

>> GLOBAL YOUTH: *Emerging Trends & Next Steps* <<

WE MAY ONE DAY POINT TO 2012 AS THE YEAR THE TIDE BEGAN TO TURN FOR THE WORLD'S YOUTH. *Opportunity for Action*, released by Microsoft and International Youth Foundation (IYF) in March 2012, outlined the challenges facing young people ages 15 to 24 and called for decisive action to safeguard their futures. Since then, dozens of prominent governmental, quasi-governmental, private, and nonprofit entities released hard-hitting reports that confirmed the interlocking challenges facing youth around the globe and echoed a call for action. The global youth employment crisis—and our opportunity to successfully address it—was also the principal topic at the World Economic Forum, the European Employment Forum, the Clinton Global Initiative, and others distinguished platforms.

Perhaps most importantly, young people themselves presented policies and recommendations to leaders at international, regional, and local gatherings. For instance, the World Youth Congress, which convened in Rio de Janeiro in 2012, itemized solutions for a sustainable future, including suggestions to promote youth entrepreneurship and increase youth representation in political processes. “Malala Day” at the UN brought together more than 500 young people from 80 countries, joining 16-year-old Pakistani advocate Malala Yousafzai’s call for equal opportunity for children and youth.¹ Young people from G20 countries (Youth 20) once again met prior to the Summit to craft recommendations for world leaders, including ways to optimize youth employment.² Young people came together in many other international, regional, and local venues to voice their preferences about policies and interventions that affect their futures. And, as evidenced by the youth-led walkout at the Rio+20 summit, young people actively demonstrate whether they believe their thoughts and opinions are taken seriously.

On the face of it, there is a growing acknowledgment that urgent action must be taken to help young people lead productive, fulfilling lives. This expanding awareness is the foundation from which political will and intensified efforts can arise. But it is crucial that we do not stand idle, rehashing findings that are not in dispute or becoming mired in discussions about the complexities of our challenge. We must build on the momentum of the past 18 months until we have ensured a bright future for all the world’s youth.

WHAT’S TRENDING?

As efforts accelerate to connect youth with economic opportunities, once-nascent ideas may prove fruitful and attract increased investment while new paths are explored. This brief presents three such trends: (1) offering youth with inadequate schooling a second chance at education and training; (2) supporting youth entrepreneurship as an end in itself; and (3) equipping young people with a range of IT skills, from digital literacy to coding and programming.

Second Chances

Although getting young people in school remains a priority, worldwide, 71 million secondary school-aged youth do not attend class.³ In poor nations, many youth never have an opportunity to enroll in secondary school—they were never afforded a first chance—and, everywhere, enrolling is no guarantee that youth will graduate. In Latin America and the Caribbean, some 89 percent enroll in secondary education, but fewer than half graduate; in some European countries, one in five youth do not finish school.⁴ Boys, students from economically disadvantaged households, and migrants are most at risk of not completing school.⁵ Others may graduate without having learned to read or write.⁶ UNESCO estimates that 200 million youth in low- and lower-middle income countries need a second chance to acquire foundational literacy and numeracy skills.⁷

Second-chance programs aim to reach these youth. Some programs reintegrate youth back into formal education, while others fill the gaps, providing basic education as well as technical training

geared toward local work opportunities. High-quality second-chance programming includes life skills education, such as critical thinking, teamwork, and conflict management, as well as job-seeking skills, such as writing a résumé and interviewing. Programs that offer apprenticeships, internships, and other opportunities for on-the-job training can be extremely useful for youth who have never held a formal job.

Such a program helped Christopher, who grew up on the Caribbean island of St. Lucia. Christopher never did well in school; by his own admission, he was passed through primary school solely so he would not be left behind his peers. He never finished secondary school. His family often did not have money and frequently went hungry. Despite the fact that his low level of education made him virtually unemployable, Christopher felt responsible for helping to provide for his mother and two younger sisters. He eventually found steady work, but it was illicit, and when he was 23 he was arrested and sentenced to the Bordelais Correctional Facility.

While serving his four-year prison term, Christopher heard about the *Caribbean Youth Empowerment Program* (CYEP), a second-chance program for people ages 17 to 25 who have left school early and live in marginalized communities. CYEP is an initiative of IYF and USAID working in St. Lucia through the National Skills Development Centre. CYEP gave Christopher a chance to gain the basic technical and life skills needed for a construction career and helped him get an internship with Construction Industrial Equipment, a locally owned company.

CYEP is especially important in areas like the Caribbean, where poor-quality schools, low educational achievement levels, high rates of unemployment, and increasing prevalence of drug use leave youth poorly prepared for work opportunities. It is well established that youth who have not completed secondary school are more likely to have no work or low-paying work, to commit crimes, and to have poorer health. UNESCO notes that in many areas where second-chance programs are needed the most, they are non-existent, of low quality, or underfunded. To reach the most marginalized youth, second-chance programs must be brought to scale and made sustainable.

