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Toward Solutions for Youth Employment:

A 2015 Baseline Report

Overview



Acknowledgements

This report was prepared by a team under the direction of S4YE Coalition Manager Matthew Hobson. Nicole Goldin was the lead author.

Contributing authors were Veronica Lopez, World Bank; Susana Puerto Gonzalez, International Labor Organization; Peter Glick with Nelly Mejia and Francisco Perez-Arce,¹ Rand Institute; and Mattias Lundberg, World Bank. Contributing researchers and writers were Angela Jhanji, S4YE Secretariat, and Maria Andersen.

Country background studies were prepared by consulting and S4YE partner researchers, including Farzana Munshi (Bangladesh), Silvia Margarita Rubio Jovel (El Salvador), Noura Kamel, Thomas Chidiac (Tunisia), Mariska van Gaalen, Tendai Pasipanodya, and Christina Tewes-Gradl (Uganda).

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On behalf of the Board of Directors, it gives me great pleasure to be able to introduce the first baseline report of the Solutions for Youth Employment (S4YE) Coalition.

Only a few weeks ago at the United Nations, we witnessed a historic moment when the international community adopted new goals and targets for achieving sustainable development, eliminating extreme poverty, and boosting shared prosperity for the world's population by 2030.

This is a truly exciting moment, and S4YE is delighted to be able to contribute to inspiring and measuring progress toward meeting some of these goals through this report.

As we look around the world in 2015, a number of evolving trends are likely to have an impact on youth employment over the next 15 years. Rising inequality, rising social unrest, and rising levels of movement of people around the world all herald unprecedented times—and call for unprecedented action.

And as this report shows, these are extraordinary times. We now have a record number of young people on the planet—1.8 billion, with approximately 85 percent of them living in developing and emerging economies and in fragile states. While roughly a third of today's youth—most of them women—are not in employment, education, or training (NEET), a billion more young people will enter the job market over the next decade. We also know that the world's young women and girls and other groups of youth are too often at a disadvantage in getting an education and securing a stable livelihood. And hundreds of millions of young people are on the move: seeking better opportunities in cities or seeking refuge from conflict, war, or disaster. Indeed, the past six months have seen the largest human movement since the 1940s, and this figure is sure to rise.

The challenge to provide employment opportunities for this number of diverse young people is enormous, and it is easy to be overwhelmed simply by the scale.

The reward, however, can be even greater if *all* of the world's youth find opportunities to realize their potential.

Knowing this, the international community has made great promises to achieve full and productive employment for all young people by 2030, and to substantially reduce the number of NEETs by 2020. This is an incredible promise, and one to which our Coalition is designed to directly contribute.

As this report shows, our current responses to youth employment issues are disproportionate and disjointed, and all too often ill informed. Without a renewed sense of purpose and action from us all, our good intentions outlined in the Sustainable Development Goals (SDGs) will ultimately wither—and a generation will be lost.

However, this report notes that—for the first time—we have clear evidence that investments in youth employment pay off. This is important. The report also shows which types of interventions are beginning to realize larger impacts. Now we need to consolidate this knowledge and increase resources toward initiatives that show the most impact, and to intensify our learning to even better inform our practices toward impact and scale.

Fifteen years ago, the international community raised exactly the same concerns—low evidence, lack of clarity and confidence around interventions, low levels of investments—in other sectors, such as financial inclusion and social protection. Through an intensive effort of investing in evidence and using scarce resource wisely, we are now able to say confidently what, why, and how interventions work in these areas.

We need a similar shift in the youth employment arena and a commitment to innovation and collaboration across sectors. I believe this report is a fundamental step in helping S4YE and its partners make this shift.

With the adoption of new global goals, S4YE will pursue its mission in an era of inclusive and sustainable development—an era marked by bold ambition to eradicate extreme poverty, defined by universality and a commitment to leave no one behind. And an era in which today's young people will become the torchbearers of this transformation and of our collective futures.

Against this backdrop, and with this baseline in hand, S4YE is recommitting itself and calling others to action toward our goal of seeing 150 million more youth at work. We need you to work with us too.

Arup Banerji
Chair of the Board of Directors, Solutions for Youth Employment
Senior Director, Social Protection, Labor and Jobs, World Bank

Solutions for Youth Employment (S4YE) was launched in October 2014 as a multistakeholder Coalition to positively disrupt the youth employment landscape. S4YE is a partnership initiated by the World Bank, Plan International, the International Youth Foundation (IYF), Youth Business International (YBI), RAND, Accenture, and the International Labour Organization (ILO) with a view to contributing to a world where all youth have access to work opportunities.

The mission of S4YE is to provide leadership and catalytic action and mobilize efforts to significantly increase the number of young people engaged in productive work by 2030. It seeks to develop innovative solutions through practical research and active engagement with public, private and civil stakeholders, to enable solutions for all youth at scale. This inaugural report explores how S4YE can find and advance solutions to the challenges of getting all youth into productive work.

Youth Employment: A Timely and Strategic Investment

When you think of your first job, you probably remember brimming with energy and optimism. You were likely excited about the sense of economic independence and empowerment that came with work, and were dreaming about a bright future. Yet, as we look ahead 15 years and see economies still struggling to recover from recession and financial collapse, we see that too many of today's young people will likely not have such warm reflections. At present, hundreds of millions of young people are unable to find meaningful work that enables them to support themselves and their families or contribute to their nation's prosperity.

Today we have the largest youth generation in human history.² There are 1.8 billion young people living on the planet—with approximately 85 percent of them living in developing and emerging economies and in fragile states. Yet the constraints and potential for young people differ depending on who they are and where they live.

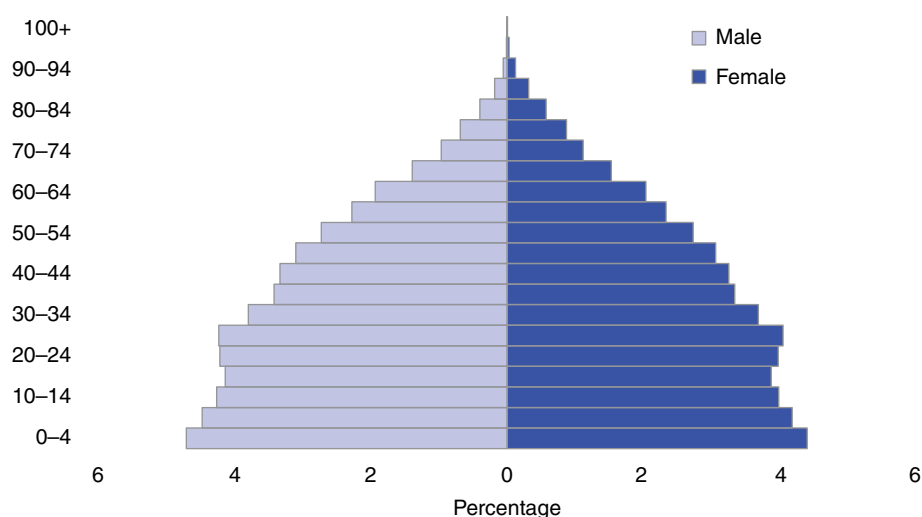


FIGURE 1: Global Population Pyramid, 2015

Source: United Nations Department of Economic and Social Affairs, Population Division. 2015.

“Economists will tell you that countries, regions, continents grow faster with younger populations. It’s a demographic edge and advantage—but only if those young people are being trained. We need only to look at the Middle East and North Africa to see that large numbers of young people with no jobs and stifled voices can fuel instability and disorder. I suggest to you that the most urgent task facing Africa today and for decades ahead is to create opportunity for this next generation.”

