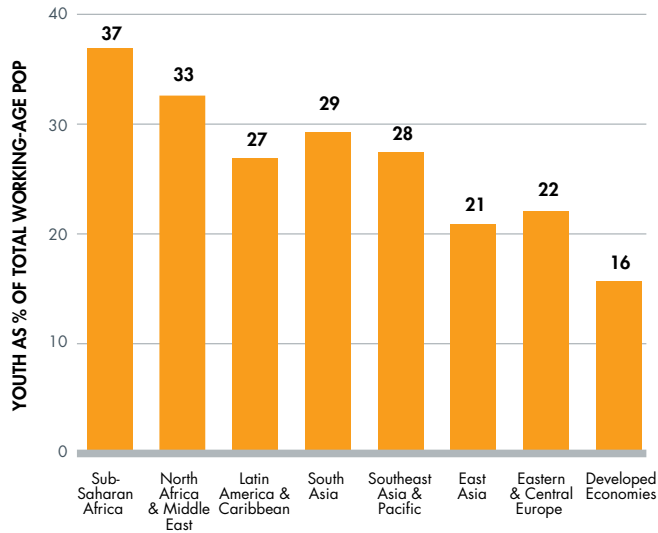
\*An arrow indicates if the percentage of youth in the labor force is higher or lower than region's proportion of the world's youth.

Figure 1.7 presents a picture of youth labor in developing regions as compared to more developed economies. The least developed regions have the highest share of working youth, with Sub-Saharan Africa standing out at close to 40 percent, followed by the Middle East and North Africa, and South Asia, both close to 30 percent.

Further investigation is needed, but Figure 1.7 indicates that youth in the poorest regions of the world are more likely to be working, most likely in lieu of continuing education and skills training of some sort. This trend is consistent with current literature that reveals countries with large youth populations and high levels of poverty as having a larger youth workforce characterized by lower skill levels. For these countries, the barriers to youth entering the workforce are not as important as the skill levels needed for existing youth jobs, whether the jobs are in the informal or formal sectors, and the types of work environments where youth are employed.

Figure 1.7 Youth Share in Total Working-Age Population by Region, 2005

Source: UN Statistics Division, 2006



Youth characteristics vary dramatically within regions as well as between them. One important aspect to youth diversity, particularly in regards to accessing labor markets, resources, and social networks, is the level of urbanization where youth live and work. Figures 1.8 and 1.9 give a broad overview of youth geography and an idea about where youth may be located in the future.

Figure 1.8 Youth Living in Rural vs. Urban Areas by Region

Source: UN Statistics Division, 2006

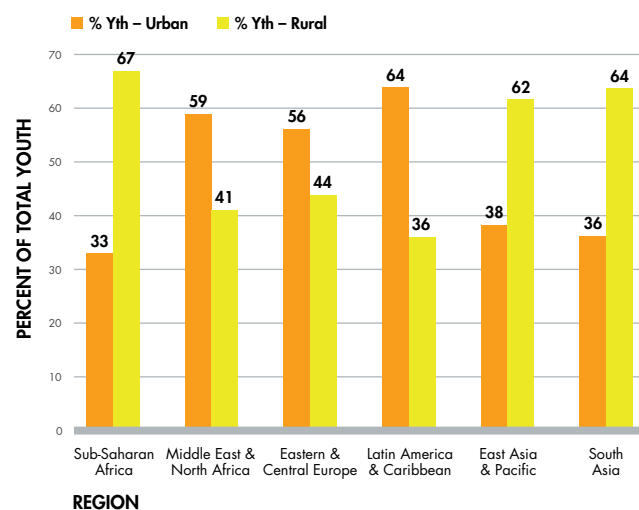


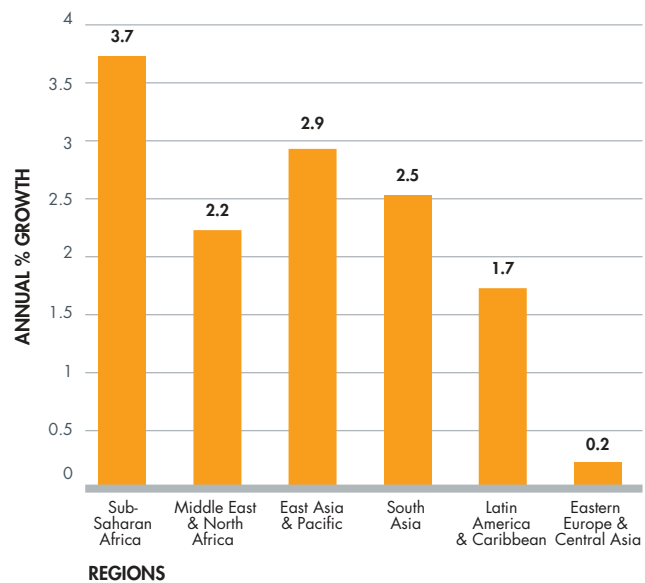
Figure 1.8 shows the overall regional breakdown of youth between urban and rural areas. In regions such as Sub-Saharan Africa and most of Asia, the majority of the youth population can be found in rural areas. This trend differs

greatly in the Middle East and North Africa, Latin America and the Caribbean, as well as in Eastern and Central Europe where most youth live in urban environments.

Figure 1.9 serves to further illuminate the issues of youth migration and urbanization trends for Sub-Saharan Africa, South Asia, and East Asia and the Pacific. While youth living in these regions today are mostly located in rural areas, the urbanization rates for these regions are the highest, indicating a strong trend of youth migration to urban and peri-urban centers. These demographic shifts should be taken into consideration for future planning and youth programming as the number of the urban poor in developing countries have also been growing and out-pacing job growth in many places.<sup>10</sup> Since there has been no reverse in urban migration trends, urban labor markets will only become more competitive, particularly for low-skilled workers.

Figure 1.9 Urban Population Growth Rates by Region, 2007

Source: UN Statistics Division, 2006



## Disadvantaged Youth Populations

Youth as a population is far from homogeneous. Youth programs or the *youth lens* for crafting policy must take into account the many sub-groups that constitute youth. This is most important when addressing disadvantaged youth populations. In particular, young women, youth with disabilities, those affected by HIV/AIDS, ethnic minorities, demobilized soldiers, migrants, and refugee youth are often at an increased disadvantage.<sup>11</sup> These groups are often referred to as *at-risk youth*, *vulnerable youth*, or *disadvantaged youth*.

<sup>10</sup> Osinubi, 2003.

<sup>11</sup> Belcherman & Godfrey, et al., July, 2007.

In terms of employment, vulnerable youth are defined as those who, due to socioeconomic (and sometimes political) circumstances, are vulnerable to facing difficulties in the process of labor market integration or, if working, are vulnerable to working under inadequate conditions.<sup>12</sup> This section will highlight several of the main disadvantaged youth populations, namely, out-of-school youth (school age youth versus youth who are past formal schooling age), female youth, disabled youth, and orphans (both due to HIV/AIDS and other causes).

### OUT-OF-SCHOOL YOUTH

Without entry into the formal education system at the primary or secondary level, employment options for disadvantaged youth are generally limited to low-skilled and low-wage jobs. This often contributes to static or increased levels of poverty. Globally, the number of out-of-school children dropped from 96 million to 72 million between 1999 and 2005, which indicates progress toward the goal of universal primary and secondary schooling. However, it has been shown that more than half of all children out of school have never been in school and may never enroll without additional programs and policy steps. Youth that are out of school are more likely to be from a poor household, live in a rural area, and/or have a mother with no schooling.<sup>13</sup> Out-of-school youth are also disproportionately female, putting young women at greater risk for unemployment or underemployment.

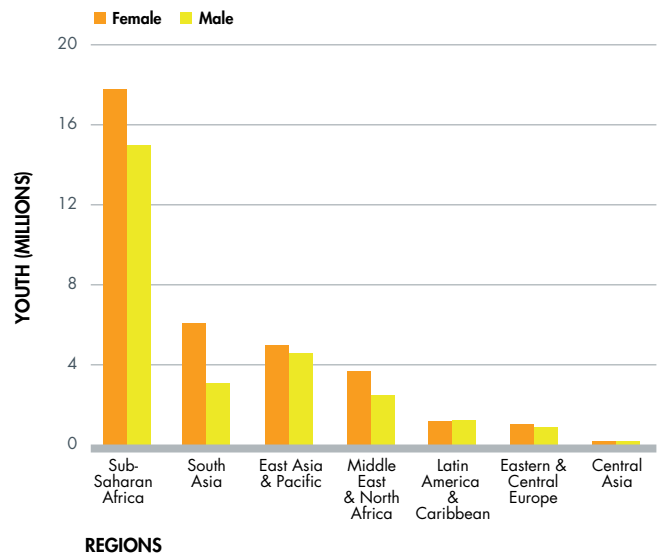
Figure 1.10 shows the total out-of-school populations by region as of 2005. Africa and Asia have by far the greatest populations of out-of-school youth followed by LAC, and lastly Eastern Europe. Within regions, Ethiopia in Sub-Saharan Africa and India in South Asia stand out among other countries examined with some of the highest numbers of out-of-school youth.

### FEMALE YOUTH

Young women are also particularly disadvantaged and make up a larger proportion of out-of-school youth in almost every region. Disparities by gender are most notable in South Asia and Sub-Saharan Africa. Cultural preferences of investing more in males by sending them to school in greater numbers than females, early marriage, pregnancies at a young age, and a low status of women are all contributing factors.

Figure 1.10 **Out-of-School Youth by Gender and Region, 2005**

Source: World Bank – World Development Indicators, 2007



### DISABLED YOUTH

Disabled youth are disadvantaged in many countries, both in the formal educational system as well as later on in the job market. Inclusive education models are still not operational in many regions, both in developed and developing countries.

Local school systems in developing countries may not have the capacity or resources to create inclusive curricula or physical space for learning. However, there have been several policy initiatives recently that attempt to address this need. Most notable is the Convention on the Rights of Persons with Disabilities adopted by the United Nations General Assembly in 2006, which has been signed by more than 100 countries and represents an important shift in the development perspective from one of medical welfare to one of human rights.<sup>14</sup>

Africa has the highest number of disabled youth, with countries such as Djibouti, Central African Republic, Cameroon and Sierra Leone having above 20 percent of the population identified as disabled. In Asia, Bangladesh and Mongolia stand out and in Eastern Europe, Montenegro (see Figure 1.11). Conflict and violence is a potential cause for high rates of youth disability.

<sup>12</sup> ILO, 2006.

<sup>13</sup> UNESCO, 2008.

<sup>14</sup> UNESCO, 2008.

Figure 1.11 Disabled Youth Population by Region<sup>15</sup>

Source: UN Enable, n.d.

DISABLED YOUTH POPULATION AS % OF TOTAL YOUTH BY REGION		
REGION	COUNTRY	% DISABLED YOUTH
AFRICA	Algeria	1
	Cameroon	23
	Central African Republic	31
	Chad	3
	Djibouti	35
	Egypt	8
	Ghana	16
	Rwanda	2
	Sao Tome and Principe	16
	Sierra Leone	23
ASIA	Bangladesh	18
	China	3
	Iraq	15
	Mongolia	17
	Thailand	12
	Uzbekistan	2
EASTERN EUROPE	Bosnia and Herzegovina	7
	Albania	11
	Macedonia	10
	Montenegro	13
	Serbia	11
LATIN AMERICA and CARIBBEAN	Jamaica	15

## ORPHANS

Orphans are a unique population in terms of their risks and level of vulnerability. Unsafe home environments, higher rates of abuse, malnutrition and disease, and greater incidence of trauma all contribute in reducing orphans' access to opportunities and resources.<sup>16</sup> Orphans also face the possible loss of inheritance, lack of adult supervision, and are at higher risk than non-orphans for discrimination, social exclusion, dropping out of school, and reduced access to basic health care. All these factors impact the employment potential of orphans significantly.<sup>17</sup>

<sup>15</sup> Data refers to the most recent year available by country during the range of 1999-2006.

<sup>16</sup> World Bank, 2005.

<sup>17</sup> UNESCO, 2008.

Figure 1.12 Map of Orphans in Africa

Source: UNAIDS, 2007

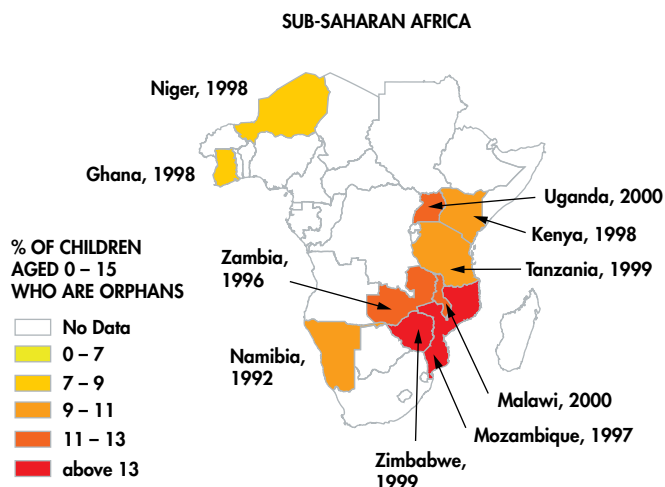
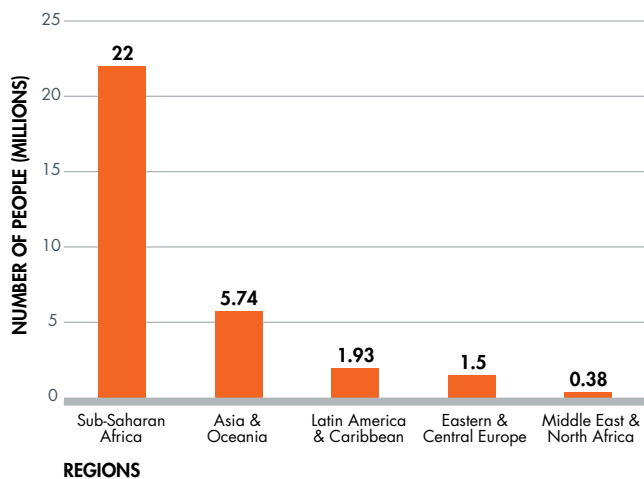


Figure 1.12 illustrates the number of orphans relative to the general youth population in certain countries within Africa characterized by high rates of HIV/AIDS cases. It is clear that, while orphans are a marginalized population, they are a relatively small group. This is not consistent across all regions, however, with a greater proportion of orphans in Southern Africa than anywhere else. The rising number of orphans in Sub-Saharan Africa over the past 8-10 years is directly linked to the spreading HIV/AIDS pandemic.

Figure 1.13 provides an overview of the pandemic illustrating the hugely disproportionate burden of HIV/AIDS cases that are found in SSA as opposed to any other single region. In terms of human capital, this disease has been devastating to several generations of youth on the continent. While in general youth living with HIV or caring for HIV-positive family members can still lead full and active lives, this is very difficult in resource-poor settings. People living with HIV have added nutritional requirements and need to purchase antiretroviral (ARVs) treatments. Both of these expenses can have a serious economic impact on poor households. Without these vital methods of care, energy levels and the capacity to function and earn a livelihood are seriously impaired.

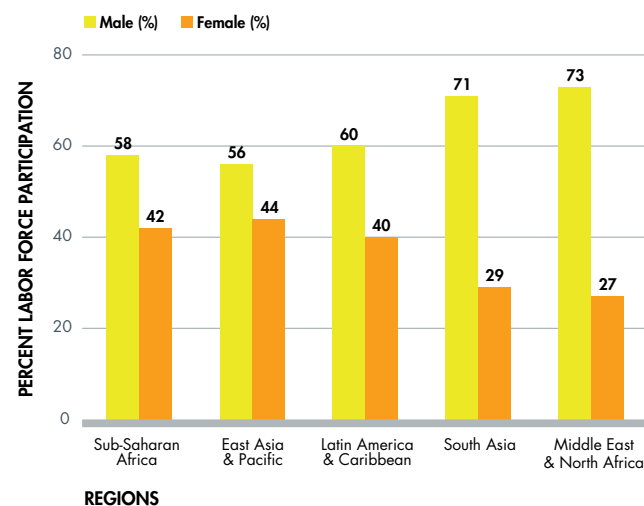


Figure 1.13 **Number of People Living with HIV/AIDS by Region, 2007** Source: UNAIDS, 2007



Young women and girls in many developing countries face a host of challenges that their male counterparts do not. Across the board, young women are significantly less represented in the labor force and make up the largest population living in poverty. Figure 1.14 shows that the greatest gender disparities in labor force participation exist in the Middle East and North Africa as well as in South Asia. In the Middle East and North Africa, men make up more than double the number of women in the workforce. Lack of economic and educational opportunities is deeply tied to cultural norms, the status of women, and gender power dynamics.

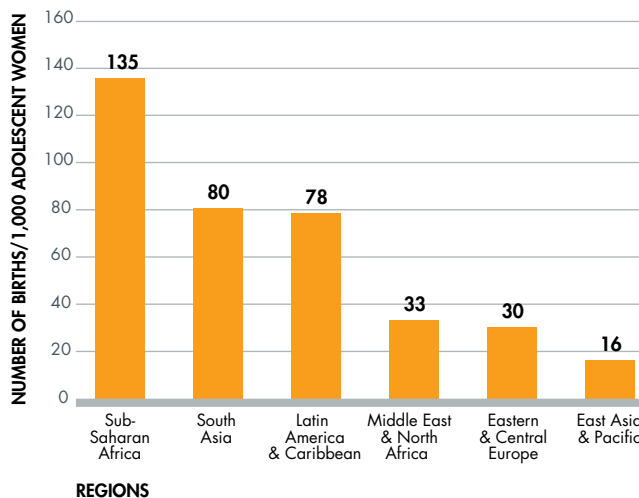
Figure 1.14 **Regional Labor Force Participation by Gender, 2004** Source: World Bank – Genderstats, n.d.



Other challenges women face are lack of education and lack of reproductive health rights including access to contraceptives. Figure 1.15 illustrates regional rates of adolescent fertility. Sub-Saharan Africa exhibits the highest rate of adolescent fertility. In many cases, childbirth early in life forces young women out of the formal educational system to either stay home to care for their child or to leave the child with family members and enter the workforce to obtain additional economic resources.

Figure 1.15 **Adolescent Fertility Rate (births/1,000 Women Ages 15-19)**

Source: World Bank – Genderstats, n.d.



## Economic Indicators

Youth employability is directly linked to the economic conditions affecting youth at the local, regional, national and global level. An unemployed young person living in poverty has far less access to resources and capital than a young person who is not living in poverty.

Economic robustness also shapes youth perceptions about what they can and cannot accomplish in the professional sphere. Young people find it disproportionately harder to enter the labor market in nations with weak labor demand, thus the overall health of the economy is critical.<sup>18</sup>

Measurements of economic development such as Gross Domestic Product (GDP) or Gross National Income (GNI) per capita provide standardized comparison across nations. While these measures are helpful in overview comparisons, they do not provide information on how resources are distributed across a population nor do they

<sup>18</sup> Betcherman & Godfrey, et al., July, 2007.

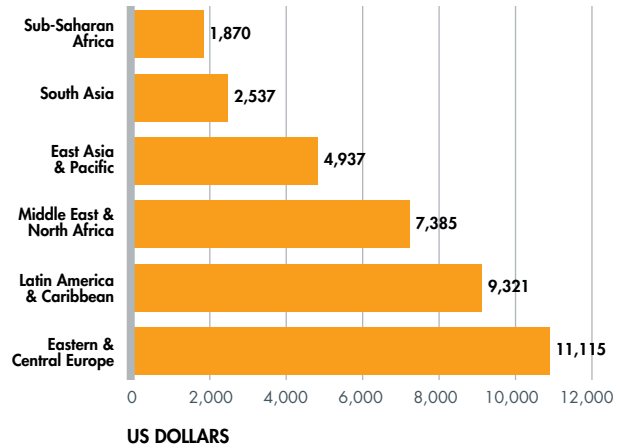
take into account noneconomic development factors. Recent poverty measures such as the Human Development Index (HDI) created by the United Nations Development Program (UNDP) for the 2004 Human Development Report, include indicators on life expectancy, education, and per capita income <sup>19</sup> In order to provide a broad overview of the general economic situation by region, this section will examine the economic indicators of GNI per capita PPP (see Figure 1.16), percent of youth living below the poverty line (see Figure 1.17), and look at the lowest country rankings according to the HDI (see Figure 1.18).

Figure 1.16 illustrates GNI by region, showing the extreme differences in the economic situations of youth regionally. Most notable is Africa, hovering close to US \$1,800 per capita annual income. Given that youth are suffering more from unemployment than adults of working age, this number can be assumed to be even lower for young people. South Asia has the second lowest GNI per capita at US \$2,537. East Asia and the Pacific has about double the per capita GNI of South Asia, followed by the Middle East and North Africa, Latin America and the Caribbean, and finally Eastern and Central Europe at US \$11,115.

The economic condition of a region or country has significant implications for youth employability with regard to the resources and opportunities available. In terms of an economic measure however, GNI per capita averages income across the population, which is not an accurate representation of wealth distribution in many countries. For this reason, it is important to take a targeted look at poverty levels.