Youth Entrepreneurship

Practitioners have long acknowledged the importance of informal work and self-employment as economic activities that help youth survive until they get jobs in the formal sector. But there is a growing recognition that entrepreneurship is a promising way for young people to earn a living, build careers, and contribute to economic growth in their communities.

Identifying potential entrepreneurs and helping them grow viable enterprises is especially important in a global economy that appears to be recovering only in fits and starts. Although the private sector remains the largest employer globally, creating 90 percent of all jobs, it is not yet developing the number of jobs needed by

youth. What's more, around the globe, when young people do find work, their jobs are increasingly likely to be insecure, low paying, or part time. Such precarious employment may reduce official rates of youth unemployment while preventing young people from working their way out of poverty.⁸

Entrepreneurial competencies could prove especially valuable for youth who live in underdeveloped markets. In some of Africa's poorest countries, for instance, 90 percent of working-age people are employed in the informal sector. In markets with few formal-sector jobs, young people may find it impossible to find secure employment except through entrepreneurship.⁹ In such markets, it is crucial to help young people with entrepreneurial mindsets to transform their low-paying, self-employment or informal work into flourishing businesses that help spur economic activity and may create jobs for others.

Although most new businesses globally are started by people ages 25 to 34, entrepreneurs generally try to acquire skills, knowledge, networks, and financing prior to launching businesses.¹⁰ Connecting younger people with these resources is key to increasing the launch and success rates of youth-owned businesses. Youth Business International (YBI) estimates that one in five young people has the potential to become an entrepreneur, yet only five in one hundred do so.¹¹

Young people believe entrepreneurship is a good career option (see figure 1), but they confront hurdles to establishing businesses. They readily identify structural barriers, such as the need to put up collateral to obtain loans, but many also lack a business plan, adequate IT and business skills, helpful social networks, mentors in their field, and other resources that support business development.

IYF's *Young Entrepreneurs* initiative in India uses proven means to support young men and women who plan to start their own businesses. *Young Entrepreneurs* is a two-year partnership with MasterCard and a local partner, the Community Collective Society for Integrated Development (CCFID). The program provides aspiring entrepreneurs with business and life skills training, ongoing technical assistance, links to adult business mentors and other young entrepreneurs, and access to capital.

Maya is a young entrepreneur in New Delhi. She had acquired some tailoring skills working at a cloth export company, but the work paid little, and when business slowed, she was forced to leave. Maya and a former colleague, Shoaib, pooled their resources, rented a small space, and launched their own tailoring business. As they struggled to keep their shop open, Maya heard about *Young Entrepreneurs*.

CCFID's 12-session skills training provided Maya market research, customer targeting, product customization, new design, and business management skills. She learned how to prepare a business plan, which helped her consider scaling up her company. CCFID linked Maya to a mentor in Fabindia, one of the largest