—Barack Obama

² S4YE defines youth as individuals aged 15–29. This report uses the terms “youth” and “young people” interchangeably.

In many countries (especially in Africa and South Asia), youth make up nearly a third of the population. This creates a window of demographic opportunity similar to the dynamic that contributed to East Asia's so-called miracle of rapid economic growth throughout the 1970s and '80s.

Yet in countries where young people make up a smaller percentage of the population than the adult population, they face high expectations. An aging population that needs to be supported, fewer employment opportunities, and reduced tax revenue raise fundamental questions for governments—especially about the role, nature, and utility of public policy interventions for social outcomes.

Why Youth Unemployment Is Important

"I believe employment and decent work, particularly for young people, are the backbone of development."

—Ban Ki-moon

Unemployment in any form is a drag on an economy and society. It undercuts productivity, spending, and investment, stunting national growth. It contributes to inequality and spurs social tension. Joblessness and inactivity and the failure to tap into the economic aspirations and resources of young people carry an even higher price. Experience and increasing

evidence show the significant social and economic costs of youth un- and underemployment and economic inactivity on individuals and families, and on present and future national and global prosperity and security. Without an income, millions of young people find themselves living in poverty. Initial low-paying jobs and delayed entry into the workforce limit lifetime earning potential. The inability to find gainful employment limits young people's income and skill development. Unemployment at an early age can negatively affect future earnings and increase the likelihood of later joblessness. As prospects dwindle, many face social exclusion, or see their emotional, mental, or physical health deteriorate.³

Young people account for roughly 40 percent of the world's unemployed and are up to four times more likely to be unemployed than adults. The International Labour Organization projects that the situation will get worse in most developing and emerging regions. One-third of young people worldwide can be described as NEETs—not in education, employment, or training. The income of as many as a third of young people who are employed falls below national poverty lines. One in four young people in the world cannot find jobs paying more than \$1.25 per day, the international threshold of extreme poverty.

What can be done? Experience and evidence increasingly indicate that we already have some of the policy and program responses to tackle youth employment *now*.

This report, *Toward Solutions for Youth Employment*, will focus on those supply, demand, and intermediation constraints that S4YE is best positioned to help mitigate or areas in which it can influence policy change. Moving constraints into policies and opportunities is becoming a pressing, but manageable, priority.

Why Youth Employment Should Be Tackled Now

When young people are not fully participating in the labor force or are NEETs, governments forgo tax revenue and incur the cost of social safety nets, unemployment benefits and insurances, and lost productivity. Businesses risk losing a generation of consumers. Social costs are ever

³ ILO, 1998; Brewer et al. 2004; Mroz and Savage 2001; Bell and Blanchflower 2011; Morsy 2012.

mounting as well. The Arab Spring and subsequent youth-led uprisings in many countries, along with the rise of economic insurgency and youth extremism, demand that we explore the links between economic participation, inequality, and community security, crime, and national fragility through a lens focused on youth.

What we see is a generation in economic crisis.

Why Young People Are Unemployed

A number of factors make the jobs challenge more acute among youth. Constraints to youth employment may be borne on the individual level, result from market or government failure, or be a symptom of a weak or unsupportive macroeconomic environment.

The financial crisis and global recession of the last decade are among the leading causes, affecting youth more directly because they hold a disproportionate share of temporary jobs whose contracts offer less protection. There are other obstacles as well that make it more difficult for youth to find productive work and fully participate in the labor force. This report will show that most of the constraints that hinder any worker will affect youth to a greater extent.

“This generation of Arab youth are so inspired and so capable. They’ve done the impossible politically; we need to empower them to do the impossible economically.”

—Queen Rania

Inadequate skills and mismatches between education and skills have emerged as chief concerns. Surveys have found that across 24 countries in Europe, between 25 percent and 45 percent

TABLE 1: Constraints to Youth Employment

	Type of Constraint	Youth Only or All Workers
Individual	Inadequate cognitive, non-cognitive and technical skills	Ya
	Lack of social networks	Ya
	Household income	A
	Psychological biases	Ya
Markets and Government Failures	Distorting labor regulations	Ya
	Low bargaining power	Ya
	Lack of information about where the jobs are	Ya
	Employers lack information about workers	Ya
	Lack of access to capital	Ya
Macro	Constraints to business creation and job creation	Ya
	Economic slowdown	Ya
	Age cohort-size	Y
	Conflict and violence	Ya

Notes: Y=constraint affects only youth; Ya=affects all workers, but youth more than others; A=affects all workers.

Source: Adapted from Robalino et al. 2013.

of the employed are either overqualified or underqualified for their job; and across 27 low- and middle-income countries worldwide, less than half of employees were considered well-matched.⁴ In emerging economies that are progressively more service-based, employers find a workforce population that lacks necessary skills. Elsewhere, the problem is that many of the unemployed are highly educated but the market demands different competencies or more technical or vocational skills.

Additional factors include a significant gain in life expectancy around the world since the new millennium—with Africa posting the largest gains, 6 percent since 2000 (after increasing only 2 percent over the preceding decade).⁵ Not only

⁴ ILO. 2014. Sparreboom and Staneva.

⁵ United Nations World Population Prospects: The 2015 Revision.

are people living longer, but they are working longer—and without new job creation, there are not enough jobs to absorb young entrants to the workforce.

Moreover, certain segments of the youth population see their prospects limited by additional constraints. Young women, young people who live in fragile or conflict-affected environments, young people moving to urban areas and living in slums, rural poor, and disabled youth are all challenged in unique ways that, unless better understood and addressed, will guarantee that global targets relating to shared prosperity and inclusion cannot be realized. A dedicated focus on the constraints, opportunities, and knowledge related to these groups of youth will allow for a more nuanced and representative response.

How Young People and Others Are Responding

“I am convinced more than ever that any society that does not succeed in tapping into the energy and creativity of its youth will be left behind.”

—Kofi Annan

Increasingly, youth are seeking control of their economic fates with high rates of entrepreneurship—though business survival and growth remains a challenge for far too many. Today's young people are ready and willing (but not necessarily able) to put their ingenuity and resources to work for themselves and their communities.

Policy makers are increasingly recognizing that systemwide interventions (such as stimulus and stabilization packages, education interventions, infrastructure, and so on) do not deliver help to young people with sufficient speed or certainty. They are finding, instead, that specific vulnerabilities related to youth employment can be dealt with through micropolicy interventions with quicker results, and recognizing that public policy should be used to intervene where market failures lead to poor social outcomes for young people. Some solutions to the youth employment challenge, especially microinterventions aimed at the household unit or individuals, show such promise that they demand and justify the greater level of attention accorded to them in recent years.

These realities have brought an invigorated sense of urgency to the youth employment challenge. The public and private sectors share a new awareness that getting the global economy on track, creating new prosperity, and eliminating extreme poverty will not happen if the downward trajectories of youth are not reversed.

This heightened concern is being met with new national and global commitments to address government failures and other environmental or institutional constraints. Nongovernmental, corporate and civil society actors are displaying new activism to improve individual capacities and help mitigate information and other private sector-oriented market constraints. New targets related to youth employment in the United Nations Sustainable Development Goals⁶ (SDGs) reflect this recognition and desire for change: today's youth will not be able to escape poverty by 2030 or reach their full potential, if they do not have a means of employment.

Nonetheless, despite increasing investments in policy and program initiatives and a strengthened call to action, the needle on youth employment has to date not moved far or fast enough, and it will not budge without a more dedicated and strategic focus.

⁶ *Transforming Our World: The 2030 Agenda for Sustainable Development*. 2015. United Nations.