Figure 1.16 **Gross National Income per Capita by Region, 2007\***

Source: World Bank – World Development Indicators, 2007

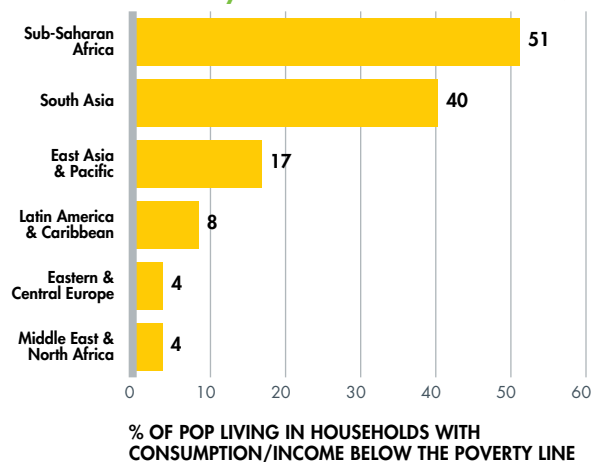


\* Based on Purchasing Power Parity (PPP), which take into account differences in the relative prices of goods and services

Figure 1.17 examines the percent of youth living below the poverty line defined by the World Bank as people living on \$1.25 per day or less and adjusted according to purchasing power parity so that the costs of goods and services are factored in as well. Sub-Saharan Africa, with the lowest GNI per capita has more than half of its youth living below the poverty line. Forty percent of young people in South Asia live in poverty. These sobering statistics are by far the worst for SSA and South Asia and improve dramatically for the remaining regions of the world. It is important to note that despite SSA and South Asia having some of the largest shares of their youth population in the workforce, the majority of youth still live in poverty.

Figure 1.17 **Percent of Youth Living Below the Poverty Line\***

Source: World Bank – Povcalnet, n.d.



\* Uses USD1.25 per day poverty line (World Bank standard) and 2005 PPP based on poverty estimates for the whole population.

<sup>19</sup> Curtain, 2004.

The Human Development Index (HDI) combines normalized measures of life expectancy, literacy, educational attainment, and GDP per capita for countries worldwide. This measure was developed by the UN Human Development Report Office and answers the demand from development practitioners and academic experts to create measurements that take into account a more comprehensive view of development beyond the standard economic rankings and measures.<sup>20</sup> The HDI calculates a composite index score for each country and then ranks the 177 represented nations by their index scores. Based on these rankings, nations are categorized as High, Medium, and Low levels of human development. Figure 1.18 features the countries that have been ranked as Low Human Development in the 2007-2008 HDI Report. All countries in this category are located in SSA, which is consistent with the results from other economic indicators of poverty and per capita GNI.

Figure 1.18 **Lowest Human Development Index Ranking, 2007-2008**<sup>21</sup>

COUNTRY	HDI SCORE
Senegal	0.499
Eritrea	0.483
Nigeria	0.470
Tanzania	0.467
Guinea	0.456
Rwanda	0.452
Angola	0.446
Benin	0.437
Malawi	0.437
Zambia	0.434
Cote d'Ivoire	0.432
Burundi	0.413
Congo, Dem. Rep.	0.411
Ethiopia	0.406
Chad	0.388
Central African Rep.	0.384
Mozambique	0.384
Mali	0.380
Niger	0.374
Guinea-Bissau	0.374
Burkina Faso	0.370
Sierra Leone	0.336

20 UNDP, n.d.

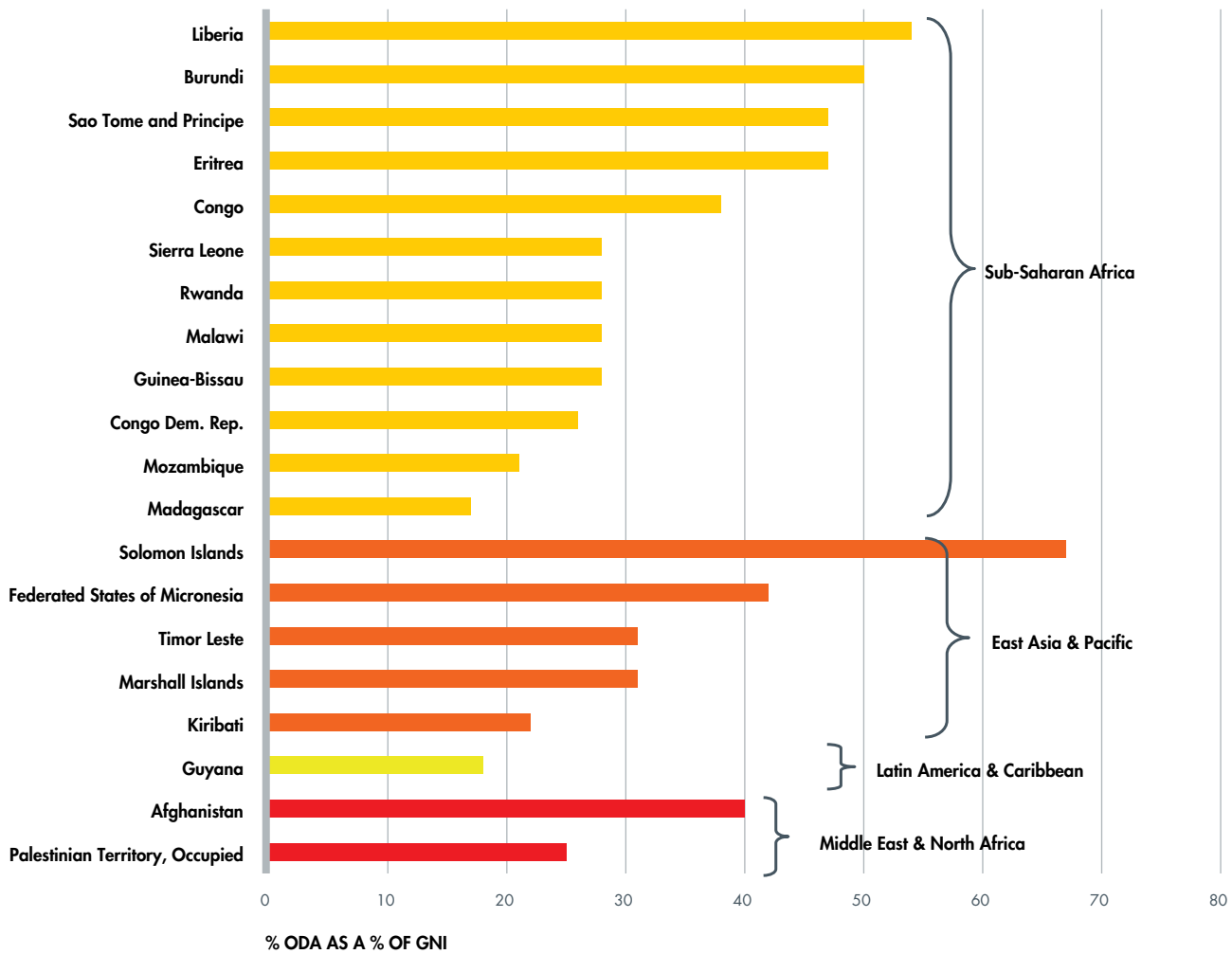
21 HDI is a composite index including measures of life expectancy, literacy, educational attainment, and GDP per capita.

The final economic measure examined here addresses the role of official development assistance in the economies of developing countries (see Figure 1.19). It is important to note that a certain portion of many developing countries' gross national income (GNI) comes from overseas development assistance (ODA) given by foreign nations.<sup>22</sup> Figure 1.19 shows the top 20 countries with the greatest portion of their GNI coming from ODA. More than half of these nations are located in Sub-Saharan Africa, five are in East Asia and the Pacific, one is in Latin America, and two are in the Middle East.

Many of these nations have suffered from war and conflict as well as from fragile political systems. The role of aid in a nation's economy continues to be debated, especially when this aid is a substantial portion of GNI or has been in effect for many years. Dependence can often be cultivated by foreign government donors in places where governance is weak, there is no discernible aid exit strategy, and careful attention to local capacity building is not adhered to. ODA may also artificially inflate the actual economic capacity of a country when only looking at the per capita GNI.

22 Official Development Assistance refers only to foreign government assistance.

Figure 1.19 **Official Development Assistance as a Percent of GNI—Top 20 Countries, 2005** Source: UNData, n.d.



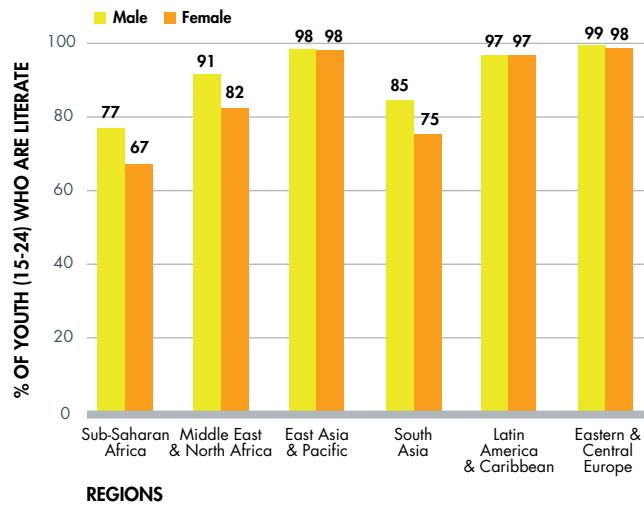
## Youth Literacy, Education, and Training

Youth’s role and effectiveness in the workforce is intimately tied to literacy, education, and training. These three topics relate directly to workforce readiness, competitiveness, and opportunity for advancement. Regional statistics for these three indicators are hugely significant to the field of YEP interventions that focus on technical vocational education and training (TVET).

Youth literacy is an important indicator of a country’s human capital and the capacity for its economy to adjust to higher-skilled productive opportunities. Literacy is distributed quite unequally though. Figure 1.20 illustrates both the disparities between men and women as well as regional disparities across regions, especially in Sub-Saharan Africa and South Asia where women are the most marginalized

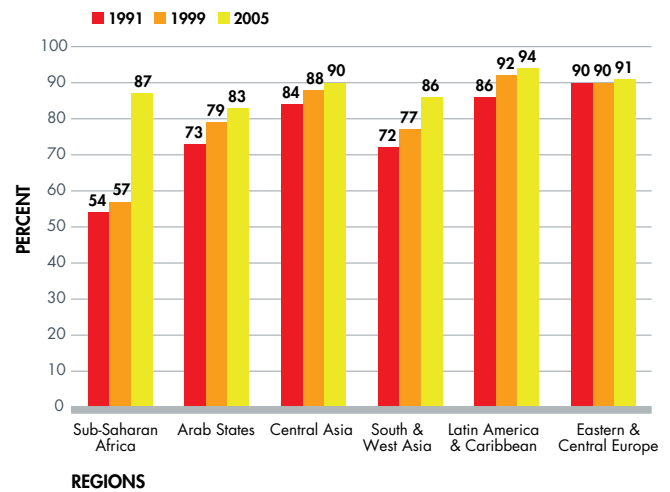
with regards to educational opportunities. While the gender literacy gaps are indeed closing in LAC and ECE, Asia and Africa still exhibit large disparities. Still, in many Asian and African countries, women make up more than half the population and the workforce. This trend further highlights the need to close the gender gap for basic skills such as reading and writing in order to increase equitable employability.

Figure 1.20 Youth Literacy Rates by Gender and Region, 2007 Source: UNESCO Institutes for Statistics, n.d



Youth participation in the formal education system is crucial to employability later on in life, especially during the school to employment transition. Early entry into the labor market could result in exploitation, low wages, and recurring cycles of poverty, particularly in a developing country where there is an overabundance of cheap, young workers. Countries around the world committed to achieving universal primary education especially under the Millennium Development Goals (MDGs). Figure 1.21 shows the shift in primary school net enrollment ratios over time. Sub-Saharan Africa illustrates a successful example of achieving dramatically higher primary school enrollment figures, jumping from 57 percent in 1999 to 87 percent in 2005. All regions have made improvements since 1991 with SSA, the Asia regions and the Arab States also making significant improvements.

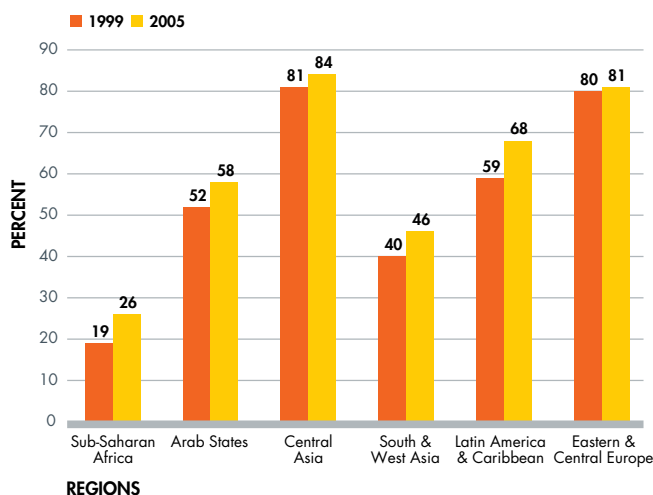
Figure 1.21 Primary School Net Enrollment Ratios by Year and Region (%) Source: UNESCO, 2008



The educational success stories begin to fade, however, for secondary enrollment ratios. Central Asia and Eastern & Central Europe have comparatively better results with net secondary enrollment ratios at 84 and 81 percent. However, Sub-Saharan Africa stands out as being far below the global average with only 26 percent of youth enrolled in secondary school. South & West Asia also lags behind with 46 percent of young people enrolled in secondary school (see Figure 1.22).

Figure 1.22 **Secondary Education: Net Enrollment Ratios by Year and Region, 1999 & 2005**

Source: UNESCO, 2008



Tertiary education usually provides the largest pay-offs for youth in terms of employment choices and remuneration after graduation. However, Figure 1.23 exhibits the incredibly low tertiary enrollment rates for youth seen across many regions of the world. The Arab States actually show a slight decline in tertiary enrollment from 1999 to 2005. Sub-Saharan Africa has only 5 percent of the population enrolled in tertiary educational programs. The one success story is found in Central and Eastern Europe, which saw an increase of more than 20 percent from 1999 to 2005.

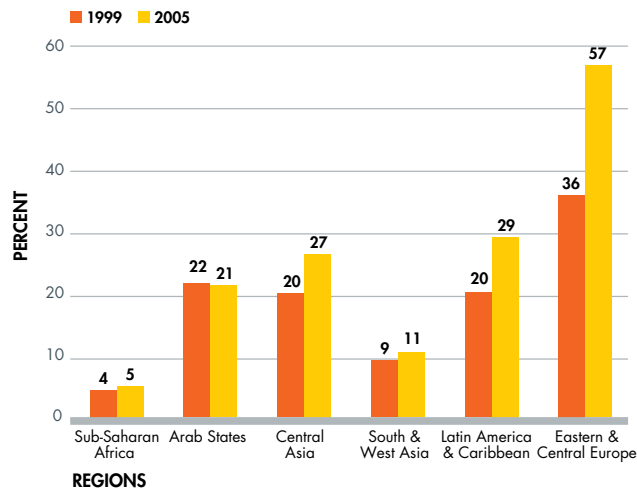
While the number of youth in secondary and tertiary education has increased, labor markets in many countries are not able to accommodate the growing number of skilled young graduates. This is partly due to the failure to closely link the educational system to the demands of the labor market, but is also a result of the increased numbers of youth entering the labor market. More youth are entering the market due to the demographic youth bulge in many developing countries and the lack of capacity to absorb the increased number of young people into the formal education system.

In the absence of opportunities in the formal labor market, young people are also turning to so-called forced *entrepreneurship* and self-employment in the informal sector, often working in hazardous conditions for low pay and with few prospects for the future. A combination of these factors can cause young workers to become disillusioned and alienated. Young people also comprise a large proportion of the 175 million global migrants, adding to the brain drain effect in developing countries.<sup>23</sup>

23 Schölvinck & Zelenev, 2007.

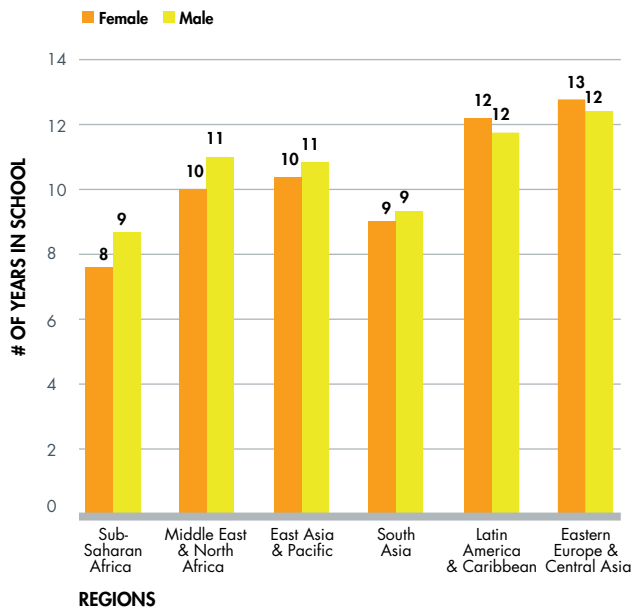
Figure 1.23 **Tertiary Education: Gross Enrollment Ratios by Year and Region, 1999 & 2005**

Source: UNESCO, 2008



School life expectancy is another indicator used to measure the robustness of a region's educational system as well as a measure of the status of women when disaggregated by gender. Figure 1.24 shows the average number of schooling years that can be expected to be completed for women and men by region. The lowest average level of schooling for both men and women is found in Sub-Saharan Africa followed by South Asia. In every region, except for Latin America and the Caribbean and Eastern and Central Europe, women complete less schooling than men.

Figure 1.24 **School Life Expectancy by Gender and Region** Source: World Bank – Youth in Numbers Series, 2005



Also related to educational indicators is youth’s level of technical vocational education and training (TVET). TVET is a key topic for discussion in relation to unemployment and underemployment among youth. TVET refers to a host of learning experiences and activities designed to prepare young people for the world of work.<sup>24</sup> Since youth population are comprised of school age and after-school age youth, TVET can take on two main forms—Technical Vocational Education (TVE) and Technical Vocational Education and Training (TVET).

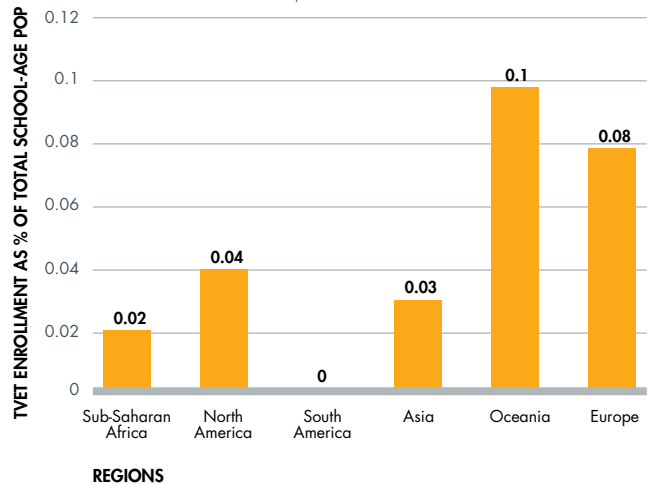
TVE is of interest when looking at the role of primary and secondary education on employment outcomes. Vocational curriculum in TVE is incorporated into formal education. Recently, global trends have shown increased interest in incorporating vocational education much sooner in secondary education and even some programming into primary education. This comes after an emphasis for the past few decades on primary education for all.<sup>25</sup> However, the practical purpose served by vocational education, especially for the young people who will not continue onto tertiary education, is making TVE more popular within educational policy.

<sup>24</sup> UNESCO, 2008.  
<sup>25</sup> World Bank, 2005.

On the other hand, TVET broadly refers to education and training geared toward post-formal education. It is often an alternative path to tertiary education. A host of institutions, businesses, and agencies are involved in trainings of this nature. TVET is effective when youth unemployment is structural, meaning there is a skills mismatch in the labor market where skills within the workforce do not match the jobs available. However, the number of youth enrolled in TVET is not necessarily a good indicator of increasing levels of employment or the success of youth in the labor market since many TVET programs are not required to help youth transition to actual employment opportunities.<sup>26</sup> The increasing TVET enrollment rates post-secondary school may highlight a global trend in youth interventions, but in general, it is hard to determine the causal link between TVET and youth employment rates.

Figure 1.25 shows post-secondary, non-tertiary enrollment rates in TVET programs by region, with Oceania and Europe with the highest proportions and Sub-Saharan Africa, Asia and South America exhibiting considerably lower rates.

Figure 1.25 **Mean Vocational Gross Enrollment Ratio at Post Secondary, Non-Tertiary Level\*** Source: UNEVOC, 2006



\* GER is calculated by expressing the number of students enrolled as a percentage of the population of official school age.

<sup>26</sup> World Bank, 2005.

Although it is important to look at statistics regarding youth and TVET, they need to be paired with qualitative data to derive contextual understanding for the observed phenomena. For example, since TVET is often an alternative path to tertiary schooling, TVET enrollment should be viewed alongside tertiary enrollment rates to understand youth trends in post-secondary schooling. For example, in Sub-Saharan Africa, when combining data from Figure 1.25 and Figure 1.23 (Tertiary Enrollment Rates), it becomes clear that no matter the path (tertiary schooling or TVET), few of Africa's youth are engaged in education and training post-secondary school.