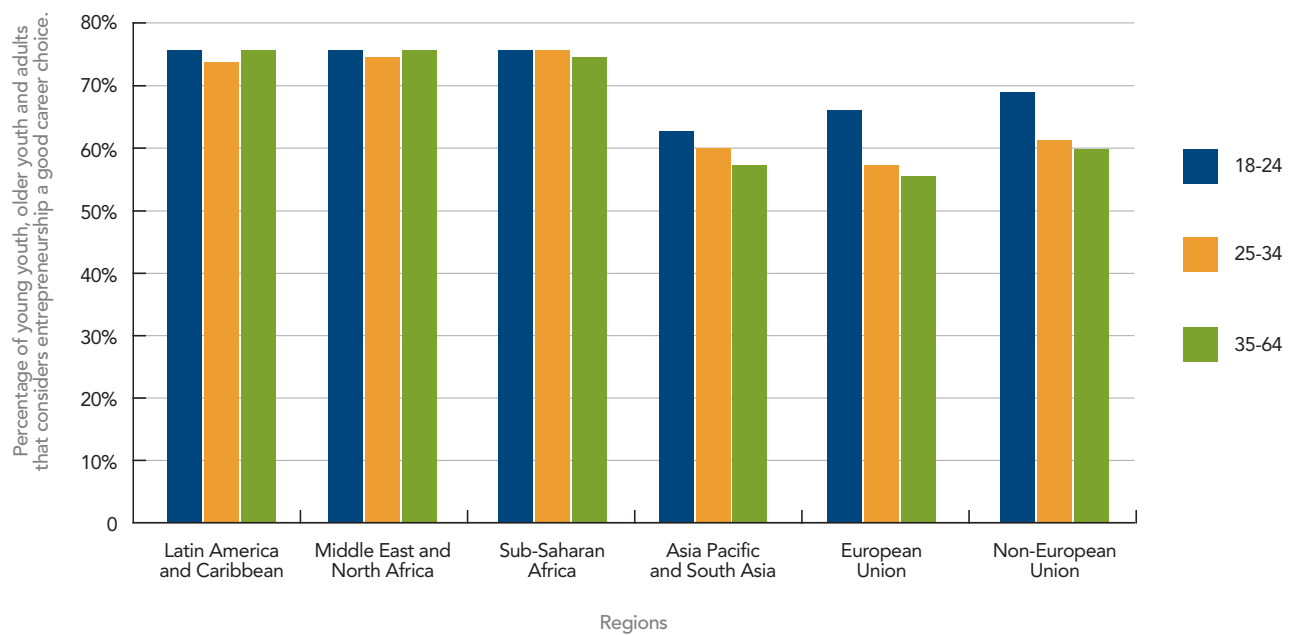


Figure 1. Views on entrepreneurship. Source: J. Kew, M. Herrington, Y. Litovsky, and H. Gale. *Generation Entrepreneur? The State of Global Youth Entrepreneurship* (London: Youth Business International and Global Entrepreneurship Monitor, 2013).

garment companies in India, which enabled her to increase sales by 30 percent. With financial support from CCFID’s revolving loan fund, supported by MasterCard, Maya was able to purchase two sewing machines and hire a temporary worker to fill a large order for Fabindia. Today, Maya and Shoaib are running a successful business that employs five young people.

Command of Basic and Advanced ICT Skills

The digital divide has not closed, but the gap is narrowing as more people gain access to ICT. Access rates alone, however, do not indicate whether users have the skills to exploit the full potential of ICT in their educational, social, and economic activities. In developed and developing countries alike, youth need basic computer skills simply to be employable. And to truly harness the power of ICT to drive economic growth, youth—particularly those in developing countries—must acquire the coding skills to develop applications in local languages that address local needs.

In some regions, such as sub-Saharan Africa, the demand for all levels of computer skills is very high. For instance, the BBC reports that the technology industry in Kenya’s largest city, Nairobi, has an annual growth rate of 20 percent. Despite a 40 percent unemployment rate, technology companies in Nairobi are struggling to find talent. Even university graduates with computer science degrees often do not enter the labor market with adequate IT skills.¹² Youth have the desire, passion, and intellect to master these skills (see story at right), but they need more opportunities for education and training.

Microsoft *YouthSpark* is a global, companywide commitment to empower 300 million youth in three years through access to

technology skills and education. As part of *YouthSpark*, Microsoft ramped up its investment in youth in Africa to help accelerate economic development throughout the region. Its *4Afrika* program will help address the IT skills gap by providing scholarships to 1,000 disadvantaged youth who want to pursue careers in computer science or business administration. In addition to receiving scholarships, participants will be connected with mentors from Microsoft, and youth who successfully complete the program will have opportunities for internships with Microsoft and its African partners. As a part of the overall *4Afrika* initiative, Microsoft aims to up-skill 100,000 currently employed youth; ensure that 100,000 recent graduates have skills appropriate for their job markets and place 75,000 of them in jobs; bring 1 million small and medium business online; and equip tens of millions of African youths with smart devices.

>> **Martha Chumo**, 19, lives in Nairobi. She taught herself programming, and in spring 2013 was accepted into Hacker School, a three-month program in New York City where program residents work among peers in a semi-structured environment to refine their coding skills. She crowd-sourced money for a computer and airfare, but she was unable to obtain a tourist visa from the U.S. consulate. After her visa application was denied for the second time, Ms. Chumo turned to crowd-sourcing again: this time to help her establish a program like Hacker School in Nairobi.

Source: T. Kermellotis, “Teenager plans ‘hacker school’ to help Africa build next Google.” CNN, July 17, 2013. <http://www.cnn.com/2013/07/17/tech/teenager-hacker-school-africa-google>

WHAT NEXT?

The action items identified in *Opportunity for Action* remain valid. We draw on those recommendations to offer three specific next steps.

1. **Work at scale to create jobs and up-skill youth.** A key message of the *World Development Report 2013* is that jobs are not just the by-product of economic development; good jobs spur growth, raise living standards, increase productivity, and promote social cohesion. With more than 1.1 billion potential new workers entering the job market in the years 2012–2020, an estimated 600 million new jobs must be created in the 2005–2020 period just to keep employment rates constant.

>> **Hilton Worldwide** is committed to creating locally relevant training and entry-level employment opportunities. The corporation commissioned a white paper on creating jobs for youth in the hospitality industry, which was released at the 2013 World Economic Forum.¹³ The paper's three key actions—design a companywide strategy for youth development, build knowledge, and develop measures of accountability—can be adapted by private firms in other sectors.