Youth Employment in the Sustainable Development Goals

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

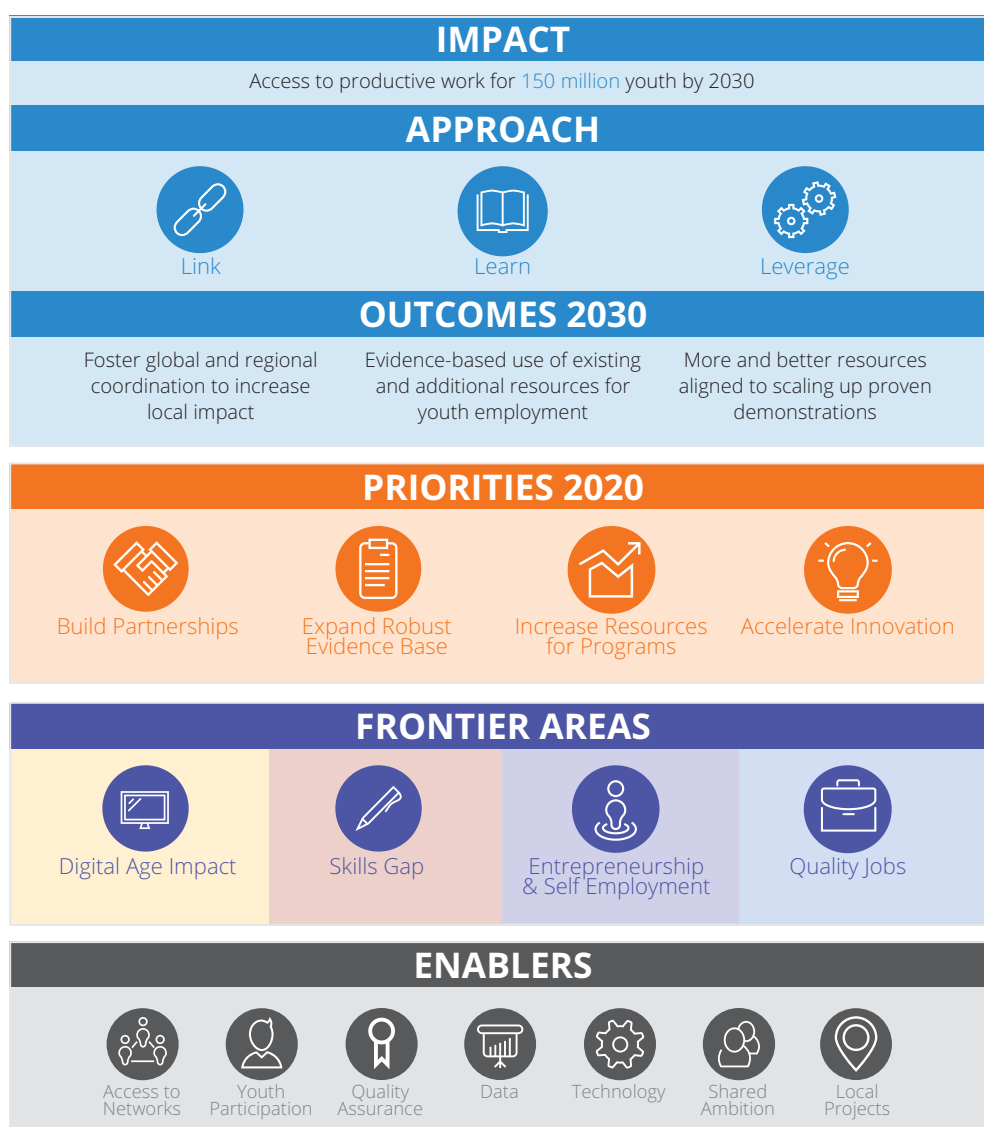
S4YE's Strategic Framework and Theory of Change

S4YE⁷ was launched in October 2014 as a multistakeholder Coalition to positively disrupt the youth employment landscape. S4YE is a partnership initiated by the World Bank, Plan International, the International Youth Foundation (IYF), Youth Business International (YBI), RAND, Accenture, and the International Labour Organization (ILO) with a view to contributing to a world where *all* youth have access to work opportunities.

The mission of S4YE is to provide leadership and catalytic action and mobilize efforts to significantly increase the number of young people engaged in productive work by 2030. It seeks to develop innovative solutions through practical research and active engagement with public, private, and civil society stakeholders to enable solutions for all youth at scale. S4YE combines a pragmatic approach to identifying solutions for youth employment with an evidence-based advocacy platform. S4YE's strategic approach is to link stakeholders from all sectors together, learn more consistently from each other and from high-quality evidence, and leverage each others' actions, knowledge, and resources to increase the number of young people engaged in productive work.

S4YE's strategic framework for action indicates how a dedicated and strategic focus on youth employment can be achieved in practice. The illustration shows how the S4YE Coalition intends to achieve the intended impact.

FIGURE 2: S4YE's Strategic Framework



⁷ For more information on the S4YE Coalition, please visit: <http://www.s4ye.org>.

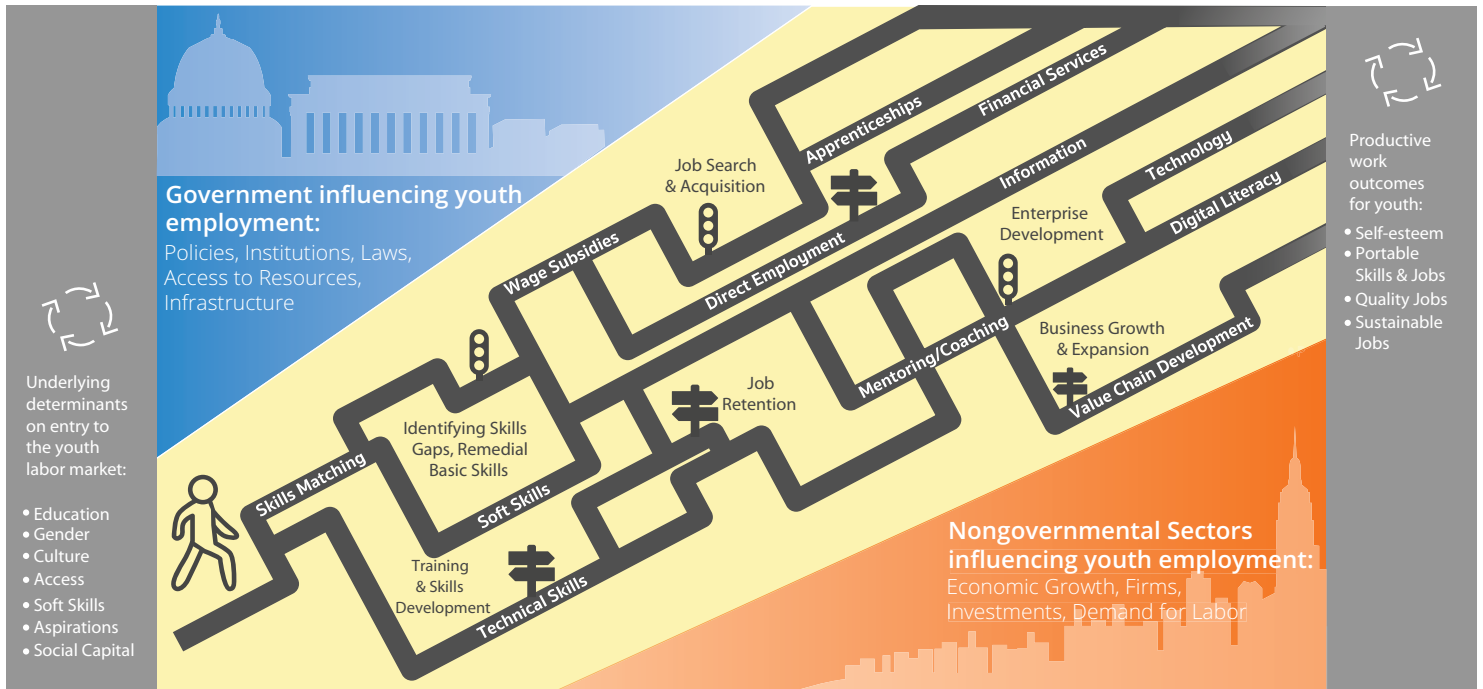


FIGURE 3: S4YE Pathways to Youth Employment

Source: S4YE Strategic Plan 2015–2020.