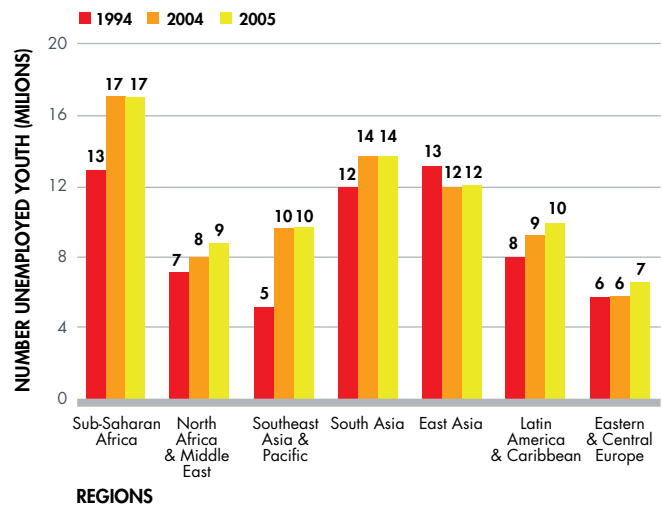
## Youth Employment

The global youth labor force is the sum of employed and unemployed youth. Worldwide, this force grew from 602 to 633 million between 1995 and 2005 and is projected to grow to 657 million by 2015. However, because the youth population grew at a quicker pace than youth employment, the share of youth who are employed decreased overall from 51.6 to 47.3 percent between 1995 and 2005. In fact, unemployed youth make up almost half of the world's total unemployed, despite the fact that youth are only 25 percent of the total working-age population. Compared to adults, the youth of today are about three times as likely to be unemployed.<sup>27</sup>

Figure 1.26 examines the regional trends within global youth unemployment. This data shows that youth unemployment has risen since 1994 in every region with the exception of East Asia and Eastern and Central Europe. Sub-Saharan Africa as a whole exhibits the highest rates of unemployment, with the largest increase between 1994 and 2004. When looking at percent change in youth unemployment (see Figure 1.27), Southeast Asia and the Pacific have shown a dramatic increase in unemployment of over 85 percent in the span of 10 years.

Figure 1.26 Youth Unemployment by Region (thousands), 1995, 2004, 2005

Source: ILO, 2006



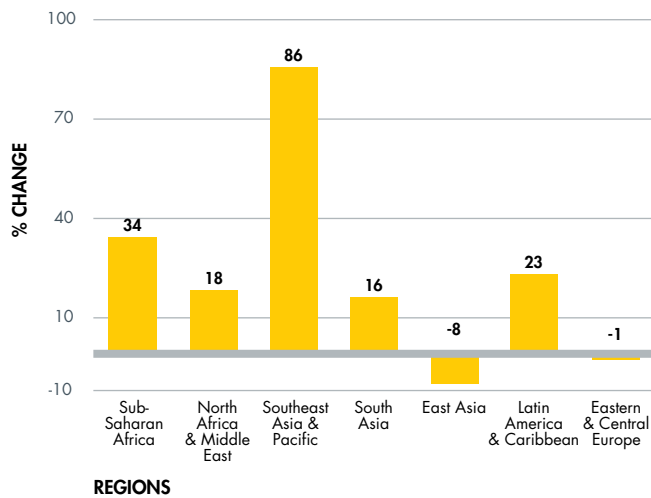
Labor markets in many developing countries are not currently able to accommodate a large group of unskilled young workers. In part, this is due to the *youth bulge*, where an increase in the youth population results in a bigger proportion of youth in the age makeup of the total population. Additionally, the fact that an economy cannot provide jobs to its young people may also be caused by failures within the educational system. When opportunities for youth employment are not accessible in the formal economy, many young people turn to the informal markets or attempt to migrate to a nation which offers improved economic or educational opportunities resulting in what is commonly referred to as “brain drain”. Generally speaking, brain drain migrant are valuable to foreign countries because they add to the stock of educated and skilled workers. Better opportunities abroad lead to an exodus of talented, future leaders from already resource-challenged nations. While youth shouldn't be discouraged from pursuing opportunities wherever they may be, brain drain does present important challenges to policy-makers and economic planners in developing countries.

<sup>27</sup> ILO, 2006.



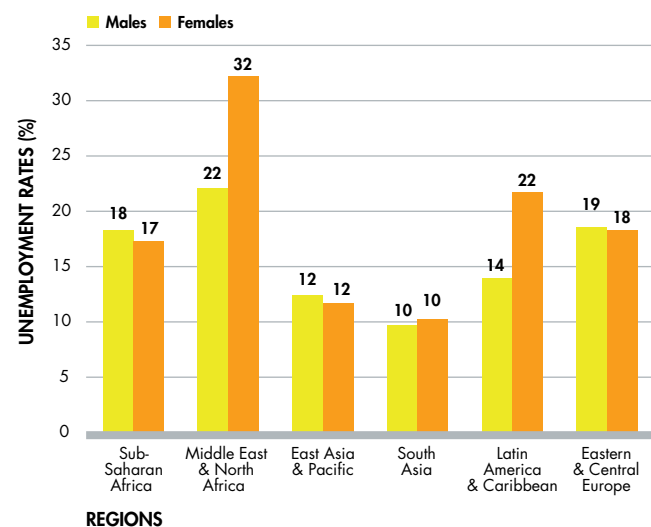
## FINDINGS

Figure 1.27 **Percent Change of Youth Unemployment by Region, 1995-2005** Source: ILO, 2006



The gender implications of unemployment and access to economic opportunities cannot be overstated for certain regions. Figure 1.28 begins to articulate this complex picture with regions such as MENA and LAC standing out as places where females experience disproportionately higher rates of unemployment than males. Sub-Saharan Africa and the two Asia regions show very little gender disparity in terms of unemployment. However, given the status of African and Asian women on other indicators, such as health, education and poverty, we cannot assume that the employment these women experience is of satisfactory quality to meet their basic needs.

Figure 1.28 **Regional Youth Unemployment Rates by Gender, 2006** Source: ILO, 5th Edition



The above analysis depicts a complex picture of the status of global youth today by examining economic, demographic, education, health, and employment factors. It focuses on the regions of the developing world, while acknowledging that there is significant diversity at the national and sub-national level that must also be taken into account. Disadvantaged groups are also extremely important to track as they can exist in a more developed region, but still exhibit much greater levels of need than the mainstream populations around them.

### DEMOGRAPHIC FINDINGS

- East and South Asia contain the largest numbers of young people. However, SSA, while containing the third largest number of youth, actually contains the highest proportion of youth making up 33 percent of the total population.
- The regions with the lowest overall development levels, SSA, East Asia and the Pacific, and Southeast Asia have the highest levels of youth entering the labor market, with SSA standing out at close to 40 percent of youth working.
- In Sub-Saharan Africa and most of Asia, the majority of the youth population resides in rural areas. However, the urbanization rates are highest for these three regions, indicating a strong trend of youth migration to urban and peri-urban areas. Geography differs greatly in the Middle East and North Africa, Latin America and the Caribbean, as well as in Eastern and Central Europe where most youth already live in urban environments.

### DISADVANTAGED YOUTH POPULATIONS

- Sub-Saharan Africa and Asia have by far the greatest populations of out-of-school youth followed by LAC and lastly Eastern Europe. Young women are particularly disadvantaged and make up the largest proportion of out-of-school youth in almost every region. The education disparities by gender are most notable in South Asia and Sub-Saharan Africa.
- Disabled youth are disadvantaged in many countries both in the formal educational system as well as later on in the job market. Africa tends to have a higher percentage of disabled youth than other regions with countries such as Djibouti, Central African Republic, Cameroon and Sierra Leone having above 20 percent of disabled youth in the youth population. In Asia, Bangladesh and Mongolia stand out.

- The rising numbers of orphans in SSA over the past 8-10 years is directly linked to the HIV/AIDS pandemic that has devastated many developing countries. There exists a disproportionate burden of HIV/AIDS cases in SSA compared to any other region in the world.
- Across all regions, young women are significantly less represented in the labor force. They also comprise the largest proportion of people in poverty. The largest gender disparities are found in the Middle East and North Africa as well as in South Asia. In the Middle East and North Africa, men make up more than double the number of women in the workforce. A contributing indicator to gender disparities is the rate of adolescent fertility, with the highest found in Sub-Saharan Africa.

### ECONOMIC INDICATORS

- Sub-Saharan Africa, followed by South Asia, has the lowest average Gross National Income (GNI) per capita in the world.
- Sub-Saharan Africa, with the lowest GNI per capita also has more than half of its youth living below the poverty line. Forty percent of South Asian youth live in poverty.
- All countries designated as Low Human Development according to the Human Development Index for 2007-2008 are located in SSA.
- The majority of the top 20 countries receiving the highest levels of Official Development Aid as a percentage of GNI are located in SSA. Five are found in East Asia or the Pacific, one in Latin America and two in the Middle East.

### YOUTH LITERACY, EDUCATION, AND TRAINING

- In terms of youth literacy there are significant disparities in literacy between men and women as well as regional disparities, with African and South Asian women being the most marginalized.
- All regions have made significant improvements towards attaining universal primary school enrollment as well as closing the gender gap at the primary school level.
- For secondary schooling, Sub-Saharan Africa stands out as being far below the global average with only 26 percent of youth enrolled in secondary school. South and West Asia are also lagging behind with 46 percent.
- For Tertiary education, the Arab States show a slight decline in tertiary enrollment from 1999 to 2005.

- Sub-Saharan Africa has only five percent of the population enrolled in tertiary educational programs. The one success story is found in Central and Eastern Europe, which saw an increase of more than 20 percent in tertiary enrollment between 1999 and 2005.
- The lowest average level of schooling for both men and women is found in Sub-Saharan Africa, followed by South Asia. In every region, except for Latin America and the Caribbean and Eastern and Central Europe, women complete less schooling than men.
- Oceania and Central Europe have the highest proportions of post-secondary, non-tertiary enrollment in TVET programs, with Sub-Saharan Africa, Asia, and South America having considerably lower rates. When combining tertiary schooling and TVET enrollment rates for youth, Sub-Saharan Africa emerges as the region with the lowest number of youth engaged in any form of post-secondary education.

### YOUTH EMPLOYMENT

- The share of youth who are employed decreased globally from 51.6 to 47.3 percent between 1995 and 2005.
- Compared to adults, today's youth are about three times more likely to be unemployed.
- MENA and LAC stand out in terms of gender disparities with women experiencing the greatest levels of unemployment.
- SSA and in the two Asia regions show very little gender disparity in terms of unemployment. However, given the status of African and Asian women on other indicators, such as health, education, and poverty, we cannot assume that the employment these women experience is sufficient to meet their basic needs.

# YOUTH EMPLOYMENT PROMOTION:

## A Conceptual Framework for YEP Interventions

The topic of Youth Employment Promotion (YEP) combines two complex fields: youth development and labor. Each one has its own set of actors, approaches, and theories. While the labor movement has a long history globally, youth development is relatively new within the international development community. The World Bank's Operations Unit, a good monitor of international development trends, only began disaggregating project information to target youth in the mid-nineties. In 2000, a global coalition made up of the World Bank, the International Labor Organization, and other United Nations organizations formed the Youth Employment Network (YEN), the first high-level policy network designed to look at crosscutting

issues affecting youth globally.<sup>29</sup> This marked a dramatic shift in funding and focus for youth programs. Whereas before education had been the main vehicle for addressing youth development, through the formation of YEN and other movements, the international development community began to address youth development from a multi-sectoral perspective. This change paved the way for new thinking about youth development, young people's transition into adulthood, and their role in the global economy.

There have been several frameworks suggested as guides to aid in the formation of national policies on youth development since the multi-sectoral approach was adopted.

Figure 2.1 **Overview of the Youth Employment Framework (YEF)**<sup>28</sup>

PRIMARY CATEGORY	SUB-CATEGORY
<b>Supply-side:</b> promotes and enhances the employability of the labor supply	Basic Education <ul style="list-style-type: none"> <li>■ formal/informal schooling</li> <li>■ pre-workforce</li> </ul> Technical Vocational Education and Training (TVET) <ul style="list-style-type: none"> <li>■ school-to-work transition</li> <li>■ schooling for vocational purposes</li> </ul> Entrepreneurial Training Social Services
<b>Demand-side:</b> expands employment opportunities by generating demand for labor	Macro-economic Policy Job Creation Entrepreneurship Support
<b>Matchmaking &amp; Mediation:</b> facilitates information exchange and brings transparency to the market; links supply and demand in the labor market through policy-making and grassroots activities	Promotion of Active Labor Market Policies (ALMPs) with youth orientation Promotion of Labor Market Intermediaries (LMIs) Promotion of Youth Policy and Institutions with labor orientation
<b>Comprehensive:</b> includes some combination of supply/demand/matchmaking & mediation interventions	Combination of activities focused on enhancing employability and generating employment demand (S-D) Combination of activities linking supply and demand and enhancing employability (MM-S) Combination of activities linking supply and demand and generating employment demand (MM-D) Combination of activities linking supply and demand, enhancing employability, and generating employment demand (MM-S-D)

28 The YEF framework is constructed by Causemopolis but based on the original work of the Federal Ministry of Economic Cooperation and Development (BMZ) of Germany in "Cornerstones of Youth Employment Promotion in Development Cooperation" published in May 2006.

29 YEN, n.d.

The existing frameworks combine social and economic indicators that shape youth during the transitional years into adulthood (approximately age 15 to 24). Some of these frameworks have been pioneered by multilateral and bi-lateral donor agencies such as the World Bank and the German Federal Ministry of Economic Cooperation and Development (BMZ). Other frameworks have been developed through smaller coalitions of implementing organizations such as the Youth Employment Summit (YES).

Building on the existing youth employment work, this section introduces a comprehensive framework for understanding the landscape of YEP interventions worldwide (see Figure 2.1). The proposed framework is called the Youth Employment Framework (YEF) and utilizes core elements outlined in a BMZ publication. The BMZ approach introduces an economic understanding of the market to the topic of youth employment in order to correct market failures in the youth labor market.<sup>30</sup> It organizes YEP interventions into four primary categories that correspond with an economic understanding of labor market: 1) supply-side interventions that focus on promoting the employability of the labor **supply**; 2) demand-side interventions that expand employment opportunities by creating a **demand** for labor; 3) **matchmaking and mediation (M&M)** interventions that help smooth out information exchange between supply and demand and bring transparency to the labor market; and 4) **comprehensive** interventions that combine approaches in order to address labor supply, demand, and matchmaking and mediation.<sup>31</sup>

Within each primary category of the Youth Employment Framework (YEF), sub-categories were created to increase the level of detail on categorizing different youth employment programs. Activities and programs for each sub-category are geared toward the challenges and barriers youth face in their transition into the workforce and into adulthood in general. YEP interventions that incorporate cross-cutting issues such as health behaviors, socialization, civic engagement, and livelihood skills will better support youth in their often tenuous transition to independence.<sup>32</sup> Depending on the targeted youth population (in-school youth, school leavers, poor youth, and unemployed diploma holders) and the local context, certain social conditions will present greater barriers to youth employment than others. The YEF framework also introduces three types of stakeholder engagement models - Micro level (working with implementing agencies on the ground), Meso level (working with intermediary organizations) and Macro level (working with governmental agencies).

30 BMZ. 2006.

31 BMZ. 2006.

32 BMZ. 2006.

The Youth Employment Framework, in its entirety, provides a basic, conceptual tool for understanding YEP interventions. Using this framework, existing organizations will be able to determine where they fit in the YEP universe and be able to better articulate specific roles in relation to others working within the sector.

## Supply-Side Interventions (See Figure 2.2)

The most common YEP programs are those that address the supply-side of the labor market. These approaches aim to reduce barriers such as:

- Lack of education, skills, and professional development;
- Mismatch between training systems and youth populations (too expensive, hard to locate, etc.);
- Lack of guidance and life skills counseling;
- Discriminatory education systems; and
- Poor physical infrastructure and human capital.

This report has categorized supply-side interventions into four sub-categories: 1) Basic Education, 2) Technical Vocational Education and Training, 3) Entrepreneurship Training, and 4) Social Services for Young People.

### SUB-CATEGORY 1: BASIC EDUCATION

Basic education within the development sector has traditionally referred to formal primary and secondary education and, until recently, has not included topics such as youth employment and the school-to-work transition. This fact may be due, in part, to the transitional characteristics of youth, which makes this population difficult to categorize and track after exiting the formal education system.

Similarly, categorizing youth by age does not necessarily contribute to a better understanding of their schooling and employment activities. For example, no one age grouping for youth between 15 and 24 can be associated with a particular label of being in the formal school system and not working, or outside of it and working. Some generalities about youth education and employment links can be asserted and correlated to levels of youth development.

Youth on the lower end of the age cohort (14-17) tend to be of school age in most cultures and engaged in the formal education system, but they also can be engaged in the labor market at some level. Youth in the middle-to-upper end of the age boundary (18-24) are likely to be transitioning into formal employment for the first time and/

Figure 2.2 **Supply-side Intervention Framework**

SUB-CATEGORY	TYPES OF ACTIVITIES AND PROGRAMS	LEVEL(S) OF STAKEHOLDER ENGAGEMENT
<b>1. Basic Education</b> <ul style="list-style-type: none"> <li>■ formal/informal schooling</li> <li>■ pre-workforce, vocational education</li> </ul>	Design and implement primary and secondary curriculum for basic literacy and math skills	Micro – children and young people, youth clubs Meso – PTAs, CBOs, schools Macro – Ministry of Education
	Advocate and create policy addressing barriers to education for children and youth (e.g. gender, disabilities)	Macro – Ministries of Education, Health, Finance
	Facilitate improvements for human and physical capital (teachers training, school buildings, transportation)	Meso – CBOs, PTAs, universities Macro – Ministries of Education and Finance
<b>2. Technical Vocational Education and Training (TVET)</b> <ul style="list-style-type: none"> <li>■ school-to-work transition</li> <li>■ post-formal school</li> </ul>	Coordinate apprenticeships and internships in close cooperation with private sector	Micro – young people Meso – local training institutions; private sector
	Provide policy advice on systemic TVET reform: quality management, curriculum development, training of instructors	Meso – training and educational institutions, youth development and advocacy organizations Macro – Ministry of Education, labor, multi/bi-lateral donor agencies
	Make training markets work better for young people, including access to information, credit, and financial incentives such as training vouchers/subsidies	Micro – young people Meso – training and educational institutions, youth development and advocacy organizations Macro – Ministry of Education, labor, multi/bi-lateral donor agencies
	Develop TVET programming for general skills development for youth in the formal and informal economy including young adult literacy programs and 2 <sup>nd</sup> chance & equivalency programs	Micro – young people Meso – training and educational institutions, CBOs
<b>3. Entrepreneurial Training</b>	Design and implement entrepreneurship and self-employment education and training	Micro – young people, self-help groups Meso – entrepreneurial training organizations, micro-finance institutions, other NGOs
<b>4. Social Services for Young People</b>	Promote and implement life skills education and training	Micro – children and young people, youth clubs, schools Meso – PTAs, CBOs, other NGOs
	Train youth promoters	Micro – children and young people, health clubs, schools Meso – PTAs, CBOs
	Provide information, guidance, and health counseling	Micro – children and young people, health clubs, schools Meso – PTAs, CBOs, other NGOs

or pursuing post-secondary education and training. In low-to-middle-income countries, most poor youth make the school-to-work transition earlier than high-income countries (OECD) for cultural reasons and also due to a lack of opportunities for post-secondary schooling.<sup>33</sup>

Using a lifecycle development framework for children and youth, the role that formal education plays in individual attainment of core competencies like literacy, math, science, and socialization skills is obvious.<sup>34</sup> It is, therefore, important to consider how formal school education contributes to young people's transitions into the workforce and broader youth employment outcomes.

Formal schooling outcomes have varying degrees of influence in the school-to-work transition depending on the causes of youth unemployment. For example, a recent report on youth labor markets in Sub-Saharan Africa reveals that formal education seems to have a protective effect regarding unemployment. In urban areas, the study found that educational attainment no longer increases the likelihood of formal sector employment unless the person has completed senior secondary levels. However, the ILO and World Bank have shown that once youth are in the workforce educational attainment does lead to higher wages.<sup>35</sup>

Specifically, social protection and safety-net programs concerned with school-age, vulnerable youth populations have developed non-formal education opportunities or second chance programs. The programs help remove barriers for school-leavers (youth of school age who, for a variety of reasons, have ceased to be in the formal education system). The school-to-work transition is the major focus within these types of programs and is often accomplished through apprenticeships.<sup>36</sup>

Most of the YEP literature moves beyond basic education programs and focuses solely on post-formal school education and training. However, the line between basic education and vocational training and education is very thin in certain countries. Within the international development agenda, the pendulum has swung between integrating vocational programs within primary and secondary school curriculums and separating it into vocational training activities conducted in post-formal schooling. At the time of this report, implementing agencies are, once

again, tending toward including vocational curriculum in formal education. This change highlights the shift in the global workforce paradigm aimed at preparing people for one job for life. Increasingly, job and career stability can no longer be counted on. Therefore, schooling and training must now help young people prepare for a process of lifelong learning in order to succeed in the workplace.<sup>37</sup>

## SUB-CATEGORY 2: TECHNICAL VOCATIONAL EDUCATION AND TRAINING (TVET)

The majority of all programs and activities for YEP fall under this sub-category on the supply-side of labor market interventions. In general, the term TVET refers to a variety of applied learning experiences that are applicable to the world of work. TVET can occur before youth enter the workforce, during the transition into the workforce, and as adults within the workforce (re-skilling and up-skilling).<sup>38</sup> Generally speaking, any programs that provide learning and technical skills designed to increase the employability of youth are included under this label. Most often it includes the following types of activities:

- Technical and vocational skills development (general and sector specific);
- Making training markets work better for young people;
- Promotion of apprenticeship and demand-driven training in close relationship to the private sector; and
- TVET system reform.