Similarly, Walmart Foundation launched a global initiative in 2012 to equip youth with retail, IT, and life skills. The *Walmart Social Retail Training Program* translated the company's retail curriculum into English, Spanish, and Mandarin. In 2013, pilot programs were launched in Argentina, Chile, Mexico, and South Africa, with a potential for further expansion in the future.

2. **Join an existing initiative to bring evidence-based programs to scale.** Numerous programs already in place need funders, mentors, private and non-profit sector apprenticeship and internship opportunities, teachers and trainers, role models and motivators, technology experts, researchers, and others. Cross-sector partnerships are absolutely crucial to bringing evidence-based programs to scale.

>> **Nuevos Empleos y Oportunidades** (New Employment Opportunities, or NEO) fosters multi-sector partnerships in the Latin America and Caribbean region, where one in five youth is neither working nor in school. NEO, led by the Multilateral Investment Fund (MIF) of the InterAmerican Development Bank and IYF, aims to bring 1 million disadvantaged and unemployed youth into the regional economy in the next ten years through work readiness training, improved public policies and investments, and internship and employment opportunities.

NEO was launched at the 2012 Summit of the Americas in Cartagena, Colombia, where its founding corporate members (Caterpillar, CEMEX, McDonald's, Microsoft, and Walmart) committed \$37 million in resources. They hope to be joined by 1,000 new companies within the next ten years.

3. **Develop a global approach to youth development.** The scope and scale of the solutions needed suggest that, to generate jobs, provide access to advanced IT skills and education, and support entrepreneurship, a global strategy is essential. A global approach does not imply that there is a single response to a shared problem, but that worldwide cooperation and mutual accountability are required to address it. Young people themselves are calling for a broad-based, international approach to addressing issues that affect their present and future lives, as well as for greater engagement in shaping those policies and interventions.¹⁴ We must answer and echo this call.

>> The **Youth Livelihood Alliance** (YLA), spearheaded by IYF, is a partnership between the US Department of State, MIF, and private partners, including Hilton Worldwide, MasterCard, and Microsoft. YLA brings members together to plan and implement ways to get young people into jobs, develop their skills, and support entrepreneurship.

In the meantime, the Center for Strategic and International Studies (CSIS), in partnership with IYF and sponsored by Hilton Worldwide, is developing a *Global Youth Well-being Index*, an urgently needed tool that will help document the state of youth around the world and measure progress on several key indicators. The index is a part of the *Youth Prosperity and Security Initiative*, a new CSIS–IYF agenda for research and policy.

These next steps, if taken by a critical mass of businesses, governments, and civil society organizations worldwide, would generate the information, participation, and linkages needed to measurably improve youth prospects. We must keep moving forward.

1. *The Education We Want: Young People's Call for a Response to the Education Emergency*. UN Youth Resolution, July 12, 2013.
2. This document is available from the G20 2013 website.
3. UNESCO, *Youth and Skills: Putting Education to Work*, Education For All Global Monitoring Report 2012 (Paris: UNESCO, 2012).
4. UNESCO, *Youth and Skills*, 2012.
5. OECD, *Equity and Quality in Education: Supporting Disadvantaged Students and Schools* (Paris: OECD, 2012).
6. UNESCO, *Youth and Skills*, 2012.
7. UNESCO, *Reaching the Marginalized*, Education For All Global Monitoring Report 2010 (Paris: UNESCO, 2010).
8. ILO, *Global Employment Trends for Youth 2013: A Generation at Risk* (Geneva: ILO, 2013).
9. *African Economic Outlook 2012: Promoting Youth Employment* (Paris: ADB, OECD, UNDP, UNECA, 2012).
10. One in four start-ups in sub-Saharan Africa were by people 18 to 24 years old. *Global Entrepreneurship Monitor, 2012 Global Report* (London: GEM).
11. <http://www.youthbusiness.org/how-we-work/the-challenge/>
12. F. Graham, "Filling Africa's Technology Skills Gap," BBC, Aug. 13, 2012. Available at <http://www.bbc.co.uk/news/business-19234417>. Accessed Sept. 9, 2013.
13. Hilton Worldwide, *Creating Opportunities for Youth in Hospitality* (Baltimore, MD: International Youth Foundation, 2013).
14. See, for example, *Youth Response to the High Level Panel Report*, Beyond 2015 Children and Youth Working Group, 2013; and *Y20 Russia 2013 Delegates Declaration*.



Microsoft commissioned this paper to sustain a dialogue about how technology and other investments can help bridge the divide between youth who have the access, skills, and opportunities to be successful, and those who do not. The content of this paper is the responsibility of the International Youth Foundation and does not necessarily represent the views or opinions of Microsoft.

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