S4YE’s theory of change, Pathways to Youth Employment, represents the Coalition’s current conceptual thinking on how to provide young people with pathways to economic opportunities and employment—and how all stakeholders can work to achieve youth employment at scale. The Framework portrays a youth’s journey into productive work. It depicts how underlying conditions combine with government and nongovernmental forces and interventions to shape the young person’s trajectory. In doing so, it provides an analytical road map to the report. The Framework is not intended to be static: while it is both tested and validated throughout the report, it may change over time with shifting dynamics and new knowledge.

A Baseline for Youth Employment

The report is intended to set a baseline for youth employment trends, research and analysis, actions, and knowledge in line with S4YE's agenda and comparative advantage. The report sheds light on the areas that S4YE is best positioned to influence, acknowledging that youth employment will also be a function of broader demand and growth dynamics that public and private actors should assess and address. Although a comprehensive analysis of job creation is beyond the scope of the report, it focuses on the areas of action that S4YE's partners can implement and influence to affect youth explicitly.

This report explores the state of play specific to youth employment in 2015 through a three-part quantitative and analytical baseline, examining context, evidence and knowledge, and inclusion.

- Because S4YE wants to be able to track progress against a set of youth employment indicators in line with new global targets, and against representative investment flows, the report lays down a quantitative *contextual baseline*.
- Because S4YE wants policies, investments, and initiatives to be more strategic, catalytic, and impactful, the report sets an *evidence and knowledge baseline* to inform further research and programmatic strategy.
- Because S4YE has a vision to advance opportunities for *all* youth, the report includes an initial *inclusion baseline* for understanding, monitoring, and examining inclusion by first exploring gender, conflict and fragility, and spatial dynamics, and considering disability while recognizing that other minority groups or segments of youth also have distinct needs worthy of attention.

Importantly, there are links between and among these pieces: An integral part of the inclusion baseline will draw upon what is seen on key indicators in the contextual baseline. The evidence baseline is stronger for supply-side interventions, in part due to investment patterns emerging in the contextual baseline.

The global and regional baselines also draw upon and are illustrated with findings from background research in four diverse countries—Bangladesh, El Salvador, Tunisia, and Uganda—to highlight complexities and to help bring macro dynamics and youth employment issues into closer focus.

S4YE will revisit these baselines periodically—every five years—to benchmark progress and knowledge over time and to inform its Framework, approach, and priorities.

The Contextual Baseline

Highlights

- Nearly 85 percent of the world's young people live in lower-income countries and fragile states.
- Over the next decade, a billion more young people will enter the job market.
- Youth are up to four times as likely as adults to be unemployed.*
- In 2014, across the globe, about 500 million youth were unemployed, underemployed, or working insecure jobs.*
- Roughly a third of youth worldwide—621 million—are classified as NEETs, not in employment, education or training.*⁸
- In education, boys and young men generally post higher attendance levels across ages and regions, except in advanced economies where girls and young women are more likely to be attending school. The difference between the sexes is more pronounced in the Middle East and North Africa.
- Young people are less likely than older workers to find employment in the formal sector, where pay and benefits are generally higher and more reliable. A large share of the youth population is employed in vulnerable work, often in the informal sector. Young women, especially, post very high levels of vulnerable work.
- Young adults between 25 and 34 display the highest early-stage entrepreneurial activity worldwide, but access to credit is a problem for young entrepreneurs.⁹
- Unemployment levels are up to 10% higher for young women than young men.*
- In developing countries, 89% of new work is in the informal sector.
- Data on youth cohorts are a premium and are rarely disaggregated within the 'youth' category.*

*These are baseline facts that S4YE will work to influence over the life of the Coalition.

Youth, by S4YE's definition (ages 15–29), make up roughly a quarter of the world's population, and in many countries, especially in Africa and South Asia, young people make up nearly a third of the population. Not only do nations in the developing world share high age-dependency ratios (the ratio of dependents [people younger than 15 or older than 64] to the working-age population [those aged 15–64]), but they also have large populations under age 15. This guarantees significant numbers of new entrants to these labor markets over the lifetime of S4YE (2015–2030).

Countries with high numbers of young people could benefit from a “demographic dividend,” but only if strategic labor market and other policies and investments in human capital of children and youth allow for the productive absorption of the growing number of workers. Over the next decade,

⁸ World Bank, 2013.

⁹ Global Entrepreneurship Monitor. 2015.

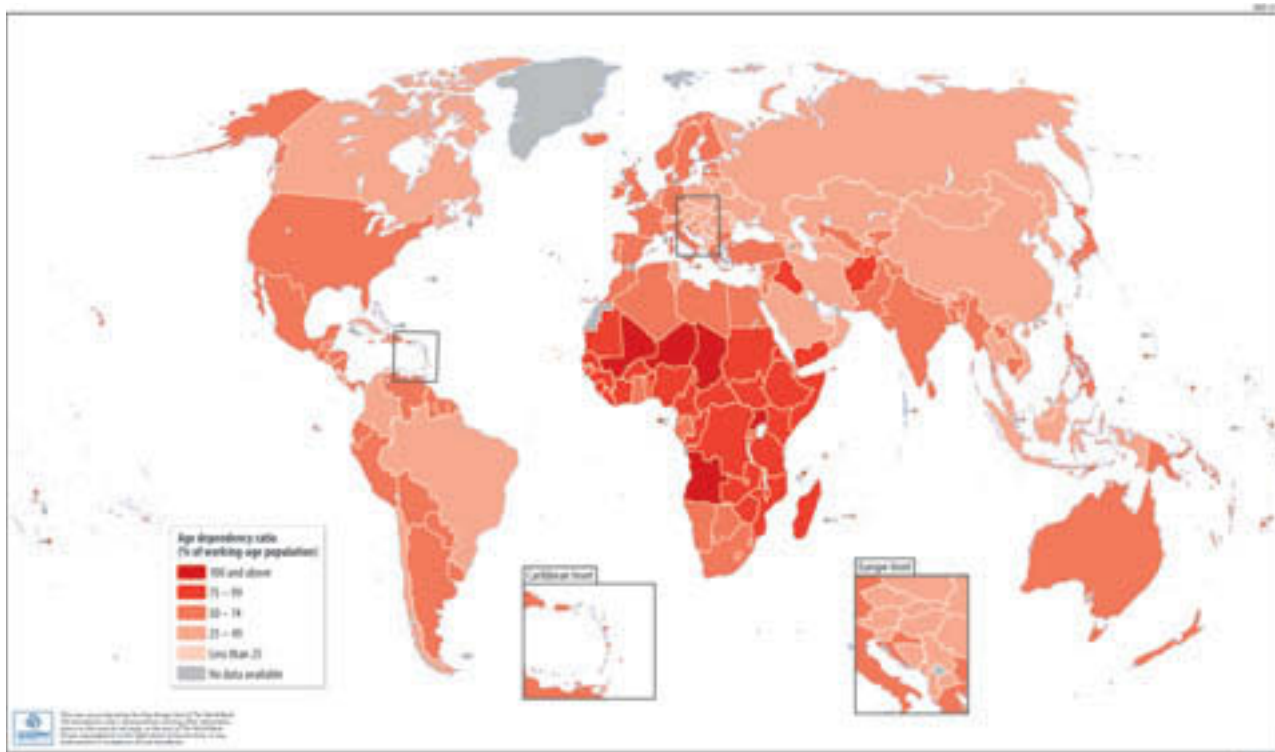


FIGURE 4: Many Countries Have Favorable Age-Dependency Ratios

Source: World Development Indicators, 2010–2014.