TVET distinguishes itself from basic education by focusing on technical skills development, practical attitudes, knowledge related to various occupations, and productive civic engagement. It should set the stage for lifelong learning where, ideally, skill upgrades continue throughout adult life. On a practical level, re-skilling and up-skilling are often not realistic as most TVET programs suffer from tight budgets, time constraints, and their success is measured in terms of job placements. Unlike the formal education system, TVET delivery is not an organized system. A host of actors from government and the public sector to non-government organizations and the private sector are involved in TVET and each has its own interests, administrative process, and traditions.<sup>39</sup>

Coupled with this complex delivery system, TVET can take on many forms. Several distinctions exist that help define a TVET program's scope and activity. Questions such as: is

33 Guarcello, et al., 2005.

34 World Bank, 2005.

35 AFD, 2007.

36 AFD, 2007.

37 UNESCO, 2008.

38 UNEVOC, 2006.

39 UNEVOC, 2006.

the TVET part of the formal, non-formal, or informal learning realm<sup>40</sup>; and, is the TVET program orientation general, pre-vocational, or vocational in nature can help narrow in on objectives and outcomes. A discussion of these definitions is outside the scope of the report, but does serve to demonstrate the breadth of services considered TVET and the complexity of this topic in relation to YEP.<sup>41</sup>

Several barriers exist to implementing TVET systems effectively in developing countries:

- Lack of physical infrastructure, equipment, and human capital in the form of trained instructors;
- Lack of standards and limited capacity for central coordinating agencies;
- Inadequate Information and Communication Technology (ICT) infrastructure; and
- Negative cultural perceptions that see formal education as preferable to vocational training.<sup>42</sup>

Despite these barriers, meeting minutes from the African Unions TVET Experts' meeting in 2006 commented that, "...TVET delivery systems are therefore well-placed to train the skilled and entrepreneurial workforce that Africa needs to create wealth and emerge out of poverty".<sup>43</sup>

Two rather large areas of activity emerge within the sub-category of TVET: *skills development and making training markets work better for young people*.

Skills development programs accomplished through apprenticeships and internships offered by public-private partnerships represent the main vehicle for TVET interventions. Apprenticeships, a common form of TVET, are popular in many developed countries for vulnerable youth populations and those needing a second chance (for example, construction trade unions in the U.S. accept individuals with criminal records). In developing countries, apprenticeships are popular due to their practicality, their fit with local culture, and the low cost to the public sector. However, they are often ill-suited for very poor youth and women, and can be slow to adopt emerging technologies within an industry.<sup>44</sup>

Many times on the supply-side of the labor market, the root cause of youth unemployment is not missing skill sets remedied by TVET programs, but instead the lack of access to TVET programs. Activities addressing this root cause are often said to make training markets (as opposed to the larger labor market) work for young people. The goal is to reduce barriers to vocational training and education for disadvantaged youth. This area of TVET, which can often be overlooked in supply-side programming, is comprised of activities that increase transparency and competition between training institutions, provide better and more accessible information geared toward youth about training opportunities, provide training subsidies and credits, and improve delivery systems.<sup>45</sup>

### SUB-CATEGORY 3: ENTREPRENEURSHIP TRAINING

Youth entrepreneurship programming has gained popularity over the last several years especially in regions with high unemployment. When discussing the topic of youth entrepreneurship training, it is especially important to distinguish between "entrepreneurship by necessity" (often resembling self-employment in the informal sector) and "opportunity-oriented entrepreneurship".<sup>46</sup> The latter tends to closely resemble a western perspective of entrepreneurship - formal sector opportunities to meet an unmet demand in the market through enterprise creation—and is inclined to grow and employ others if successful.

Self-employment, on the other hand, tends to be an outgrowth of lack of employment options. The resulting micro-enterprises are necessary for survival, linked to the informal economy, and rarely lead to expanding job opportunities in developing countries.<sup>47</sup> Based on these distinctions, programs that view self-employment skills as a stepping-stone to entrepreneurship in the formal sector, rather than an end goal, will have a wider-reaching impact if the new ventures succeed.

Two main types of entrepreneurship training exist. One approach is to incorporate entrepreneurship curriculum in primary and secondary schools to help youth develop a business mindset early on. The other more common approach is to engage out-of-school youth through programs tailored at promoting youth enterprise development.

40 "Most TVET data available is on "formal learning" – i.e. "organized" learning whose outcomes are accredited. However, TVET also encompasses "non-formal learning" and "informal learning". Non-formal learning results from organized activities within or outside the workplace which involve significant learning which is not accredited. Informal learning is less organized and less structured, and usually occurs outside educational institutions. Much of what is often referred to as work-based training and particularly on-the-job training (OJT), is either non-formal or informal in character and constitutes a large part of the vocational learning that occurs in most societies. Increasingly, informal learning is being accessed through websites, documents and discussion groups accessed through the internet." (UNEVOC, 2008).

41 UNEVOC, 2006.

42 UNEVOC, 2006.

43 African Union, 2007:5.

44 AFD, 2007.

45 BMZ, 2006.

46 Curtain, 2004.

47 Curtain, 2004.

In order to succeed, these projects require start-up grants or loans and other business marketing and support services alongside the training. At the moment little evidence exists as to the effectiveness of opportunity-oriented youth entrepreneurship programs in helping low-income youth with low educational attainment succeed as entrepreneurs. One study conducted by the Inter-American Development Bank (IDB) found that the majority of *opportunity-oriented* youth entrepreneurs were from middle to upper-income families and had completed schooling through high school and almost half had university degrees.<sup>48</sup>

The programs that seem to achieve success, (e.g. creating youth enterprises that grow and employ others) involve long-term investments through the start-up phase and the first few years of operation. Along with training and loan programs, alliances between business service providers such as banks, chambers of commerce, private investors, and public regulating agencies all contribute to the success of these programs.<sup>49</sup>

Given the myriad support needed to start a successful business, it makes sense that this sub-category closely connects with the demand-side subcategory of *Entrepreneurship Support*. Supply-side programming that does not recognize these links to the demand-side of the labor market has the potential to be unsuccessful.

#### SUB-CATEGORY 4: SOCIAL SERVICES FOR YOUNG PEOPLE

Social scientists have determined that transitioning into working life is a critical marker of independence in a young person's life. However, for most youth the first entry into the workforce does not happen without some type of support.<sup>50</sup>

The majority of activities within the supply-side category help improve the employability of youth through training and education. However, despite these vocation-oriented programs, youth still face significant social challenges in transitioning into the workforce. Further support services need to address such topics as life skills, sexual and reproductive health behaviors, social networking, family caretaking responsibilities, and civic engagement. Some cutting edge TVET programs have included *wrap around* services that incorporate life counseling, guidance, sexual and reproductive health, and life skills training.

*Life skills training*, one of the most important complementary components to TVET systems, focuses on developing flexible and adaptive behavior to deal with the challenges

of everyday adult life. These skills are less developed in youth as compared to adults and can stand in the way of gaining employment. Social service programs related to YEP should emphasize skills to navigate the social dynamics of the work place and incorporate health education.<sup>51</sup>

#### Demand-Side Interventions (see Figure 2.3)

Supply-side interventions can only be successful with complementary efforts that help expand job opportunities for youth. In an environment with low labor demand, young people will have a hard time finding a job no matter what their skill level and educational attainment, which is why programs that generate jobs and bolster local businesses are so vital to YEP outcomes. The sub-categories that comprise demand-side interventions in the Youth Employment Framework are: *macro-economic policies* that stimulate national competitiveness, *job creation* activities that generate demand, and *entrepreneurial support*.<sup>52</sup>

Programs for each sub-category must address barriers such as the following in order to expand youth employment options:

- Depressed local economies and unfavorable investment climates;
- Unnecessary red tape in creating and operating small to medium-size businesses;
- Lack of interest among employers for hiring youth;
- Employer discrimination against specific populations of youth; and
- The skills gap that exists between high-skilled workers and low-skilled workers.<sup>53</sup>

#### SUB-CATEGORY 1: MACRO-ECONOMIC POLICY

Macro-economic policy developed by national governments and donor agencies aims to enhance national competitiveness and create a favorable environment for investors and businesses. For developing countries, these policies are often articulated through Poverty Reduction Strategy Papers (PRSP), which propose large-scale reform such as deregulation, trade liberalization, and decentralization.<sup>54</sup> In the past, the belief was that this type of reform would make a country more competitive in the global market and, thus have a trickle-down effect to the rest of the country as a whole. After approximately twenty years, this kind of economic growth theory is being challenged with alternative approaches based on local and regional markets, and public-private partnerships.

48 Kantis, Angellelli & Moori Koenig, 2005.

49 Juan Ilisterrri & Angelelli, 2007.

50 ILO, 2006.

51 BMZ, 2006.

52 BMZ, 2006.

53 BMZ, 2006.

54 United Nations General Assembly, 2005.



Figure 2.3 Demand-side Intervention Framework

SUB-CATEGORY	ACTIVITIES AND PROGRAMS	LEVEL(S) OF ENGAGEMENT & STAKEHOLDER(S)
<b>1. Macro-economic Policy</b>	Advise on national economic policy to enhance competitiveness	<b>Macro</b> – Ministries of Trade and Industry, Finance, and Labor; multi- and bi-lateral donor agencies
	Promote a favorable investment and business climate by removing “red tape” including: <ul style="list-style-type: none"> <li>■ streamlining bureaucracy</li> <li>■ tax incentives</li> <li>■ copyright and patent regulation</li> <li>■ competition laws</li> </ul>	<b>Meso</b> – trade associations, private sector lobbyists <b>Macro</b> – Ministries of Trade and Industry, Finance, and Labor; multi- and bi-lateral donor agencies
	Advocate to integrate youth employment in Poverty Reduction Strategy Papers (PRSPs)	<b>Meso</b> – NGOs, youth advocacy organizations, CBOs <b>Macro</b> – Ministries of Trade and Industry, Finance, and Labor; multi- and bi-lateral donor agencies
<b>2. Job Creation</b>	Establish incentive programs for employers to hire youth (vouchers, wage subsidies)	<b>Meso</b> – private sector employers <b>Macro</b> – Ministries of Trade and Industry, Finance, and Labor
	Promote local Public-Private Partnerships (PPPs)	<b>Meso</b> – Private sector employers, regional development organizations, unions <b>Macro</b> – Ministries of Trade and Industry, Finance, and Labor; multi- and bi-lateral donor agencies
	Promote and support MSMEs	<b>Micro</b> – MSME owners <b>Meso</b> – CBOs, other NGOs, local government
	Promote investment in public works and infrastructure projects (Labor Intensive Infrastructure Programs – LIIP)	<b>Meso</b> – private contractors, regional development organizations, unions <b>Macro</b> - Ministries of Trade and Industry, Finance, and Labor; multi- and bi-lateral donor agencies
<b>3. Entrepreneurship Support</b>	Provide business services –business planning, marketing, bookkeeping	<b>Micro</b> – youth entrepreneurs/self-employed <b>Meso</b> – financial institutions, private sector business consultants, Other NGOs
	Facilitate access to start-up capital	<b>Micro</b> – youth entrepreneurs/self-employed <b>Meso</b> – financial institutions, micro-credit agencies
	Establish Youth Enterprise Agencies (YEA)	<b>Micro</b> – youth entrepreneurs/self-employed <b>Meso</b> – financial institutions, private sector business consultants, other NGOs, training institutions

Although the YEP literature links positive youth employment outcomes to macro-economic policy, several national governments and donor agencies have recognized the need to include a youth employment focus when designing macroeconomic policies at the national level. Often this focus is termed *youth employment affirmative action* and requires a commitment by public and private stakeholders to include a youth employment agenda within larger policy goals. Without this intentional emphasis, it is possible that national employment policies and poverty reduction programs will end up leaving youth out of the picture entirely.<sup>55</sup>

The following are some examples of youth employment policy language from Zambia's PRSPs:

- Encourage the participation of women and youth in private and public credit schemes;
- Provide business and trade information to micro, small, and medium enterprises (MSMEs) and informal sector entrepreneurs; and
- Repeal or amend any statutes or regulations that hinder women and youth access to, and control of productive resources such as land, credit, trade information, and technology.

Country participants in the Youth Employment Network (YEN) have concluded that macro-economic policy can play a role in young people's career expectations. Well-designed economic policies can successfully provide quality employment opportunities aimed at meeting young people's career interests. Too often employment creation is a by-product of national economic growth and investment policies instead of its own strategic objective. This needs to change if countries hope to supply jobs for educated young people.<sup>56</sup>

In most cases, national governments work with donor agencies on macroeconomic policy creation. Roles for organizations interested in YEP outcomes within this sub-category may involve advocacy, policy research, and the convening of government stakeholders for dialogue on youth development and its relevance to labor market and poverty reduction outcomes.

## SUB-CATEGORY 2: JOB CREATION

Promoting micro, small, and medium enterprises (MSMEs), creating public-private partnerships (PPPs), investing in labor intensive infrastructure projects (LIIPs), and providing other employer incentives aimed at hiring youth all contribute to boosting job opportunities. Specific strategies such as work vouchers, youth employment subsidies, and paid internships have been successful in easing young people's transitions into the labor market.<sup>57</sup> These tools create transparency in the labor market by ensuring youth get paid appropriately while reducing employer risk and costs associated with inexperience. National government, donor agencies, and the private sector facilitate the capital investments that drive these interventions.

For all of the job creation schemes mentioned above, public-private partnerships play an increasingly important role in ensuring success. One example is the joint development of sectoral training centers that help specific employers train a qualified workforce. Public-private partnerships that provide support services to MSMEs or ensure local youth hiring in infrastructure projects are also examples of creating youth employment opportunities.<sup>58</sup>

## SUB-CATEGORY 3: ENTREPRENEURSHIP SUPPORT

In order for entrepreneurs to succeed they must have a favorable business environment that includes access to financing, human capital, mentors, and other support services. One-stop locations called Youth Enterprise Agencies have begun to emerge as a popular way to encourage entrepreneurship. They are geared toward youth and incorporate business support, financing, and even training and mentorship in some cases.<sup>59</sup> Other growing services for entrepreneurs are micro-credit institutions that provide access to capital for business start-ups.

Micro-lending has become a popular program among NGOs and the private sector as a means to expand self-employment opportunities and promote micro-enterprise. In many instances, micro-lending institutions combine loans with mentoring and entrepreneurship training. These programs fall under the comprehensive category of the Youth Employment Framework. This field within YEP is relatively new and currently lacks rigorous evaluations as to its impact on long-term youth unemployment. Organizations moving into this space should thoroughly assess the entrepreneurial climate, skill set, and experience of individuals seeking micro-finance assistance.

55 BMZ, 2006.

56 United Nations General Assembly, 2005

57 BMZ, 2006

58 BMZ, 2006.

59 BMZ, 2006.

## Matchmaking and Mediation Interventions (See Figure 2.4)

Matchmaking and Mediation interventions (M&M) exist at the intersection of supply and demand in the labor market. M&M within the Youth Employment Framework is comprised of three sub-categories: the *Promotion of Active Labor Market Policies (ALMPs) with a youth focus*, *Labor Market Intermediaries*, and the *promotion of Youth Policy and Institutions with labor orientation*.<sup>60</sup> Each sub-category helps smooth the labor market functions by promoting transparency and accountability, facilitating information exchange between supply and demand, and removing discriminatory barriers to make the labor market function more equitably for youth.

### SUB-CATEGORY 1: ACTIVE LABOR MARKET POLICIES

The goal of Active Labor Market Policies (ALMPs) is to reduce unemployment and increase workers' earning capacity in the economy. ALMPs help smooth the interaction of supply and demand in the labor market; they can promote a combination of policies or focus on one side or the other. At times, ALMPs offer a stabilizing role by providing direct jobs through public works or offering wage subsidies to expand jobs. Other times, ALMPs can intervene on behalf of disadvantaged populations in the workforce. Since ALMPs can address a range of issues, it is imperative policy-makers are clear about their desired outcomes.<sup>61</sup>

Figure 2.4 Matchmaking and Mediation Intervention Framework

SUB-CATEGORY	ACTIVITIES AND PROGRAMS	LEVEL(S) OF ENGAGEMENT & STAKEHOLDER(S)
<b>1. Promotion of Active Labor Market Policies (ALMPs) with youth-orientation</b>	Monitor and improve labor standards and labor market regulations	<b>Meso</b> – youth and labor advocacy organization, unions, other NGOs <b>Macro</b> – multi- and bi-lateral donors
	Establish National Training Authorities (NTAs) and National Qualification Frameworks (NQF)	<b>Meso</b> – education and training institutions, private sector <b>Macro</b> – Ministries of Labor, Education, Trade and Industry
<b>2. Labor Market Intermediaries (LMIs)</b>	Promote youth-oriented employment services including: <ul style="list-style-type: none"> <li>■ career guidance; and</li> <li>■ job profiles consultancy and placement services (e.g. mobile job trucks in rural areas and job brokerage for urban areas)</li> </ul>	<b>Micro</b> – young men and women <b>Meso</b> – education and training institutions, private sector, NGOs, government agencies
<b>3. Promotion of Youth Policy and Institutions with labor orientation</b>	Advise on National Youth Policies and related National Youth Action Plans on Youth Employment	<b>Meso</b> – youth advocacy organizations, other NGOs <b>Macro</b> – Ministries of Education, Health, and Labor
	Empower youth and strengthen their voice at local, regional, and national levels	<b>Meso</b> – youth leadership organizations, CBOs, other NGOs <b>Macro</b> - Ministries of Education, Health, and Labor
	Promote local roundtable groups with local stakeholders	<b>Micro</b> – local CBOs, businesses, schools <b>Meso</b> – local government, other NGOs
	Facilitate inter-institutional cooperation aimed at integrated youth promotion and leadership	<b>Meso</b> – CBOs, other NGOs <b>Macro</b> – Ministries of Education, Health, and Labor; multi- and bi-lateral donor agencies

60 BMZ, 2006

61 Betcherman, Olivás & Dar, 2004

ALMPs are created at the national level by government agencies and, in developing countries, include extensive input from development banks. Implementation activities are carried out by a range of regional and local government agencies and can take the form of many of the interventions listed in the supply-side and demand-side categories.

ALMPs on the whole have not accomplished the range of expected outcomes hoped for in many industrialized countries. However, transitioning and developing countries have few other avenues to demonstrate direct political action in addressing economic and social problems related to unemployment and poverty in the workforce. Therefore, ALMPs are powerful tools for politicians seeking to meet poverty reduction strategy goals and appease donor agencies.

Realistic expectations need to be outlined and evaluated for governments in order to leverage these policies in the most effective way. For instance, ALMPs need complementary reform policies in other sectors such as education, trade, and finance, in order to produce growth and remove obstacles hindering the efficiency of the labor market.<sup>62</sup> Without recognition of the cross-cutting themes related to the implementation of ALMPs, their effectiveness is significantly reduced.

Another function of ALMPs can be to establish National Training Standards (NTS) and National Qualification Frameworks (NQF). Standards such as these create a platform for valuing different learning experiences within the labor market from formal to informal and non-formal TVET. Centralized coordination of professional qualifications and certifications can enhance training quality by placing responsibility for outcomes on providers. NTS can also provide recognition for prior learning against units of learning in the national framework. This facilitates credit transfers between programs and allows for flexible interaction between education and training program providers across the country.<sup>63</sup>

Organizations engaging in M&M activities can help create beneficial, smart policies that have proven track records for helping youth gain employment. Similar advocacy and political pressure can come in the form of lobbying for better monitoring and evaluation of training programs and providers in order to ensure accountability and quality.

## SUB-CATEGORY 2: LABOR MARKET INTERMEDIARIES

As jobs become less stable and more mobile, third-party organizations called *labor market intermediaries* (LMIs) play an increasingly important role in brokering relationships between the employer and worker.<sup>64</sup> LMI's help facilitate interactions and communication between supply and demand in the labor market. They can be initiated by the private or public sector, community colleges, community-based organizations, or membership-based organizations such as unions or professional associations. Main LMI activities involve job placement services, industry-specific skills training and testing, and oversight of employee contracts.

The role that LMIs play within labor relations depends heavily on the country and regional context. A recent study looking into LMI best practices in the U.S. in 2001 found the most promising initiatives to involve the following:

- Targeted engagement with particular industry sectors;
- Maintenance of long-term communication with workers;
- Building strong relationships with employers;
- Emphasizing workers' long-term needs; and
- Facilitation of both informal learning and on-the-job training opportunities.