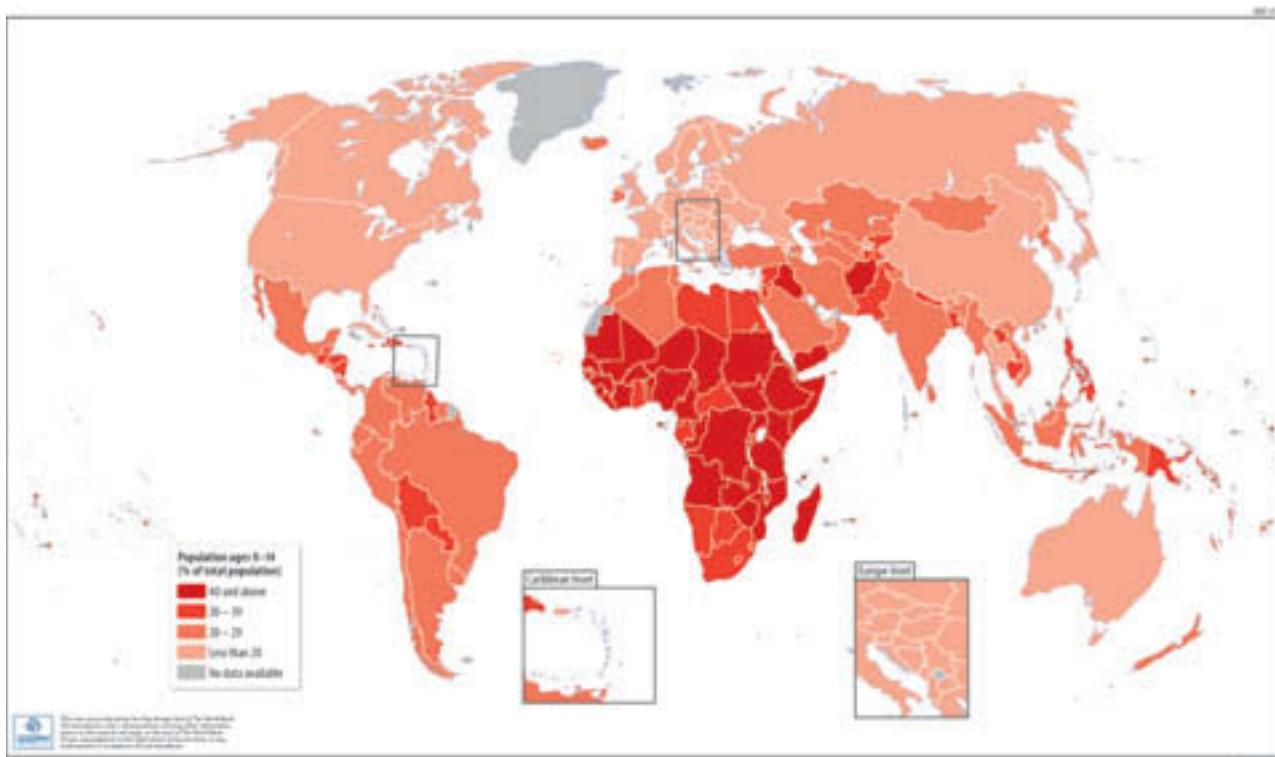


FIGURE 5: Many Countries Have Economic Opportunities Because of Their Youth

Source: World Development Indicators, 2010–2014.

a billion more young people will enter the job market—and only 40 percent are expected to be able to enter jobs that currently exist. The global economy will need to create 600 million jobs over the next 10 years: that's 5 million jobs each month simply to keep employment rates constant.¹⁰

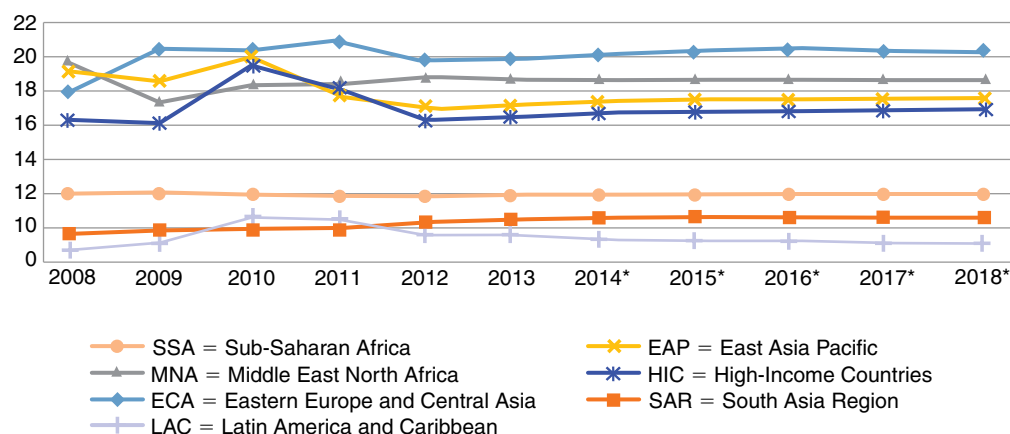


FIGURE 6: Persistent High Youth Unemployment Worldwide

Source: ILO 2015.

The employment situation for a majority of the world's youth is grim. Unsurprisingly, the baseline of youth employment outcomes across key employment indicators is low, including those in the Sustainable Development Goals (SDGs). Since the 2007–2008 financial crisis, youth unemployment and underemployment has reached an apex, and projections indicate the situation is likely to worsen in many low-income countries. Reflecting a weak baseline for SDG target 8.5, about 500 million youth were unemployed, inactive, underemployed, or working in insecure jobs in 2014. Labor force participation data show youth are more economically inactive than adults, by 14 to 22 percent on average.

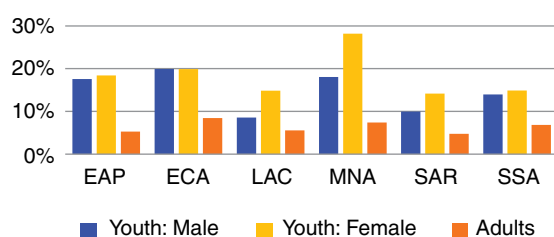


FIGURE 7: Youth Up to 4x More Likely than Adults to Be Unemployed

Source: ILO 2015.

Across all regions, youth are at least twice as likely as adults to be unemployed, with the biggest gap between youth and non-youth employment in East Asia, where youth are four times as likely to be unemployed. Unemployment levels among youth are generally higher for young women than young men. The difference is most notable in the Middle East and North Africa, where young female unemployment is 27 percent for young women and 17 percent for young men. Looking at spatial data, rural youth tend to lag behind urban youth on education, but urban youth lag behind rural youth on employment, though the figures vary by region.

¹⁰ World Bank World Development Report. 2013.

In addition, roughly 621 million young people worldwide are NEETs. It will be challenging to substantially reduce that number (especially for young women) and meet SDG target 8.6.