The study found that a coordinated network of LMIs, oftentimes in partnership with community colleges, primarily carried out these initiatives.<sup>65</sup>

The literature on LMIs in developing and transitioning countries is sparse. Despite new discussions about designing programs to link supply and demand in the labor market, formal functioning LMIs are lacking. Two unique programs, *Jovens* in Chile and *Proyecto Joven* in Argentina, have incorporated the LMI function into the role of vocational and training institutions. Each does this through training market incentives that require an employer commitment (determines demand) before training is carried out. The combined approach (merging the TVET and the LMI functions) has enhanced the quality of the training and related employment outcomes in these two countries.<sup>66</sup>

62 AFD, 2007.

63 AFD, 2007.

64 Benner, Brownstein, Dresser, & Leete, 2001

65 Benner, et al., 2001

66 Aedo, C. n.d.

### SUB-CATEGORY 3: PROMOTION OF YOUTH POLICY AND INSTITUTIONS

The third aspect of M&M interventions focuses on building up institutions and policies to enhance youth empowerment. Some of this effort takes place in local community contexts through roundtable discussions with representatives from many different sectors and through youth self-help groups. Similar to ALMPs, the organizations involved can advocate and lobby government officials about the need to educate and empower youth so as to be recognized in the political process. Advocating a youth agenda that is political in nature, if connected to ALMPs, can ensure effective use of resources and outcomes on behalf of young people.<sup>67</sup>

### Comprehensive Interventions

(See Figure 2.5)

Interventions that combine sub-categories from two or more of the primary categories are considered to be comprehensive in nature. Combining supply-side and demand-side interventions within one program or combining matchmaking and mediation with a supply-side intervention constitutes a comprehensive intervention within the Youth Employment Framework.

Comprehensive interventions are viewed as the most effective category of interventions by people working in the field because they simultaneously address failures in the labor market from several sides. The Youth Employment Inventory (YEI) however shows that the success of intervention for comprehensive programs is comparable to that of training LMI and entrepreneur programs.<sup>68</sup>

The comprehensive category includes the following combinations of interventions:

- MM – S (matchmaking & mediation and supply-side interventions);
- MM – D (matchmaking & mediation and demand-side interventions);
- S – D (supply-side and demand-side interventions); and
- S – D – MM (supply-side, demand-side, and matchmaking & mediation interventions).

Since the descriptions for each primary category are laid out in detail in the preceding sections, the framework (see Figure 2.5) instead provides examples of YEP programs for each of the four sub-categories.

<sup>67</sup> BMZ, 2006.

<sup>68</sup> Betcherman & Godfrey, et al., July, 2007.

Figure 2.5 Comprehensive Interventions Framework

SUB-CATEGORY	SAMPLE PROGRAM	LEVEL(S) OF ENGAGEMENT & STAKEHOLDER(S)
<p><b>1. MM - S</b> <b>(Matchmaking &amp; Mediation and Supply-side)</b></p>	<p>Proyecto Joven – Argentina</p> <ul style="list-style-type: none"> <li>■ Based on a public – private partnership where training institutions take on the role of matchmaker by identifying demand.</li> <li>■ Training programs (in-school and on-the-job) are developed specifically to meet the employer demand.</li> <li>■ Uniqueness of program is “no demand, no training program.” (Source –ADB.org)</li> </ul>	<p><b>Micro</b> – young people from low income households</p> <p><b>Meso</b> – productive industries, variety of public and private training institutions</p> <p><b>Macro</b> – originated in the Ministry of Economy and institutionalized at SENSE (National Service for Training and Employment) at the Ministry of Labor</p>
<p><b>2. MM – D</b> <b>(Matchmaking &amp; Mediation and Demand-side)</b></p>	<p>Promotion of Children and Youth (PCY) – Uganda</p> <ul style="list-style-type: none"> <li>■ Multiple service approach including job search skill, career counseling, and entrepreneurial support in the form of micro-credit and business support.</li> </ul> <p>(Source – Becherman, et. Al., 2007)</p>	<p><b>Micro</b> – young men and women ages 12 -23; specific activities focused on young women</p> <p><b>Meso</b> – lending institutions</p> <p><b>Macro</b> – bilateral program between the Ministry of Gender, Labor, and Social Development and the German Development Bank</p>
<p><b>3. S – D</b> <b>(Supply-side and Demand-side)</b></p>	<p>Baobab Project – Kenya</p> <ul style="list-style-type: none"> <li>■ Focuses on low-income youth in rural areas, especially geared toward females</li> <li>■ Provides entrepreneurship and life-skill training along side small grants (approximately \$100US) for business start-ups assistance</li> </ul> <p>(Source – <a href="http://www.projectbaobab.org">http://www.projectbaobab.org</a>)</p>	<p><b>Micro</b> – young women</p> <p><b>Meso</b> – secondary schools in rural areas</p>
<p><b>4. S – D – MM</b> <b>(Supply-side, Demand-side and Matchmaking &amp; Mediation)</b></p>	<p>Alliance for African Youth – Mozambique</p> <ul style="list-style-type: none"> <li>■ Focused on urban youth ages 14-29</li> <li>■ Provides matchmaking services through job placement and counseling</li> <li>■ Training and internship opportunities</li> <li>■ Entrepreneurial business support</li> </ul> <p>(Source – IYF.org)</p>	<p><b>Micro</b> – young men and women</p> <p><b>Macro</b> – International Youth Foundation launched the alliance in partnership with USAID, Lions Club International Foundation, and Nokia</p>

## SUMMARY OF YOUTH EMPLOYMENT FRAMEWORK

- The Youth Employment Framework (YEF) is a comprehensive framework for understanding the range of global Youth Employment Promotion (YEP) interventions that exist today. It takes an economic approach to understanding labor markets developed by BMZ and customizes it to prioritize youth development and youth employment outcomes. Through the integration of labor markets and youth development, the YEF attempts to address both types of programs 1) programs looking at the social aspects related to youth unemployment that are detached from labor market demand, and 2) programs focused solely on training to meet labor demand that don't address the social and developmental barriers youth face in their transition into the workforce and adulthood.
- Within each primary category of the Youth Employment Framework (Supply-side, Demand-side, Matchmaking & Mediation, and Comprehensive) several sub-categories of interventions exist. Each sub-category has corresponding programs, activities, and levels of stakeholder engagement. Using the YEF tool, organizations can assess gaps in interventions, understand how various interventions work together for multi-faceted outcomes, and determine the most strategic area to focus on.
- Supply-side YEP interventions tend to focus on post-formal school youth and school leavers. The sub-categories—basic education, TVET, entrepreneurship training, and social services support—all contribute to enhancing youth employability.
- Demand-side interventions are necessary in order to increase job opportunities. Expanding job opportunities, strengthening small and medium-size businesses, and providing support for new entrepreneurs increases demand for employees. However, these sub-categories and related activities usually do not specifically target youth. The major programs in this space are driven by government subsidies, tax incentives, and policies that favor business creation and investment.
- Interventions categorized within the Matchmaking and Mediation category help smooth information flow in the labor market, link supply and demand, and bring transparency and accountability to market transactions. The sub-categories, Active Labor Market Policy (ALMP) with youth orientation, Labor Market Intermediaries (LMIs), and Youth Policy and Institutions with labor orientation, involve activities and programs that make the labor market function more effectively. In developing countries there are relatively few studies and reports discussing this critical category of intervention.
- Finally, the category of Comprehensive interventions, viewed within the YEP sector as the most successful approach to addressing youth employment needs, combines several interventions from more than one primary category. In doing so, the category addresses several different types of labor market constraints simultaneously.

# AN ANALYSIS OF YOUTH EMPLOYMENT PROGRAMS WORLDWIDE<sup>69</sup>

The 2007 World Bank Youth Employment Inventory (YEI) is a comprehensive survey of 289 global youth employment programs compiled from 84 countries. It is a dataset based on available documentation of current and past programs. Because of its scope and recent date of collection, the YEI is the most accurate database available for assessing global trends within YEP programming. However, as with any data, there are limitations to take into account when reviewing its findings.

The first main limitation of the dataset is that it is missing programs facilitated by small to medium-sized organizations that are independent of large institutional actors in the YEP sector. The main programs in the YEI are implemented by large institutions and government agencies, with which the World Bank has relationships.

The second limitation is its focus on post-basic education, which may exclude programs exclusively working on business growth and employment creation.

Thirdly, there is a scarcity of quality evaluations for programs within the dataset, namely net impact assessments and cost-benefit analysis. This fact is not related to the World Bank's YEI program selection criteria, but is indicative of the state of the YEP sector where rigorous evaluation is still not the norm, even in the large-scale programs mainly included in the YEI dataset. In compiling the data, the World Bank researchers imposed two main limitations: 1) program focus had to be on youth (or in some cases all workers with an emphasis on youth), and 2) interventions had to be post-formal schooling so as gather programs focused specifically on YEP rather than on education in general.<sup>70</sup> The data was organized as a live database, meaning that it can be accessed by anyone and added to in the future.

For the purpose of this report, the OECD countries were removed from the data in order to highlight information about programs in developing countries, leaving a total of 167 programs in the dataset. The data for Asia was also disaggregated into two regions, South Asia and East Asia and the Pacific, to draw consistent conclusions to the findings in Section I of the report (See Appendix A for methodology).

Besides the Asia region disaggregation, the YEI data was recoded to introduce program categorization in accordance to the Youth Employment Framework presented in Section II (see Appendix D for recoding methodology). The new variables help reveal which categories of YEF interventions are most common globally, which regions are well represented with YEP interventions, and identifies gaps in YEP programming across regions.

The YEI data captures several other program characteristics relevant to this analysis, specifically rural versus urban geographic location, target population focus, and types of monitoring and evaluation. Analyzing the data with the additional YEF characteristics reveals further insights about gaps in coverage within the YEP sector globally.

## Analysis by Category of Intervention

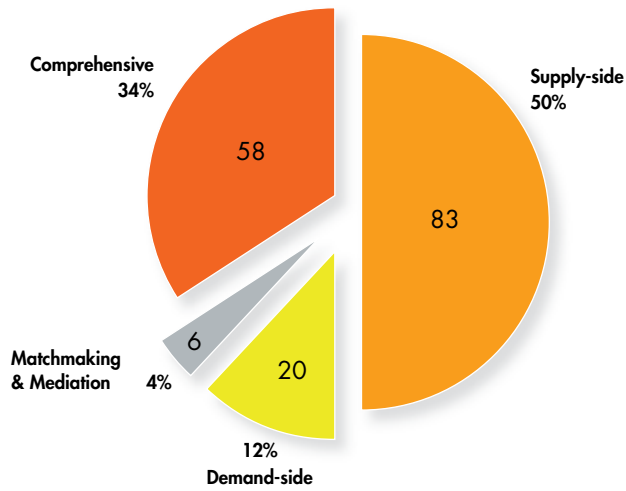
Globally, the majority of YEP programs in the developing world, when viewed through the Youth Employment Framework, can be described as addressing failures on the supply-side of the labor market. Out of 167 YEP programs compiled in developing countries, approximately 50 percent of interventions focus on training, education, and workforce development. The next most common category of programs found in the dataset are Comprehensive interventions, where programs include a mix of activities from several other YEF primary categories. Comprehensive programs account for 34 percent of all interventions in the YEI data set (see Figure 3.1).

The Demand-side and Matchmaking and Mediation (M&M) categories of interventions are the least represented globally. Programs that focus on boosting demand to expand job creation and mediating between both sides of the labor market make up approximately 12 percent and 4 percent, respectively.

<sup>69</sup> All Figures in section 3 source: World Bank. (n.d.). Youth Employment Inventory Data  
<sup>70</sup> Betcherman & Godfrey, et al., July, 2007.



Figure 3.1 Overview of YEI Programs by Intervention Type



Recoding the data at the YEF sub-category level reveals more details about each primary program category. Within programs focused on supply-side interventions, there is a disproportionate emphasis on vocational training. Figure 3.2 also demonstrates the relatively small group of programs that focus solely on training for young entrepreneurs. Additionally, there is a lack of social service programs with an emphasis on youth employment. (Social services are sometimes added to YEP programs, but most social service programs for youth do not place an emphasis on YEP and, therefore, are not included in the YEI dataset). Lastly, given that the criteria for inclusion in the YEI inventory is an emphasis on post-formal school interventions, the lack of programs that focus on basic education within the supply-side category is not surprising.

Figure 3.2 Supply-side by Sub-category

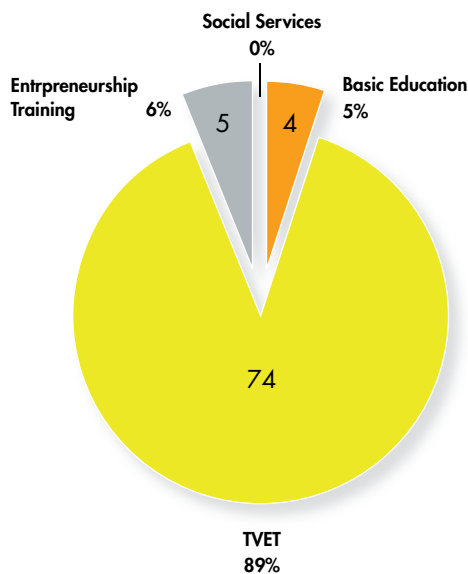
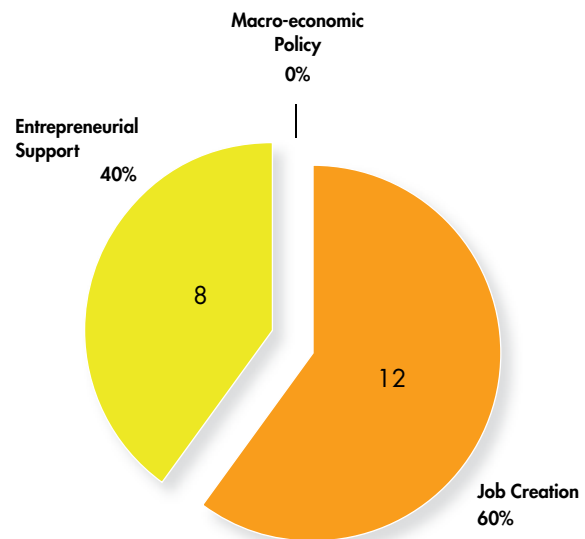


Figure 3.3 shows the breakdown of Demand-side interventions by sub-category. The most commonly represented program type is job creation, followed by programs aimed at entrepreneurship support through favorable policies and services. This differs considerably with the number of programs focused on training entrepreneurs on the supply-side of the labor market (see Figure 3.2). Lastly, none of the programs concentrate solely on macro-economic policy for YEP. Although groups may advocate for economic policies that include youth outcomes, most activities in this space do not choose to impact youth employment directly through work on macroeconomic policy.

Figure 3.3 Demand-side by Sub-category



Within the Matchmaking and Mediation category (see Figure 3.4), the most prevalent sub-category represented in the data is the Promotion of Youth Policy and Institutions. However, the total number of programs in the M&M category is 6 out of 167, which makes it difficult to draw conclusions. Two out of the six programs concentrated on providing labor market mediation services and only one was described as advancing Active Labor Market Policy (ALMP) on behalf of youth.

Figure 3.4 **Matchmaking & Mediation by Sub-category**

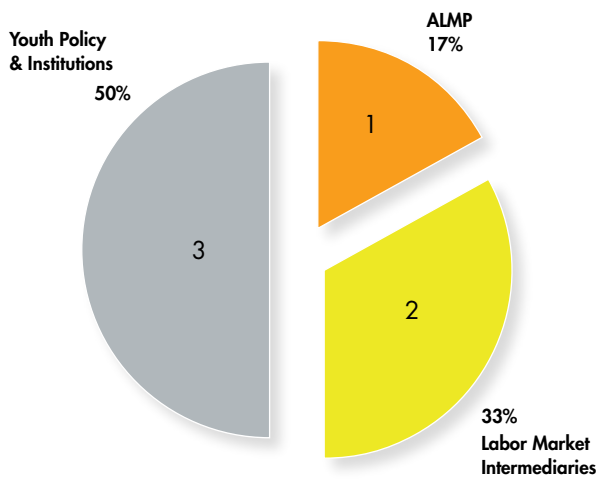
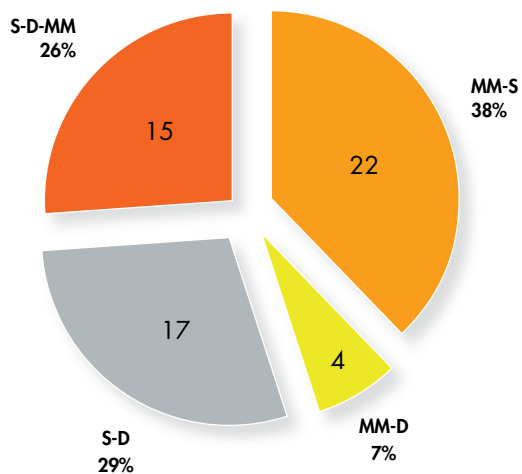


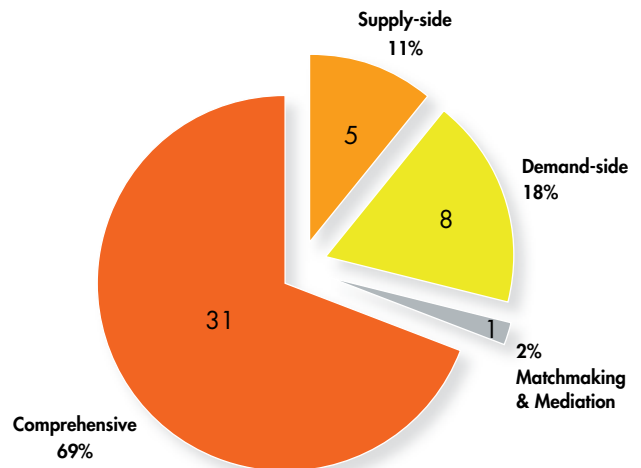
Figure 3.5 examines the category of Comprehensive interventions, which is the second most common primary category found within the data. MM-S emerged as the most common sub-category, with S-D and MM-S-D trailing closely behind. The top three most common comprehensive sub-categories all have a supply-side component. More specifically 93% of the comprehensive programs have a supply-side component. Likewise, 71% of programs have a matchmaking and mediation component. On the other hand, only 62% of all comprehensive programs have a demand-side component

Figure 3.5 **Comprehensive by Sub-category**



Youth entrepreneurship is becoming a popular focus among organizations involved in YEP. In regions with high rates of unemployment and stagnant growth, youth entrepreneurship is encouraged through programs that could be part of any category of the Youth Employment Framework. When assessing entrepreneurship by primary category, out of 45 total programs with an entrepreneurial emphasis in the YEI data (see Figure 3.6), comprehensive interventions have the largest share of programs with an entrepreneurial focus. This observation points to an emerging trend of combining business support services (demand-side) with entrepreneurial training (supply-side), a holistic approach which enhances the success of programs trying to make a positive impact on multi-faceted youth employment issues..

Figure 3.6 **Percent of Programs with Entrepreneurial Emphasis by Primary Category**

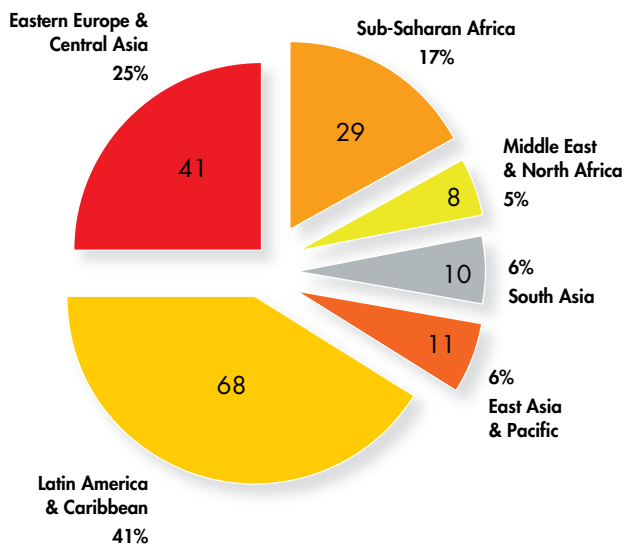


Understanding how the data relates to the Youth Employment Framework reveals which categories of interventions are most common on a global scale. Although this snapshot illustrates the global picture of the YEP sector, without understanding the geographic and cultural context for these interventions, it is impossible to know why certain programs are more prevalent than others. The global level data can only provide ideas about the questions to ask regarding the root causes of youth unemployment in a region. Regional level data will provide a more contextual understanding of the particular representation of YEP interventions and potential gaps in meeting regional youth employment needs.

## Analysis by Region

A regional overview of interventions based on the Youth Employment Framework provides insight into where NGOs and donors are implementing YEP programs globally (see Figure 3.7). Out of the 167 programs (after OECD country data was removed to focus on developing nations), the most of YEP interventions are concentrated in Latin America and the Caribbean (41 percent) followed by Eastern Europe and Central Asia with 25 percent and Sub-Saharan Africa with 17 percent of programs.

Figure 3.7 YEI Programs by Region



The other three regions, MENA, South Asia, and East Asia and the Pacific, have the lowest representation of Programs representing between 5 and 6 percent of the total of programs each. The small sample size and the diversity within each region make it particularly difficult to draw definitive conclusions for these three regions.

Figure 3.8 shows the regional mix of interventions. In four out of six regions the majority of work is concentrated on supply-side interventions such as Technical Vocational Education and Training (TVET) and removing barriers to information and credit in order to make training systems work better for young people.<sup>71</sup> Further details about YEP trends within regions help to explain the mix of interventions.