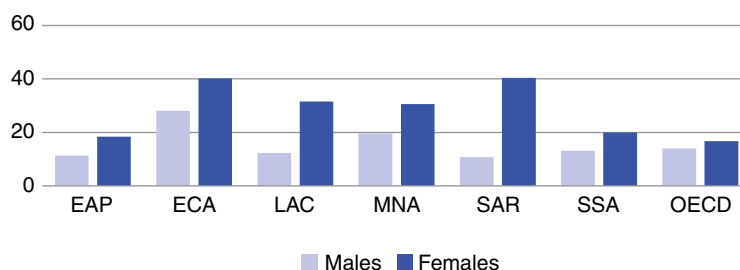


FIGURE 8: One Third of All Youth Are Not in Employment, Education or Training (NEETs)

Sources: WDR 2013.

Despite improvement in education levels, young people—especially young women—are working primarily in the informal sector and in insecure or self-employment. Agriculture remains the dominant source of youth employment (57 percent of 15- to 19-year-olds), and a large proportion of youth worldwide are employed in informal, low-productive, vulnerable (measured by proxy as self-employment) work, with the highest shares seen in sub-Saharan Africa, followed by South Asia, Middle East and North Africa. Young women, specifically, are more likely to be in vulnerable or insecure employment; 86–88 percent of young women are self-employed across these same regions.

However, younger adults 25–34 display the highest early stage entrepreneurial intention and start-up activity worldwide: 1.6 times that of adults. Though youth (18–24) also display robust start-up activity as depicted in Figure 9, they lag behind their older peers. All youth find that access to credit from financial institutions is significantly limited.¹¹ This complements patterns in the baseline for sectoral participation by youth, which show increasing participation in entrepreneurial activities in commerce and other ventures as young people age.

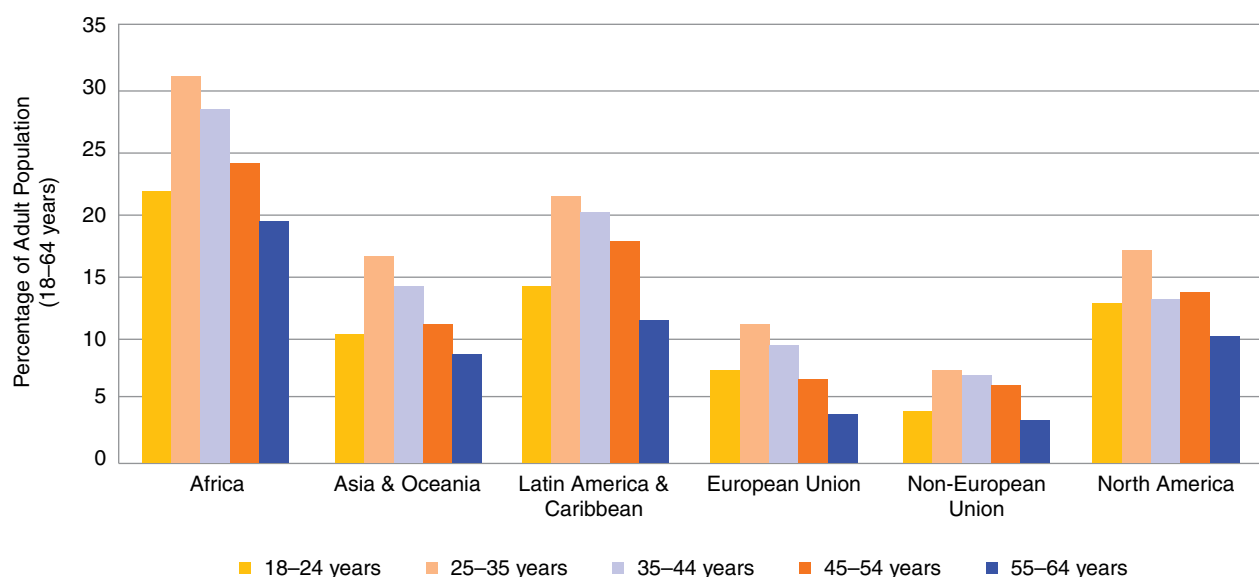


FIGURE 9: Youth Are More Likely to Be Entrepreneurial

Source: GEM 2014.

¹¹ Global Entrepreneurship Monitor 2015.

Table 2 illustrates the above global data with findings from background research in four diverse countries—Bangladesh, El Salvador, Tunisia, and Uganda—to highlight complexities and to help bring macro dynamics and youth employment issues into closer focus.

TABLE 2: The Contextual Baseline in Four Focus Countries	
Bangladesh	<p>In 2013, the youth unemployment rate was 10.3%, higher than the regional South Asian average (9.45%), but lower than the world average (12.4%).</p> <p>Bangladeshi youth work informally, with more than 95% of youth reporting to work in the informal sector in 2013, of which many work as self-employed (31.7%), or in unpaid family work (11.1%).</p> <p>More than 75% of businesses leaders claimed that a scarcity of skilled young workers was a challenge to hiring youth.</p>
El Salvador	<p>El Salvador suffers from by low education rates; 32.8% of El Salvadorian youth between 15 and 18 are not attending school, and dropout rates remain high.</p> <p>In 2013, 17.2% of young Salvadorans, or 307,106 young people, were classified as “NEETs”—not in employment, education or training.</p> <p>Young Salvadoran women are more than twice as likely to be unemployed as adults; and young men nearly three times.</p>
Tunisia	<p>The Tunisian youth unemployment rate stands at 31.2%, double the national adult unemployment rate and higher than the Arab world standard, 29.3%.</p> <p>The duration of Tunisian youth unemployment is concerning—20.1% of youth report being unemployed for 1–2 years, while 37.7% of Tunisian youth have been without a job for more than two years.</p> <p>Tunisia sees high dropout rates—more than 140,000 drop out of school each year; in 2009, 90% completed primary school, which was higher than the Arab world average (84.6%) but lower than the world average (91.6%).</p>
Uganda	<p>Uganda has the youngest population, with 78% under 30, so the Ugandan young labor force is rapidly growing, having more than doubled in the past decade from 4.2 million in 2005–2006 to an estimated 9.5 million in 2015.</p> <p>While youth unemployment is low (5%), most young Ugandans are self-employed or working informally.</p> <p>Nearly half of Ugandans drop out of school before completing their education.</p>

It is important to note the limitations and challenges in measuring and comparing performance on indicators and youth-development outcomes, especially with regard to disparities among youth. Comparing youth outcomes is complicated by the fact that there is variety among countries in how they statistically define youth. Moreover, the capacity for data collection is often weak in low-income countries. Further, data is not always collected on youth, nor necessarily disaggregated by age cohorts to allow a youth analysis. Most comparative global datasets are inadequately disaggregated by multiple factors to allow deeper analysis of the situation of segments of youth to ensure inclusion. For example, data may be available for youth vs. other age groups, and for male vs. female, but not necessarily for female youth vs. male youth, or rural male youth vs. urban male youth. Such limitations underscore the importance of S4YE’s call to action to improve our collective knowledge, monitoring, and data.

Investment Flows

Generating more and better jobs for young people is the ultimate aim of S4YE. There are two critical means of achieving this: by using existing resources more effectively (through scaling up proven solutions or not investing in interventions where evidence on effectiveness is insufficient) and by mobilizing new resources. So how much do we know about how and where current resources are flowing? For illustrative purposes only, a topline review of two of the leading international organizations' portfolio of youth employment projects was undertaken, using information provided by the World Bank and the ILO, and adopting methodology contained in the Independent Evaluation Group's 2012 report.

An initial review of spending shows that much of the money is being spent strategically. Half of the youth employment portfolio is being spent in sub-Saharan Africa, where statistical baseline performance on most indicators is low.

The data further shows that investments in youth employment initiatives have been dominated by supply-side interventions, especially those to build skills. Investments in supply-side projects make up 52 percent of the total portfolio, compared with 29 percent on the demand side.

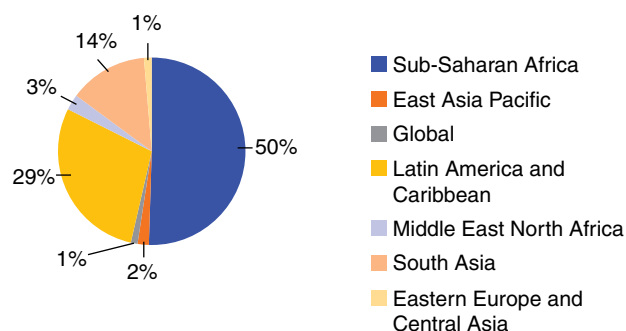
On the supply side, the majority of the portfolio (48 percent) is going toward skills and training interventions, followed by enterprise development: entrepreneurship (4 percent). On the demand side, a quarter of the portfolio is in direct employment interventions.

Notwithstanding the utility of this proxy baseline to understand current investments, the inability to include a wider range of public or private donors in the analysis speaks to a need for further transparency and diligence in foreign assistance and philanthropic reporting and sharing.

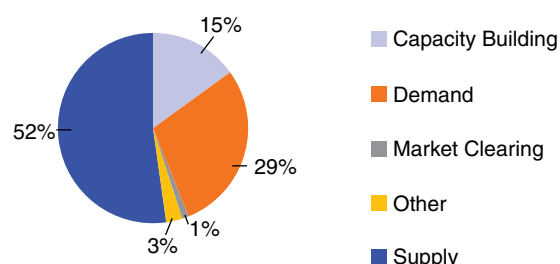
Definitions

- **Supply:** The sum of the following interventions: skills/training, enterprise development (specific to entrepreneurship)
- **Demand:** The sum of the following interventions: enterprise development (specific to Small and Medium Enterprises), direct employment and business growth
- **Market Clearing:** Equals the job search and acquisition intervention
- **Capacity Building:** The sum of the following interventions: capacity building, policy advice
- **Other:** Equals the other intervention

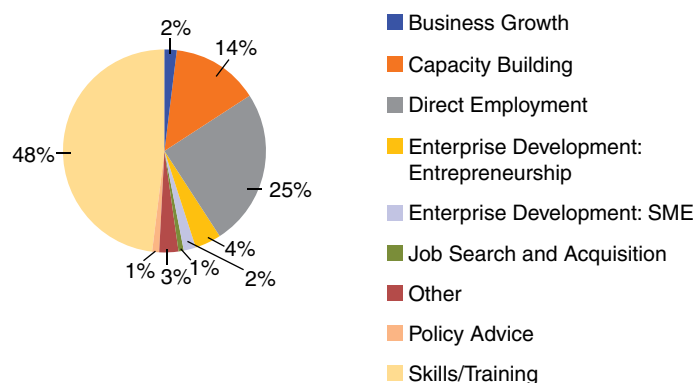
Investments in Africa Dominate



Investments in Supply Side Dominate



Investments in Skills/Training Dominate



The Evidence and Knowledge Baseline

Highlights

The evidence proves that interventions outlined in the S4YE Pathways to Youth Employment can make a difference in the lives of young people.

- Skills training can improve youth's employment prospects.
- Entrepreneurship-promotion interventions activate the highest return on productive work for young people, especially when combined with access to finances.*
- Of all interventions reviewed, those in employment services appear to deliver the lowest outcomes. This has implications for further experimentation and direction of new program resources.*
- Combinations of interventions are important, but we don't know enough about them and certainly not enough about the multiplier effects of combinations of interventions.*
- There is a rich and growing base of knowledge on promising practices and innovative solutions, but further research and debate is needed to answer the more detailed questions, and to bring new questions forward.*

*These are baseline facts that S4YE will work to influence over the life of the Coalition.

What Empirical Evidence Tells Us

Despite the generally dull picture of youth employment in 2015 painted by the contextual baseline, there is better news in the evidence baseline: as shown in Figure 10 by the effect size in standard mean deviation (SMD), the empirical evidence proves that labor market interventions to advance youth employment can have impact. Empirical evidence shows that youth employment interventions, especially those that provide skills or entrepreneurship training, or subsidize employment, yield positive and statistically significant results on labor market outcomes for participating youth. The effects are more visible on a number of indicators, namely probability of employment and hours worked. At the same time, though rigorous evaluation results do prove these investments to be worthwhile, the magnitude of the impact is modest.

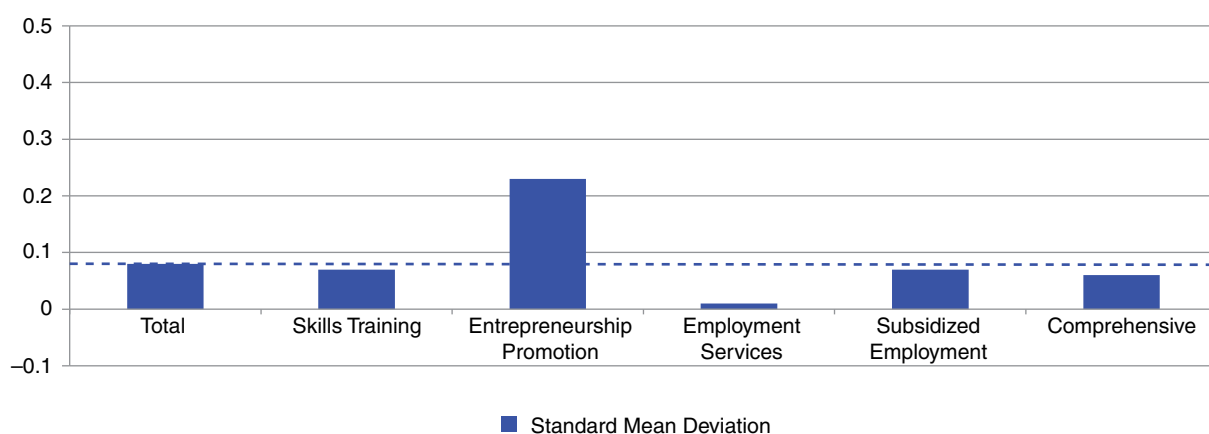


FIGURE 10: Interventions in Youth Employment Work

Source: Authors, based on Kluve et al. forthcoming 2015.

The baseline also affirms that creating long-lasting positive changes in labor market outcomes of youth seems to take more than the provision of services offered through active labor market measures. For example, interventions to promote entrepreneurship show the largest effects on employment outcomes and earnings. Similarly, access to finance has proven to be an important strategy in reducing barriers, but its impact is sustained only when combined with skills training. This proof of impact paves the way for future innovation and scaling of entrepreneurship and skills initiatives as S4YE Frontier Areas.

On the demand side, interventions that combine a reduction of employer's social security contributions with a reduction of the employer's labor or wage costs also show a positive impact on employment.

The effects from employment services are, on the other hand, generally weaker and deserve further experimentation, particularly in developing contexts where the evidence is still scant.

"We all hold the tools to thinking, drawing, and building a brilliant future for our youth. Let's use them wisely."