Since the early nineties a huge emphasis has been placed on YEP in LAC to target mostly disadvantaged and low-income youth. Two programs in particular, implemented across several countries in the LAC region, account for the

majority of interventions and are either heavily focused on skills training or include a mix of interventions.

The *Jovens Programs* have modeled a comprehensive approach to YEP since 1991. Many of these programs have been folded into public agency programs that have adopted the core principals of the original model. Characteristics of the programs are a combination of classroom training, work experience through apprenticeships and internships, life skills, counseling, and career guidance in addition to private sector employer incentives and wage subsidies. Through a competitive bidding process for the training function, the model also ensures a transparent and competitive training system with a high rate of involvement by private training institutions. The *Jovens Programs* specifically target disadvantaged youth based on low-educational attainment, gender, ethnicity, and disability. Overall, the programs have been rigorously evaluated across countries and demonstrate increased employability outcomes as compared to paired control groups. However, the cost per participant tends to be high—between US\$700 and US\$2000.<sup>72</sup>

*Entra 21* is the other main program modeled in over 18 countries in LAC. It was started in 2002 by the International Youth Foundation (IYF) to provide training and skills in information and communication technology (ICT) to disadvantaged youth between the ages of 16 and 29 years who have completed or are in the process of completing high school. Included with the vocational training is an array of support services. On average, youth complete the program in two years, including an internship. Despite its wide-reach, there has been no net impact evaluation published yet.<sup>73</sup>

Out of the 21 programs recorded for South Asia and East Asia and the Pacific, interventions are heavily weighted toward supply-side training approaches. Within the supply-side category, the main activities are vocational and entrepreneurial training. Since these regions represent a diverse range of low-to-middle and higher income countries, it is difficult to analyze them as a whole and draw broad conclusions from the data. However, one interesting detail does stand out when intervention types are separated out by income level. Within the regions of South Asia and East Asia and the Pacific, low income countries have more comprehensive interventions than higher-income countries. Also interesting to note is that the countries that implemented national Active Labor Market Policies, a common trend after the financial crisis in 1997, have programs that do not include a focus on youth employability.<sup>74</sup>

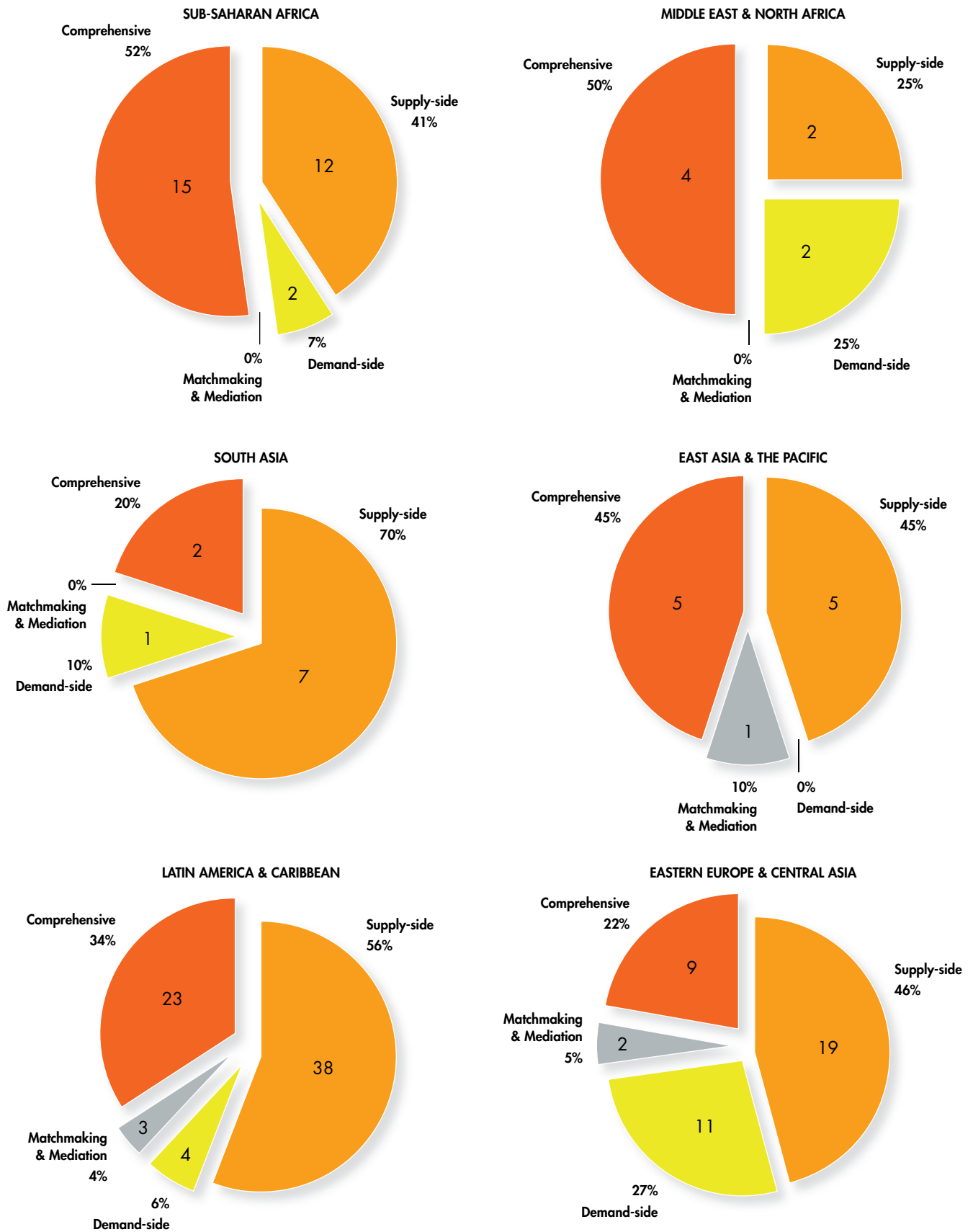
71 Belcherman, et al. October 2007.

72 Belcherman & Godfrey, et al., July, 2007.

73 Belcherman & Godfrey, et al., July, 2007.

74 Belcherman & Godfrey, et al., July, 2007.

Figure 3.8 **Share of Interventions by Region**



The SSA and MENA regions are the exception to the trend of predominantly supply-side programming. MENA has a total of only eight programs recorded in the YEI database, so it is difficult to draw conclusions from the data for the region as a whole. Nevertheless both in MENA and SSA the majority of interventions are comprehensive in nature. This is an encouraging finding. Both regions' indicators show youth status to be low and comprehensive interventions are regarded by practitioners as the most effective at addressing the myriad of root causes of youth unemployment.

Figure 3.9 reveals gaps in coverage across the Youth Employment Framework categories and across regions. Understanding the gaps helps develop assessment questions as to why a region has the particular emphasis or lack of emphasis in a certain intervention area. For example, in SSA the intervention categories with the fewest number of programs are matchmaking & mediation followed by demand-side. Assessment in the field could reveal that there is no need to have stand-alone programs addressing the M&M and demand-sides of the labor market since most issues, and thus interventions require a comprehensive approach. Or it could reveal that, despite the high numbers of comprehensive programs, the supply and demand sides of the labor market are still not connected effectively due to a lack of labor market intermediaries.

Comparatively, some regions, despite appearing weak in a particular intervention category, might have far more programs than another region that might look strong in the same category without the opportunity for comparative statistics. Therefore, the following figures compare sub-categories of interventions by region in order to provide a frame of reference.

Figure 3.9 Comparison of Youth Employment Framework Categories by Region

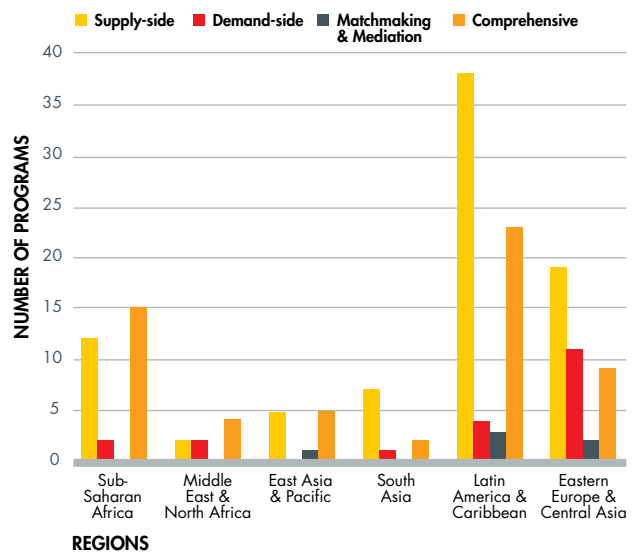
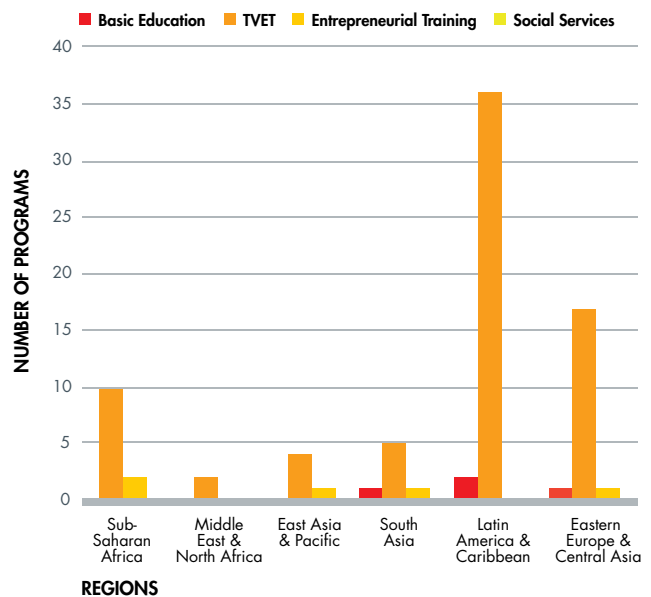


Figure 3.10 shows sub-categories of supply-side programming by region; LAC stands out with the highest number of TVET programs. The majority of these programs are part of the *Entra 21* programs. This model was replicated at the regional level, but produced varied results depending on the country context. In general, TVET programs are the most common supply-side sub-category across all regions.

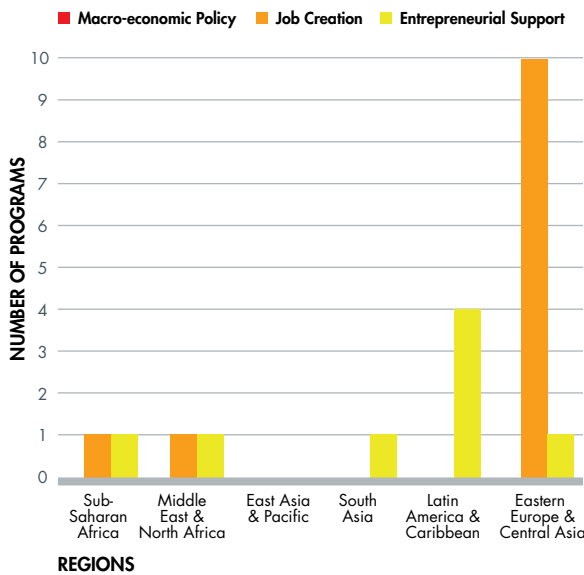
Figure 3.10 Comparison of Supply-side Sub-category Interventions by Region



Eastern Europe and Central Asia (Eastern Europe) stands out in the regional comparison for demand-side sub-categories (see Figure 3.11). Eastern Europe has the highest number of job creation programs and also the highest number of total programs focused on demand-side employment creation. However, the region has only one program supporting entrepreneurship for youth. Many of the job creation interventions are government supported and may relate to the economy-wide transition that took place after the fall of communism in the region. The region had a trained workforce in place as a legacy from communism, but small business development did not exist and therefore unemployment increased.

Overall, the regions exhibit a scarcity of YEP programs that create jobs. This finding leads to critical questions about employment demand and whether it is able to keep pace with an expanding trained workforce. In SSA for instance, job options are so limited that those with university degrees are often unemployed or accept work well below their skill level.

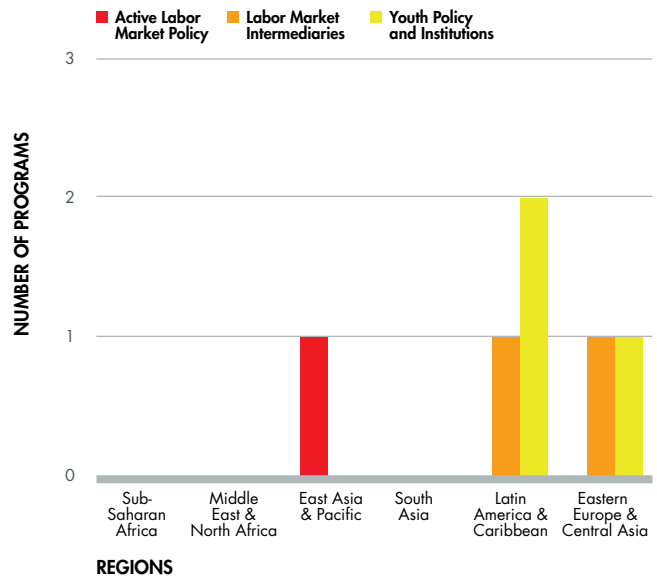
Figure 3.11 **Comparison of Demand-side Sub-category Interventions by Region**



Globally, there are very few matchmaking and mediation programs that focus on linking supply and demand in the labor market (see Figure 3.12). Both LAC and Eastern Europe, the regions with the largest share of YEP programs, have a combined total of just five M&M intervention programs. Without a detailed evaluation of supply-side, demand-side, and comprehensive interventions by region, it is difficult to know if the lack of matchmaking and mediation activities is a cause for

concern. However, practitioners often cite the barriers to information and communication between supply and demand forces in the labor market as key constraints to youth employment, which would make M&M interventions critical to solving root causes of unemployment.

Figure 3.12 **Comparison of Matchmaking & Mediation Sub-category Interventions by Region**



The most common type of comprehensive intervention, measured by the percentage of representation within a region, is S-D taking the lead in three out of the six regions. As seen in Figure 3.13, S-D-MM also has a strong representation among regions. MM-S has the highest number of programs and is also the most prevalent type of intervention in LAC. Although the SSA region has the highest percentage of comprehensive programs, LAC has the highest overall number.

It is also interesting to note that the most prevalent sub-categories for LAC differ from those for SSA. LAC has by far the most MM-S programs. The Jovens Programs are categorized as MM-S and have been applied on a regional scale. In SSA programs that include supply and demand (S-D) are the most common sub-category. Of those, it is interesting to note that 75 percent emphasize youth entrepreneurship. Overall, 80 percent of the SSA comprehensive programs emphasize entrepreneurship, the highest percentage among all regions.

Figure 3.13 **Comparison of Comprehensive Sub-category Interventions by Region**

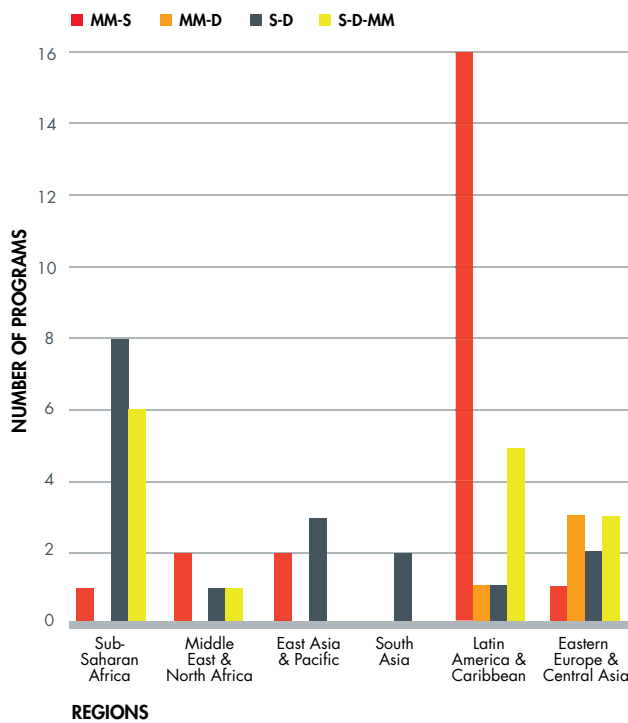
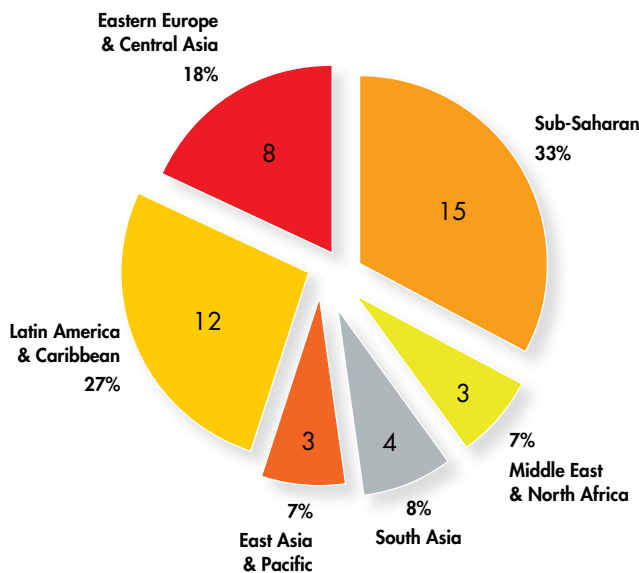


Figure 3.14 examines the emphasis on entrepreneurship in each region. SSA has the greatest share of entrepreneurial programming followed by the LAC region.

Figure 3.14 **Percent of Programs with Entrepreneurial Emphasis by Region**



## Rural Versus Urban Contexts

Along with type of intervention and region, it is critical to understand the data in relationship to rural versus urban contexts. Each environment has its own unique drivers of unemployment and underemployment, different barriers to youth development, specific spatial dynamics, and a separate set of industries and opportunities. For example, urban labor markets tend to have a higher rate of employment turnover due to a higher job-to-population ratio as compared to rural areas. This contributes to the flexibility of urban labor markets in contrast to the more rigid ones in rural areas. YEP interventions need to take into account these differences, but also need to recognize how rural and urban environments relate to one another in order to effectively address root causes of youth underemployment and unemployment.

Despite the increasing rate of urbanization around the world, agricultural production in rural areas is still the dominant economic sector for most low-income countries in South Asia, East Asia and the Pacific, and Sub-Saharan Africa. However, according to the Overseas Development Institute, empirical evidence from sources around the world show that rural households depend on a variety of income-generating activities apart from agriculture in order to survive. Non-farm income is typically generated by rural micro entrepreneurs and producers (MEPs). Although the presence of MEPs is increasing in rural areas, the labor market still tends to be rigid, lacking a diversity of income-generating options and having little flexibility for positive adaptation to changing circumstances.<sup>75</sup>

The limited labor market capacity, along with limited access to finance, needs to be strongly considered in rural YEP strategies that focus on youth micro-enterprise development and youth entrepreneurship in small industries such as soap making, brick-laying, and basket-weaving (handicrafts). To have long-term success, these interventions need to be based on careful assessment and the implementation of activities needs to be tailored to the local, rural context.<sup>76</sup>

The lack of diverse income-generating opportunities, land ownership issues, increased competition, and global trade imbalances are contributing to the heightened rate of urbanization around the world. North America, Latin America and Europe have the highest rates with 75 percent of the population living in urban areas. Africa,

<sup>75</sup> Phillipson, 2005.

<sup>76</sup> BMZ, 2006.

although the least urbanized continent, has the fastest rate of urbanization in the world.<sup>77</sup> The urbanization trends, coupled with increased economic opportunities in the cities, are raising the standard of living for many people in the developing countries. However, increased urbanization is also expanding the income gap between the rich and the poor, which tends to increase informal sector activity in urbanized areas.

Some practitioners and academics have attributed increasing income disparities in urban areas to globalization and increased competition that benefits a certain segment of the workforce. Highly skilled workers clustered in urban centers tend to benefit from opportunities in the global marketplace, while low-skilled or unskilled workers are dependent on opportunities in the local labor markets.<sup>78</sup> Rural migrants drawn in by the possibility of these higher wages end up spending a considerable time waiting to get employment, and thus are forced into work in the informal sector to survive. In places like Sub-Saharan Africa, the unemployment rate for urban youth can be up to triple that of young people in rural areas. However, urban youth tend to have higher educational attainment than rural youth and are older when they enter the workforce.<sup>79</sup>

The scarcity of formal employment in urban areas impacts youth the most due to their lack of skills and experience. It makes them extremely vulnerable to becoming part of the working poor that are employed in the informal sector with little chance of transitioning into better paying, more stable jobs. This fact necessitates a deeper understanding of urban youth unemployment and the informal sector when developing YEP programming.

### THE INFORMAL SECTOR IN THE URBAN CONTEXT

The informal sector is still not well understood despite three decades of work on the topic. Generally speaking, it is comprised of small-scale, family-run, semi-legal income-generating enterprises. The informal sector is significant to YEP specifically because it is where employment and poverty meet and where the majority of poor urban workers live and work.<sup>80</sup> Therefore, YEP interventions need to facilitate the school-to-work transition so it does not result in an increase in the number of the *working poor* in the informal sector. It should be noted, however, that there are employment opportunities within the informal sector that could provide a relatively secure and stable source of income. A thriving informal sector can also be an indication of weak governance and corruption in a region,

which need to be taken into account when developing programming to reduce the number of youth who become the *working poor*. Urban YEP programs need to wrestle with how to work in slums as outsiders, deal with cross-cutting issues of poverty within slums, and address issues related to informal sector employment.<sup>81</sup>

After discussing the importance of geographic location and the employment dynamics associated with rural versus urban areas, it is surprising to observe that for every region with the exception of LAC, the majority of YEI programs target both urban and rural environments. When looking specifically at rural versus urban programs by region, LAC and South Asia stand out with LAC being comprised of predominantly urban programs, while South Asia concentrates explicitly on rural programs alone. Across the other four regions, urban and rural programs are somewhat evenly distributed, with a slight lead of urban programs in SSA and East Asia and the Pacific (see Figure 3.15).

Figure 3.15 Rural versus Urban Representation by Region

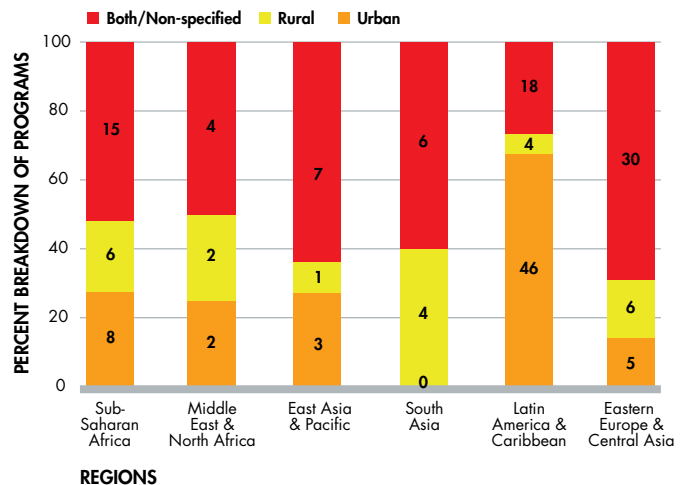


Figure 3.16 shows the urban versus rural distribution based on the YEF primary categories of intervention. Again, for all intervention categories with the exception of the supply-side programs, the majority of programs are implemented both in urban and rural settings. When looking specifically at rural versus urban programs, urban programs are more prevalent in supply-side, M&M and comprehensive programs, and evenly split between the two locations for demand-side programs.

77 Tostensen, 2004.

78 Phillipson, 2005.

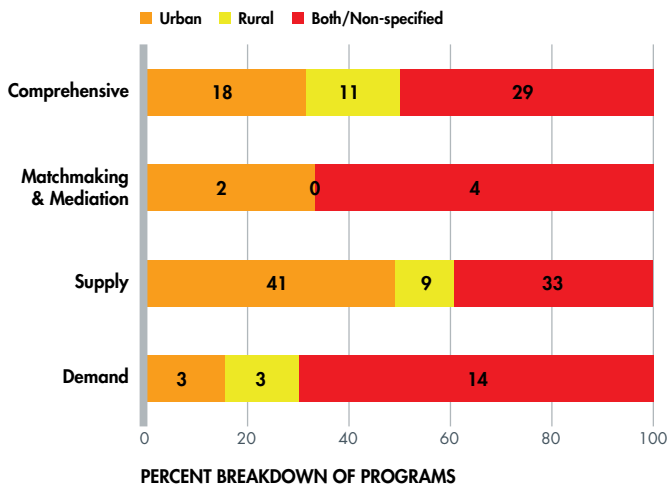
79 Guarcello, 2005.

80 Tostensen, 2004.

81 Phillipson, 2005.



Figure 3.16 Rural versus Urban by Representation by Intervention Category



### Target Population

Globally, YEP programs focus specifically on targeting youth who are *unemployed* and *underemployed*, and can be separated into the following categories:

- **School Age Youth**
  - In-school youth;
  - Dependent out-of-school youth;
  - Independent out-of-school youth; and
- **Post-School Age Youth.**

Within each category there are several disadvantaged subpopulations of youth that face different barriers to employment. Females, ethnic minorities, youth with disabilities, refugees, orphans, low-income youth and youth with low-educational attainment are examples of disadvantaged sub-populations.

It should be noted that most YEP programs are not designed with consideration for disadvantaged youth populations. It is much more common for programs to target the youth population in general and delineate interventions along the lines of in-school, school leavers, and post-school youth, with the largest number of programs focused on post-formal school education. By not focusing on a particular sub-population or identifying the specific barriers disadvantaged youth face, YEP programs will run the risk of failing to help the most vulnerable and poor youth in a region.

It is important to distinguish between designing programs to target one sub-population of youth and the employment barriers they are facing and designing programs with a *lens* for disadvantaged populations aimed to level the playing field overall. The strategy chosen depends heavily on the category of intervention and further assessment of the conditions on the ground. Extensive literature has been written about how to design programs to target disability, gender inequality, ethnic minorities, and the poor. The tools used can be customized and transferred to YEP program design.

Figure 3.17 examines the programs' emphasis on gender by region. Some of the programs are designed to specifically reduce barriers to employment for young women, while others simply take gender issues into account while focusing on the youth population in general. With the exception of South Asia where 60 percent of programs focus on females, it is noteworthy that the majority of programs in the remaining five regions are gender neutral. In LAC, the region which hosts 41 percent of the YEI programs, 91 percent of the interventions are gender neutral in their design. Similarly, as can be observed in Figure 3.18, only few programs across all regions focus on disabled youth.

Figure 3.17 Program Emphasis on Gender by Region

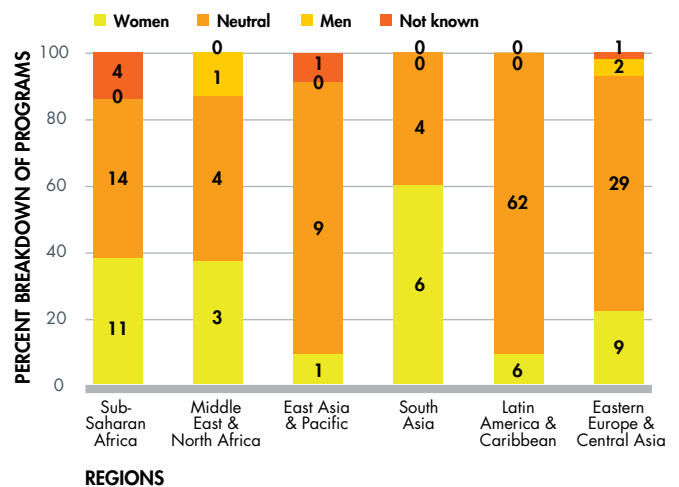
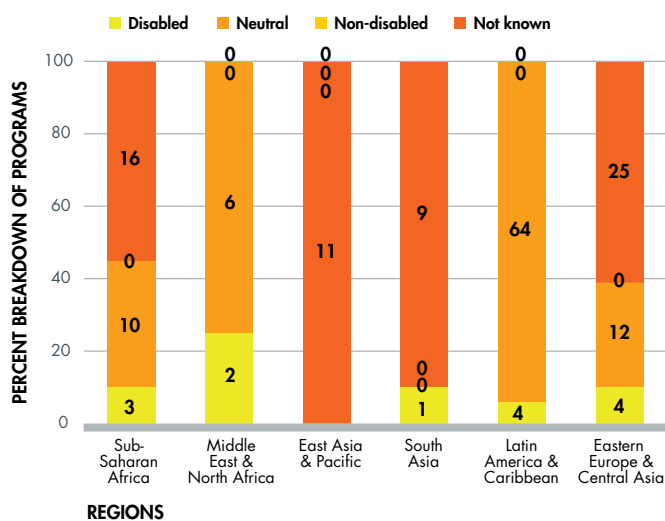


Figure 3.18 **Programs with Disabled Youth Emphasis by Region**



In terms of target population, the majority of the YEI programs have a specific focus on either low income youth or youth with low educational attainment. Besides that, few programs are targeted to other categories of disadvantaged youth, more specifically gender, disability, or ethnicity (see Figures 3.18).<sup>82</sup>

### Monitoring and Evaluation

Determining the impact of youth development programs is challenging. Many of the programs are multi-sectoral in nature, extend over a long period of time, and can be logistically difficult to implement given the transient nature of youth.<sup>83</sup> These factors, combined with scarcity of reliable data, make monitoring and evaluation (M&E) of youth programs especially difficult in developing countries. According to the World Development Report 2007, far too many youth programs in developing countries fall into the “promising but unproven camp”.<sup>84</sup> The most common challenges to M&E are a lack of expertise in the field of evaluation and the methodological difficulties of measuring behavioral outcomes and impact. The International Youth Foundation (IYF) suggests that a youth program should impact one or more of the following areas of youth development: knowledge, attitudes, behavior, skills, and status. These areas of behavioral development overlap and are difficult to quantify. Furthermore, many organizations under-prioritize M&E activities and/or add M&E on at the end of programs, making it much more expensive to carry out.

82 Betcherman & Godfrey, et al., July, 2007.

83 World Bank, 2007.

84 Betcherman & Godfrey, et al., July, 2007.

Monitoring and evaluation (M&E) should be integrated starting at the program design phase. When planned for early on, M&E can be efficient and cost-effective. Since the majority of programs for YEP involve education and training activities, it is relevant to look to the field of adult learning for shared best practices. The field has developed best practices for curriculum and training design that are connected to measurable outcomes. Although the similarities between adult learning and YEP programs seem obvious, prior well-established practices are not utilized adequately to inform youth employment program design.

Data collection in the form of surveys and questionnaires is the basis for an impact evaluation. Most weak evaluations stem from challenges around data collection and ill-suited survey designs. Problems also arise from the selection of a control group and assumptions about the counterfactual (the basis for comparison used to determine net impact of the program). Within the broader field of international development, randomized trials utilizing control groups have been introduced just in the last decade. That being said, there are ways to adapt the stern randomized control trial methodology to fit the developing world context: creating quasi-experimental designs that utilize natural experiment settings when one has little or no control over the allocation of the treatments or other factors being studied.

One of the most important findings from the YEI data compiled by the World Bank is the scarcity of rigorous impact and/or cost effectiveness evaluations of programs. The vast majority of programs across all regions have either no evaluation information available or provide only basic evaluation, namely gross outputs such as the number of youth enrolled in a program.. Few programs provide net impact evaluations, which use a control group methodology to estimate impact, predominantly concentrated in LAC. Fewer still include a cost-benefit analysis along with the net impact evaluation, again concentrated in Eastern Europe and Central Asia and LAC.<sup>85</sup> Both Asia and Africa exhibit minimal levels of net impact and cost-benefit evaluation of programs.

85 Betcherman & Godfrey, et al., July, 2007.

Figure 3.19 shows the types of evaluations by region. Not surprisingly, the regions with the lowest percent of sophisticated evaluations are in Asia and Africa. These are the regions with the largest percent of low-income countries that also demonstrate the largest need for YEP interventions.

Figure 3.19 Quality of Evaluation by Region

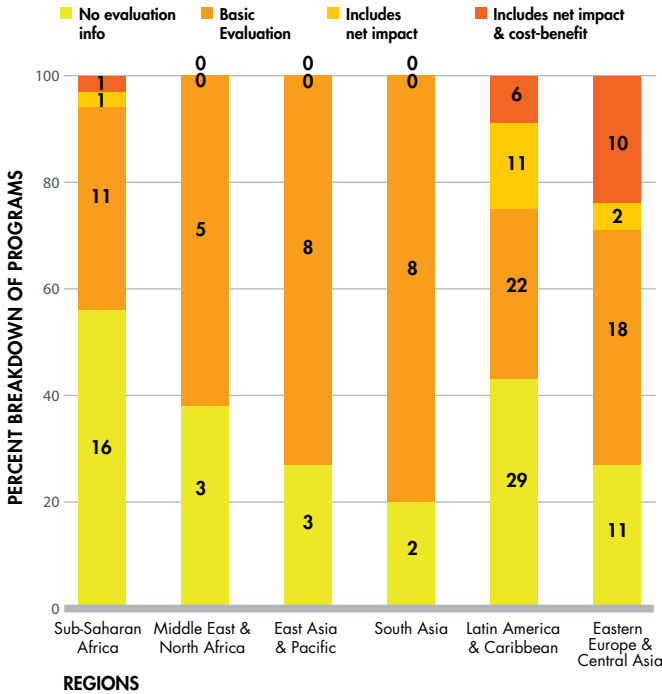
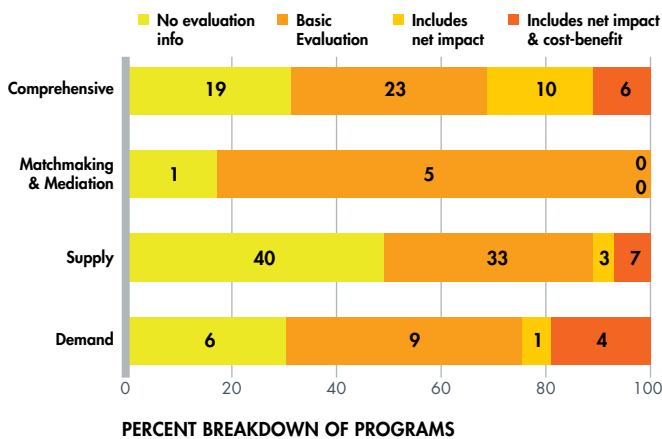


Figure 3.20 compares the types of evaluations by intervention category. The comprehensive category programs have the second highest percentage of net impact evaluations with cost-benefit analysis. Demand-side programs, which tend to be more straightforward for evaluation purposes, have the highest percentage of net impact evaluations with cost-benefit analysis. M&M and supply-side programs are the interventions with the lowest percentage of net impact evaluations.

Figure 3.20 Quality of Evaluation by Intervention Category



## FINDINGS

### INTERVENTION CATEGORY

- The majority of global YEP programs are supply-side interventions with an emphasis on TVET.
- Comprehensive interventions are the second most prevalent category of YEP programs represented in the YEI data. The sub-categories of MM-S, S-D-MM, and S-D are evenly represented among comprehensive interventions. MM-D has the least number of programs.
- Demand-side and M&M interventions are the least represented types of YEP programs globally.
- Within the demand-side sub-categories, programs aimed at job creation are the most common. Within the matchmaking and mediation category, youth policy and institutions represent the majority of activity.
- Few entrepreneurial programs focus solely on training without also providing business support services. The comprehensive category has the largest share of programs focused on entrepreneurship. This finding demonstrates the practice of linking business support services with entrepreneurship training for youth.

### REGION

- LAC has the largest share of YEP programs globally at 41 percent. However, this is mainly based on two programs, Jovens Programs and Entra 21, which were replicated throughout the region.
- Sub-Saharan Africa and Eastern and Central Europe are tied with the second largest share of YEP programs globally.
- South Asia and East Asia and the Pacific regions have the smallest share of YEP programs globally at only 5 percent.
- SSA and South Asia are both regions with the largest need for YEP and have gaps in matchmaking and mediation and demand-side interventions.
- LAC and ECE, two of the most developed regions, contain the majority of matchmaking and mediation programs globally.
- SSA has the greatest share of programs that emphasize entrepreneurship.

## URBAN VERSUS RURAL

- The diverse economies and geographic characteristics along with important labor market relationships make the rural versus urban distinction important when designing YEP strategies.
- Sources of rural income tend to be more diversified than expected. However, there are few options for expansion. The majority of the micro-enterprises and small businesses take place in the informal economy because they do not have the skills to compete.
- In North America, Europe, and Latin America approximately 75 percent of the population lives in urban areas. Sub-Saharan Africa, although the least urbanized, has the fastest rate of urbanization in the world.
- Growing urban disparities related to global competition and access are increasing informal sector activity and creating a larger population of “working poor” who have less and less chance at transitioning into formal sector employment.
- In urban areas, the spatial dynamics and the geography of slums matter in YEP programming, especially when working within the informal sector.
- Despite the importance of the geographic context, the majority of YEI program data is either non-specific or focused on both rural and urban environments. All matchmaking and mediation interventions target urban areas or are unspecified.

## TARGET POPULATION

- Most YEP programs focus on unemployed and underemployed, post-formal school youth.
- Within the categories of unemployed and underemployed youth are subpopulations of disadvantaged youth such as females, ethnic minorities, disabled youth, low-income youth and youth with low educational attainment.
- YEP programs can either target a subpopulation or integrate solutions to specific barriers faced by disadvantaged youth while still addressing a broader category of youth overall.
- In every global indicator of need, females are at greater vulnerability than males. Therefore, no matter the YEP program, applying a gender lens to program design is a best practice within the field. Decisions to specifically target females as the sole beneficiaries, however, should be based on the type of intervention.

- Surprisingly, few programs in the YEI indicate a gender focus, with South Asia as the exception. Latin America and the Caribbean, the region with the largest number of YEP programs, has the highest percentage of programs that are neutral on gender.
- Of the programs that target disadvantaged youth within the YEI, the majority focus on low-income or poorly educated youth.

## MONITORING AND EVALUATION

- Most YEP programs in developing countries lack proper monitoring and evaluation (M&E). Therefore, it is difficult to draw conclusion about the effectiveness of certain interventions as compared to others.
- Within the international development field there is a shortage of M&E specialists, which contributes to it being under-prioritized and underfunded within the project cycle.
- M&E should be included in the program design phase and not be added on after the program is implemented.
- YEP program design can adapt M&E strategies from the field of adult-learning. The applied field has specific techniques for measuring behavior change in relation to education and training interventions.
- The regions with the lowest percent of program evaluations in the YEI are MENA and SSA. Both regions contain the greatest percentage of low-income countries and demonstrate the largest need for YEP interventions.

# KEY FINDINGS & STRATEGIC RECOMMENDATIONS

## Key Findings

Through an analysis of global youth indicators, this report establishes where is the greatest need for Youth Employment Promotion (YEP) programs. Secondly, the report develops a conceptual framework for understanding YEP interventions, the Youth Employment Framework (YEF), based on an economic understanding of labor markets. YEF combined with the World Bank's Youth Employment Inventory (YEI) database, provides a snapshot of the status of YEP programs globally. The findings from this analysis could be used to inform on-the-ground assessments of root causes of youth unemployment and underemployment as well as shape program design for organizations entering the YEP sector.

### SECTION I: ASSESSING THE NEED

- SSA, while containing the third largest population of youth, actually has the highest proportion of youth, namely 33 percent of the region's population.
  - The least developed regions have the highest share of youth in the total working-age population. SSA stands out at close to 40 percent, followed by MENA and South Asia, both close to 30 percent.
  - In SSA and most of Asia the majority of the youth population resides in rural areas. However, the urbanization rates are highest for those same regions, indicating a strong trend of youth migration to urban and peri-urban areas.
  - SSA and the two Asia regions have by far the greatest populations of out-of-school youth. Young women make up the larger proportion of out-of-school youth in almost every region. SSA has more than double the number of female out-of-school youth as South Asia.
  - Young women are significantly less represented in the labor force and make up the largest proportion of people living in poverty in all regions. SSA has the highest rate of adolescent fertility, a fact that creates further barriers for females to enter the labor market and achieve parity.
  - In terms of youth literacy, there are significant disparities between men and women. The regional disparities show African and South Asian women as the most marginalized.
- For secondary schooling, SSA stands out as far below the global average with only 26 percent of youth enrolled in secondary school.
  - Out of all the regions, SSA has the smallest percentage of the population enrolled in tertiary educational programs.
  - SSA, with the lowest Gross National Income (GNI) per capita, also has more than half its youth living below the poverty line. South Asia comes second with 40 percent of youth living in poverty.
  - All countries designated as Low Human Development according to the Human Development Index for 2007-2008 are located in SSA.

### SECTION II: THE YOUTH EMPLOYMENT FRAMEWORK

- The Youth Employment Framework is a conceptual framework for understanding the universe of YEP interventions that exist today. It is based on BMZ's work incorporating an economic understanding of labor markets and then customized to prioritize youth development and employment outcomes.
- The Youth Employment Framework is divided into primary categories of Supply, Demand, Matchmaking and Mediation, and Comprehensive interventions, each containing sub-categories of interventions. When conducting a literature search for each category, the following emerged:
  - Most supply-side category interventions tend to focus on post-formal-school youth and *school leavers* and fall within the TVET subcategory.
  - Demand-side interventions' goal is to increase job opportunities. Its sub-categories and related activities aimed at boosting business development and employment creation do not specifically target youth. The major programs in this space are driven by government subsidies, tax incentives, and policies that favor business creation and investment.
  - Matchmaking and Mediation interventions help smooth information flow in the labor market, and bring transparency and accountability to market transactions that can benefit the youth. In developing countries, there are relatively few reports on the role of Active Labor Market Policy and Labor Market Intermediaries and their impact on youth employment.

- Comprehensive interventions, which combine several program activities from more than one primary category, are regarded by practitioners as the most successful approach to addressing youth employment. This is partly due to their ability to address several different labor market failures simultaneously.

### SECTION III: ANALYSIS OF YEP INTERVENTIONS WORLDWIDE

- The majority of global YEP programs are supply-side interventions with an emphasis on TVET, with comprehensive interventions as the second most prevalent category globally.
- Demand-side interventions followed by matchmaking and mediation are the least common type of YEP programs globally.
- Regionally, LAC has the largest share of YEP programs at 41 percent followed by Eastern Europe and Central Asia. SSA has the third largest share of YEP programs, the majority of which are comprehensive in nature.
- MENA, South Asia and East Asia and the Pacific have the smallest share of YEP programs, ranging between 5 and 7 percent each.
- SSA and South Asia, regions with the greatest need for YEP, both have gaps in matchmaking and mediation and demand-side interventions. The two most developed regions, LAC and Eastern Europe, have the majority of matchmaking and mediation programs.
- Few entrepreneurial programs focus solely on training without also providing business support services, activities on the demand-side of the Youth Employment Framework.
- In North America, Europe, and Latin America approximately 75 percent of the population live in urban areas. While SSA is the least urbanized region, it is experiencing the fastest rate of urbanization in the world.
- In urban areas, the spatial dynamics and economic geography of slums matter when working on YEP interventions that involve the informal economy.
- The majority of YEP programs focus on both rural and urban environments.
- Most YEP programs focus on unemployed and underemployed post-formal school youth.
- Females are at a greater disadvantage than males in every social and economic indicator. Therefore applying a gender lens to program design should be a best practice in the field of YEP. However, surprisingly few programs in the YEP database have a gender focus, with South Asia as the exception.
- Of the programs in the YEP database, the majority focus on low-income or poorly educated youth.
- Monitoring and evaluation (M&E) should be included in the program design phase and not be added on after the program has been implemented. YEP programming can learn from the field of adult learning about techniques for measuring behavioral change in relation to education and training interventions.
- The regions with the lowest percentage of net impact and cost-benefit evaluations of programs in the YEP are MENA and SSA. Both regions contain the highest percentage of low-income countries and demonstrate the largest need for YEP interventions.

### Strategic Recommendations

Several strategic recommendations for future YEP interventions emerge from the findings of this report and from extensive consultations with experts in the field. The recommendations presented below are a blend of the quantitative analysis presented and best practices from programs on-the-ground. They reflect broad themes related to youth employment programming and policy design and were formulated specifically with Ikatu's priorities in mind.

#### Location

- Region(s) with indicators of greatest need for YEP programs
- Urban versus rural focus or both

#### Level and Type of Engagement

- Level and type of stakeholder engagement for the YEP

#### Intervention

- Category of intervention in relation to the Youth Employment Framework and the related activities

#### Target Population

- Target beneficiaries

#### Monitoring and Evaluation

- Techniques and timing for monitoring and evaluation

## LOCATION

**New YEP interventions should prioritize countries in Sub-Saharan Africa and/or South Asia, the two regions with the greatest need for YEP interventions.** Sub-Saharan Africa scores lowest across all indicators related to youth demographics, poverty, health, gender, and education with South Asia following close behind. Both regions lack demand-side and matchmaking and mediation YEP programs. However, SSA has a greater number of comprehensive programs that may include these categories, while in South Asia the majority of the programs are focused on supply-side interventions.

**Within either region, YEP programming should prioritize the needs of urbanizing areas.** Given the geographic characteristics of urban environments, cities have the greatest potential to drive the economy of a country. In most cases, cities provide increased access to capital, a more diverse labor pool, and better infrastructure. Similarly, the population size and physical proximity of people in urban areas facilitates a higher rate of information exchange and access to a variety of local and international markets. It is also possible for an entire industry's value chain to exist in a city, thus opening up job opportunities for a range of skill sets.

Sub-Saharan Africa, which exhibits the largest need for YEP programs, is experiencing the fastest rate of urbanization in the world. As such, it is extremely important that YEP practitioners intentionally customize their programs to fit the urban context, recognizing the differences and linkages between rural and urban economies.

**A comprehensive understanding of informal economy activities is vital to successful YEP programming.** Most disadvantaged youth live in urban slums where they are building their livelihoods within the informal economy.

## LEVEL AND TYPE OF ENGAGEMENT

**The majority of YEP programs are created and managed by national government agencies and carried out at the local level. Further engagement at the meso level (institutions, associations, alliances, etc.) could more effectively link national agendas to meet local needs.** The majority of interventions are top-down and involve national governments, international donor agencies, and in some cases, a local implementing organization. To complement these efforts and allow customization, engagement with meso and micro level players is necessary and should be prioritized.

**To be effective within a greater metropolitan area, YEP interventions need to engage local municipalities.** Too often decision-making and policy work take place at a national or regional level and are not linked to the municipal government tasked with implementation. The lack of emphasis on local government capacity and relationships hinders awareness of the root causes and, therefore, can impede the long-term success of programs.

**YEP interventions need to prioritize working with industry and local businesses.** Often the private sector is not linked effectively to development initiatives. In the case of youth employment, it is critical that the private sector have a voice in planning and delivering YEP outcomes in order to have long-term success.

**Because YEP involves cross-cutting issues of labor markets and youth development, a multi-stakeholder approach to planning and implementation is crucial.** Identifying stakeholders from all sides of the labor market and organizations involved in various aspects of youth development should be part of a detailed assessment. Their involvement should start at the program planning and design phase and continue throughout the project cycle.

## INTERVENTION

**YEP interventions must be informed by a deep understanding of issues surrounding both labor markets (education & training, labor standards, employment policies and safety nets, etc.) and youth development (health, socialization, family life, education, etc.).** The analysis of the global YEI programs has validated the importance of a multi-sector approach to youth employment. According to the YEF framework, effective programs combine an economic view of labor markets and workforce development with an understanding of social and behavioral issues faced by youth. However, many programs neglect the labor market perspective. Other programs that target labor status often neglect important social barriers that youth face in their transition into the workforce.

**New YEP interventions, especially in Sub-Saharan Africa, in addition to being comprehensive in nature should be heavily focused on demand-side and/or matchmaking and mediation interventions.** Within SSA, there is a scarcity of programs aimed at boosting labor demand and mediating between supply and demand in the labor market. Matchmaking and mediation activities tend to be concentrated in urban labor markets and more developed regions. The YEI data demonstrates this. However, because SSA is urbanizing at the fastest rate in the world, there is a growing need for demand-side and M&M interventions, but have not been fully developed or applied yet.

***In order to be comprehensive, supply-side training programs for youth should include job placement and social services wherever possible. Supply-side interventions should prioritize forging relationships with the local business community to assure training is linked with job placement outcomes.***

***Although programs should be comprehensive in nature, new YEP programs with an emphasis on demand-side interventions can fill the gap by linking existing supply-side programs to expanded job opportunities.*** Ideally, all supply-side programs that focus on training and educating workers should be based on labor demand or working in concert with a demand-side intervention counterpart. However, this is often not the case. Currently, there is a shortage of demand-side interventions in the YEP sector. Increased knowledge about labor demand, increased communications and relations with the business sector, and support for SMEs and entrepreneurs could help supply-side training programs be more successful.

#### **TARGET POPULATION**

***YEP interventions should target and understand subpopulations of youth, such as low-income youth, rather than attempt to address youth as a whole.***

***All YEP interventions should use a gender lens no matter the intervention type or target population.***

***Decisions to develop an exclusive YEP programming model for a specific population of disadvantaged youth, such as young women, should depend on local context and best practices in the field.*** Levels of vulnerability along with the particular root causes of youth unemployment and underemployment in the local context should inform whether a program model is exclusive or inclusive.

#### **MONITORING AND EVALUATION**

***Monitoring and evaluation should be incorporated into the program design phase and not added on as an afterthought.*** It is impossible to measure the impact of a program if the objectives and goals are not clearly thought through from the beginning.

***Evaluation must be accompanied by targeted program monitoring in order to adjust and revise program design based on what is working and what calls for change.***

***Based on expert opinions in the field of M&E, whenever possible, project design, and monitoring and evaluation methods should be participatory in nature in order to incorporate community input into the process.*** Stakeholder analysis and beneficiary assessments are both examples of participatory tools used in monitoring and evaluating programs. The advantage to these methods, particularly in the design phase, is helping to troubleshoot or identify information that might have more informal sources as well as building capacity and partnerships locally.



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# APPENDICES

## APPENDIX A: Methodology

### 1. LITERATURE REVIEW

While a literature review is a commonly used term in research and policy circles, this report, due to its strategic nature, included certain methodological criteria that guided which sources were selected and reviewed in order to arrive at the strategic recommendations.

#### A. Selection of Sources

The selection of resources that constitute the foundation for this report are representative of three major categories. These categories have been chosen in order to construct as *balanced* an information base as possible.

Categories for sources include:

- International development implementation organization sources (of all sizes and genres);
- International development donor organization sources (both public and private); and
- Academic sources (from a variety of relevant academic fields).

### 2. SECTION I - THE GLOBAL STATUS OF YOUTH:

#### A COMPLEX LANDSCAPE

#### A. Analysis of Statistics

Statistics were gathered during the process of reviewing the literature on the global state of youth as it relates to employability and youth development. These statistics were then analyzed to tell a story, in numbers, of the global problem of youth employment and the state of youth as a population. Aggregation was performed on several occasions to convert country-level data to regional data. Percentages were also calculated from raw data sources to create more easily comparable statistics.

### 3. SECTION II: YOUTH EMPLOYMENT PROMOTION INTERVENTIONS: FRAMEWORKS AND ANALYSIS

#### A. Literature review of YEP interventions and existing frameworks

#### B. Compilation of a framework incorporating an economic perspective to youth employment in order to improve the categorization of YEP interventions

### 4. SECTION III: AN ANALYSIS OF YOUTH EMPLOYMENT WORLDWIDE

#### A. The YEP Database

The report uses an existing raw data set of YEP programs compiled by the World Bank Division of Social Protection. The Youth Employment Inventory (YEI) is based on available documentation of current and past programs and includes documentation for 289 YEP programs from 84 countries in all regions of the world. All programs included in the Inventory have a focus on disadvantaged youth and are largely limited to post-formal schooling interventions.

For the purposes of this report, the YEI database was contracted to only include YEP programs from developing countries. However, 42 percent of the interventions in the Inventory are from OECD countries; this reflects both the level of activity as well as the availability of documentation for programs in developed countries. For the analysis in this report, all developed countries (categorized in the Inventory as “high-income” or OECD nations) were removed from the data. In effect, the analysis was performed on a total of 167 programs from five regions of the developing world. To keep the reporting consistent between Section I and Section III of the report, the original South, East Asia and the Pacific region in the YEI data was split to form two regions—South Asia and East Asia and the Pacific..

#### B. YEI Data Analysis

This report uses the Youth Employment Inventory to perform original data analysis in order to answer the specific questions targeted in the report. Methods for analyzing data consisted of aggregation, disaggregation, the creation of new variables for program categories based on the Youth Employment Framework developed in Section II, and the calculation of percentages. The key for recoding the YEI variable for intervention category into the YEF framework can be found in Appendix D.

The data were then graphed in order to examine emerging trends by intervention category and region and answer conceptual questions about gaps in coverage of and gaps in YEP programs.

## APPENDIX B: Regional Composition by Country

In the report, regional composition by country follows the World Bank standards, except for Figures 1.5, 1.6, 1.7, 1.25 and 1.26 in Section I which follow the regional country composition of the International Labor Organization (see discussion below);

### World Bank Standards:

**Sub-Saharan Africa** includes Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

**South Asia** includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

**Europe & Central Asia** includes Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, FYR, Moldova, Montenegro, Poland, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.

**Middle East & North Africa** includes Algeria, Djibouti, Egypt, Arab Rep., Iran, Islamic Rep., Iraq, Jordan, Lebanon, Libya, Morocco, Syrian Arab Republic, Tunisia, West Bank and Gaza, Yemen, Rep.

**East Asia & Pacific** includes American Samoa, Cambodia, China, Fiji, Indonesia, Kiribati, Korea, Dem. Rep., Lao PDR, Malaysia, Marshall Islands, Micronesia, Fed. Sts., Mongolia, Myanmar, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Thailand, Timor-Leste, Tonga, Vanuatu, Vietnam.

**Latin America & Caribbean** includes Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Uruguay, Venezuela, RB.

### International Labor Organization Standards:

Figures 1.5, 1.6, 1.7, 1.25 and 1.26 follow the World Bank regional breakdown except for the Asia regions which are comprised as follows:

**East Asia** includes the countries of China, Hong Kong, China, Korea, Democratic People's Republic of Korea, Republic of Macau, China, Mongolia, and Taiwan, China.

**South East Asia** includes Brunei Darussalam, Cambodia, East Timor, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam.

**Pacific Islands** includes American Samoa, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Papua New Guinea, Northern Mariana Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna Islands.

**South Asia** includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

## APPENDIX C: Levels of Engagement

### Levels of Stakeholder Engagement

LEVELS	EXAMPLE OF STAKEHOLDER ENGAGEMENT
MACRO	Advise policy-makers, governments on YEP strategies and policies
MESO	Support for responsible institutions, youth network organizations, alliances, advocacy groups
MICRO	Work directly with young men and women in local context

Source: German Development Corporation, 2006

## APPENDIX D: Key for Recoding the Intervention Category Variable from the YEI Database into the Youth Employment Framework (YEF) Categories

### Key for Intervention Category and Sub-Category

PRIMARY CATEGORY	PRIMARY CODE	DESCRIPTION
Supply-Side	<b>S</b>	promotes and enhances the employability of the labor supply
Demand-Side	<b>D</b>	expands employment opportunities and generates demand for labor
Matchmaking & Mediation	<b>MM</b>	facilitates information exchange and brings transparency to the market; links supply and demand
Comprehensive	<b>C</b>	includes some combination of supply/demand/matchmaking & mediation services

PRIMARY CODE	SUB-CATEGORY	SUB-CODE	DESCRIPTION
<b>S</b>	Basic Education	<b>S1</b>	formal schooling and education for school-leavers
	TVET	<b>S2</b>	post-formal school training and education for employment outcomes
	Entrepreneurial Training	<b>S3</b>	training in self-employment and small business development skills
	Social Services	<b>S4</b>	services that support the physical, social, and emotional well-being of youth
<b>D</b>	Macro-Economic Policy	<b>D1</b>	enhances national competitiveness and creates favorable environment for business and investors
	Job Creation	<b>D2</b>	promotes small to medium size businesses, and provides incentives to expand job opportunities
	Entrepreneurship Support	<b>D3</b>	supports a favorable business environment for entrepreneurs to succeed
<b>MM</b>	Active Labor Market Policies	<b>M1</b>	smoothes interaction between supply and demand in labor market by enacting policies to reduce unemployment and increase workers' earning capacity
	Labor Market Intermediaries	<b>M2</b>	employment services that provide information and transparency between supply and demand in the market
	Promotion of Youth Policy & Institutions	<b>M3</b>	supports youth empowerment and representation in national labor policies and social agendas
<b>C</b>	MM-S	<b>C1</b>	combination of matchmaking & mediation and supply-side interventions
	MM-D	<b>C2</b>	combination of matchmaking & mediation and demand-side interventions
	S-D	<b>C3</b>	combination of supply-side and demand-side interventions
	S-D-MM	<b>C4</b>	combination of supply-side, demand-side, and matchmaking & mediation interventions

## Recoding Key for the World Bank YEI Program Code to the YEF Framework Intervention Categories

WORLD BANK YEI CODE	PRIMARY CODE S/D/MM/C	SUB-CODE	NOTES
1 Making The Labor Market Work Better For Young People			
1a Counseling, job search skills	MM	M2	
1b Wage subsidies	D	D2	
1c Public work programs	D	D2	
1d Anti-discrimination legislation	MM	MM	
1e Other	Depends	Depends	Depends on description for Primary Category; if none then see Secondary Category code and description
2 Improving chances for young entrepreneurs	S or D or C	S3 or D3 or C3	Depends on description for Primary Category; Entrepreneurship training is S & S3 while Entrepreneurship support is D & D3; A few programs may provide both and be a C & C3
3 Skills training for young people			
3a Vocational training including apprenticeship systems	S	S2	
3b Literacy & numeracy – young adult literacy programs	S	S1 or S2	Depends if there is a targeted age group; S1 would be for school age youth, while S2 would be for post-school age
3c 2nd chance & equivalency programs	S	S1 or S2	Depends if there is a targeted age group; S1 would be for school age youth, while S2 would be for post-school age
3d Other	Depends	Depends	Depends on description for Primary Category; if none then see Secondary Category code and description
4 Making training systems work better for young people			
4a Information about training systems	S	S2	
4b Credit for trainings	S	S2	
4c Financial Incentives for trainings (financial incentives, training vouchers)	S	S2	
4d Other	Depends	Depends	Depends on description for Primary Category; if none then see Secondary Category code and description
5 Programs to Counteract residential segregation of disadvantaged youth			
5a Transportation	S	S4	These programs can be considered social services
5b Other	S	S4	These programs can be considered social services
6 Improving labor market interventions to the benefit of young people	MM	M1 or M2	Depends on description for Primary Category; if none then see Secondary Category code and description
7 Programs for overseas employment of young people	D	D2	
8 Comprehensive approach	C	C1 or C2 or C3 or C4	Depends on Secondary Category code and description
9 Other	Depends	Depends	Depends on description for Primary Category; if none then see Secondary Category code and description

## APPENDIX E: Definitions

### Active Labor Market Policy (ALMP)

Active Labor Market Programs (ALMPs) are national policies that contribute to increasing employment opportunities and addressing the social problems that often accompany high unemployment. They include a wide range of activities to stimulate employment and productivity such as: increasing the quality of labor supply (e.g. retraining); increasing labor demand (e.g., public works projects); or improving the matching of workers to jobs (e.g., job search assistance).

### Developing Countries

Countries that are categorized by the World Bank according to their gross national income (GNI) per capita as low-income and middle-income countries (GNI per capita as of 2008 falls within the range of \$936 or less and up to \$11,455 for upper middle income countries). The term is not intended to convey that all economies are experiencing the same level of development and, similarly, it does not reflect development status.

### Economically Active Population

According to the ILO, the economically active population “comprises all persons of either sex who furnish the supply of labor for the production of goods and services during a specified time-reference period”.

### Employed

According to the ILO, “The ‘employed’ comprise all persons above a specific age who during a specified brief period, either one week or one day, were in the following categories:

- ‘At work’: persons who during the reference period performed some work for wage or salary, in cash or in kind;
- ‘With a job but not at work’: persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job.
- ‘Self-employment’: either at work or those with an enterprise but not at work temporarily;
- Persons temporarily not at work because of illness or injury, holiday or vacation, strike or lockout, educational or training leave, maternity or parental leave, reduction in economic activity, temporary disorganization or suspension of work due to such reasons as bad weather, mechanical or electrical breakdown, or

shortage of raw materials or fuels, or other temporary absence with or without leave should be considered as in paid employment provided they had a formal job attachment;

- Employers, own-account workers and members of producers’ cooperatives should be considered as in self-employment and classified as ‘at work’ or ‘not at work’;
- Unpaid family workers at work should be considered as in self-employment irrespective of the number of hours worked during the reference period;
- Persons engaged in the production of economic goods and services for own and household consumption should be considered as in self-employment if such production comprises an important contribution to the total consumption of the household;
- Apprentices who received pay in cash or in kind should be considered in paid employment and classified as “at work” or “not at work” on the same basis as other persons in paid employment;
- Students, homemakers and others mainly engaged in non-economic activities during the reference period, who at the same time were in paid employment or self-employment;
- Members of the armed forces should be included among persons in paid employment.

### Gross Domestic Product (GDP)

The sum of gross value added by all resident producers in the economy, including distributive trades and transport, plus any product taxes and minus any subsidies not included in the value of the products.

### Gross National Income (GNI)

GNI comprises the total value produced within a country (i.e. its Gross Domestic Product), together with its income received from other countries (notably interest and dividends), less similar payments made to other countries divided by per person.

### Inactive Youth

Young people who are outside of the labor force.

### Labor Market

A market through which individuals supply their labor time to firms in exchange for wages and salaries.

**Labor Market Intermediaries (LMI)**

Third party organizations, private or public that broker relationships between employer and worker; includes activities such as job placement services, industry-specific skills training and testing, and oversight of employee contracts.

**Life skills**

The large group of psycho-social and interpersonal skills that can help youth make informed decisions, communicate effectively, and develop coping and self-management skills that may help them lead a healthy and productive life.

**Livelihoods**

Livelihoods are the activities, the assets, and the access that jointly determine the living standard gained by an individual or household. This definition of livelihood is broad in that it includes all types of income generation, employment, enterprise development, and production that help to supply enough food, clothing and shelter to lead a healthy and dignified life.

**Mentoring**

The process of one person (mentor) assisting another (mentee) do a job more effectively or progress in their career and knowledge base.

**Pre-vocational or pre-technical education**

Education that is mainly designed to introduce participants to the world of work and to prepare them for entry into vocational or technical education programs.

**School-age population**

Population of the age-group which corresponds to the relevant level of education as indicated by theoretical entrance age and duration.

**School-leavers**

Youth that for socio-economic, political, or cultural reasons have left the formal schooling system, but are still of school age.

**Technical and Vocational Education (TVE)**

Programs for in-school or school-age youth designed mainly to lead pupils to acquire the practical skills, know-how and understanding necessary for employment in a particular occupation or trade (or class of occupations or trades).

**Technical and Vocational Education and Training (TVET)**

Programs similar to TVE, but expanded to include trainings for youth and adults once they are outside of the school system and in the workforce.

**Underemployed Youth**

Youth who are in a situation where their available human capital is not fully utilized.

**Unemployed Youth**

Young people who are in the labor force, but without work.

**Youth**

The standard UN definition of youth as those belonging to the 15-24 age group will apply to this report.