—Christine Lagarde

Rigorous evidence from the Adolescent Girls Initiative (AGI)¹² indicates that five practices are essential for higher impacts on young women. First, outreach is needed to reach the right target audience, especially in environments where young women do not traditionally have opportunities for employment outside the home. Second, it is critical to create the right incentives for the community, participants, training providers, and employers. Benefits such as child care, food and transport, literacy training, flexible schedules, and other accommodations make programs much more attractive. Third, programs will be effective only if they are designed with an understanding of and in response to the local labor market and the most promising training opportunities, including non-traditional jobs. This includes knowing where workers are in demand, and where self-employment will be more successful than traditional employment. Fourth, supplementary training in areas such as business and life skills can strengthen the resilience of program participants. Finally, programs can have catalytic impact if they help build social and financial capital by helping participants to open savings accounts and build financial skills, and by providing incentives to save and invest.

The evidence for success is generally weaker in the area of promoting youth employment in fragile and conflict-affected states. Still, there are a few promising signs. Evidence suggests that higher wages and employment can reduce materially motivated crime and violence. Employment probably helps reduce some types of violence. Public works and employment generation can help modestly in terms of peace and job creation and should be examined further. Finally, rehabilitation programs can work for high-risk young men, resulting in their smooth entry into the labor market. However, there are few solutions that stand out in a review of the evidence base. Once again, the need for quality evidence is paramount.

While the experimental evidence base specific to urban or rural youth employment interventions is still weak, available empirics do point toward the importance of a number of interventions if we

¹² For information on the AGI's South-South learning exchanges, see <http://www.worldbank.org/en/programs/adolescent-girls-initiative>; for detailed analysis of the AGI Nepal project, see Chakravarty et al. 2015; for detailed analysis on the AGI Liberia project, see Adoho et al. 2014; for detailed analysis on the AGI Jordan project, see Groh et al. 2012.

are to provide support. These include clarity of land rights and access for rural youth; the need for soft skills and market-relevant education and training for urban youth; and access to capital and entrepreneurial know-how for young entrepreneurs in both rural and urban settings.

However, much more remains to be learned. Many programs are too expensive to scale up with public funds to all those who might benefit from them. It may be, as noted earlier, that although comprehensive programs outperform single-intervention programs, the subset of program attributes or services that really make a difference is yet to be delineated. The next step is to look inside these multifaceted programs with heterogeneous results to understand the impact of each component. The evidence so far provides limited information on long-term effects of youth employment interventions. Thus it is particularly important to assess cost-effectiveness and explore opportunities to replicate and scale up solutions that work. Many questions remain unanswered.

What We Know—and Don't Know

A great deal of progress has been made in recent years toward understanding the complexities of youth employment and how to promote it, yet many important gaps remain. The baseline review of knowledge reveals that while we do understand how best to move forward in some areas, there is much more to learn. Similarly, as some questions are answered, more arise.

We know that labor markets are shifting, that globalization is expanding value chains, and that employers are demanding different sets of competencies and skills than today's youth are being taught. And while we know that work in much of the global economy is becoming more flexible and less permanent, we do not yet know how these trends will affect the skills that young people will need in the new labor market, or the quality of the jobs to which they will have access.

"These young people are, in a way, the greatest natural resource the [African] continent has. It is therefore essential to help them realize their potential."

—Mo Ibrahim

We know that a country needs certain fundamentals to provide successful youth transitions to productive work. These include macroeconomic stability, a functioning infrastructure, a working financial system, appropriate labor market and regulatory policies, and public sector capacity. But we do not yet understand the precise institutional and policy factors that allow young people in some countries to thrive, while others suffer. And we are just learning what institutional and policy reforms can improve outcomes for youth in contexts of low economic growth or weak government capacity.

Recent research helps us understand the skills that are needed for work. These include not only technical skills, but also "soft" or behavioral skills. We have learned about the need to involve employers closely in training to ensure that the skills being provided are relevant to the labor market. But we do not yet know the most effective means to teach these skills or the mechanisms to engage employers in skills development, how to validate or signal to potential employers the skills obtained (especially in informal apprenticeships), or the most effective practices for nontraditional mechanisms to prepare young people for work.

We know that youths'—and often their families'—aspirations, behaviors, and expectations impact their educational and occupational choices, but we do not yet know the right incentives to mitigate stigma, change youth attitudes, or encourage employers to take what is perceived as more risk in recruiting and hiring young (usually entry-level) workers.

We have learned that many young people across the world are enthusiastic about starting their own businesses, but they face a number of disadvantages. They lack savings, collateral for loans, and experience, and we do not yet know how best to help their enterprises to survive and grow. We know that entrepreneurship training benefits entrepreneurs starting up, but we do not know if it yields definitive benefits even to youth who eventually enter wage employment. And we don't know whether large-scale promotion of youth entrepreneurs could have negative impacts on markets by driving down prices and returns.

We know that employment placement services can improve and facilitate job search and improve matches, overcoming information failures. And, while we also know that public employment services currently tend to be underfunded and poorly utilized, we do not yet know what it means if information on jobs (for young people) and on candidates (for employers) is lacking. We need to learn how best to leverage the use of information technology—Internet, texting—to scale up and improve employment services, and how to expand the networks of youth to help them learn about opportunities.

And, while we know the demographics and statistics demand a large-scale approach, we do not yet know how to effectively address institutional and resource constraints to youth employment and which specific practices to employ to sustain, adopt, and scale up successful youth employment programs, both within nations in a variety of contexts and internationally.

The Inclusion Baseline

Highlights

Some cohorts of youth are falling behind on key indicators and demand additional focus if we are to ensure that all young people have access to work opportunities that empower them to escape poverty and fulfill their potential.

- Informality, and associated insecure, unpaid, or low-wage jobs and potentially dangerous or exploitive work are a common dynamic across varying contexts, typically faced by economically excluded youth. At the same time, informality can yield creativity, spur innovation, and create markets of opportunity where youth may be uniquely positioned to thrive.*
- The majority of working young women are employed in the informal sector in family businesses or on family farms.
- Success in projects working with women may be attributed partially to the sequencing of interventions.*
- Young women more often need nuanced support, but young men may face distinct challenges that warrant further attention.
- Youth in cities are more likely to work in services, manufacturing, or trade (export/import).
- Rural youth are more likely to be engaged in agriculture and fisheries, forestry, handicrafts, small-scale retail (microenterprise), or cottage industry.
- 70% of the youth in sub-Saharan Africa and south Asia live in rural areas.
- Youth are 40% more likely than adults to migrate to urban area.

*These are baseline facts that S4YE will work to influence over the life of the Coalition.

While young people in lower-income countries commonly face a difficult path toward economic empowerment, each is likely to experience different challenges—and the path is rockier for some youth than others.

S4YE has a vision to create opportunity for *all* youth. This report addresses the inclusivity dynamics that affect larger numbers of youth based on gender, conflict and fragility, and rural or urban location. But S4YE recognizes that full inclusion means paying closer attention to other minority and marginalized groups as well.

Informality, and associated insecure, unpaid or low wage, potentially dangerous or exploitive work is a common dynamic across varying contexts and typically faced by economically excluded youth. At the same time, informality can yield creativity, spur innovation, and create markets of opportunity that youth may be uniquely positioned to fill.

Gender

Young women and young men have different employment experiences, and arguably those differences are more acute in the developing world. Young women are at an inherent disadvantage, as they are frequently kept out of school and subsequently unemployed, are NEETs, or are in insecure employment.

For young women, constraints such as household responsibilities, lack of access to education and health services, social norms, and lack of public safety lead to more isolation and fewer chances to develop the aspirations, skills, networks, and confidence needed to find productive employment. Although countries have made great progress in advancing the education of young women (who can outnumber men in tertiary education), young women are still at a great disadvantage in the labor market. Young women often lack the necessary education and skills for many jobs; as a result, they engage in low-productivity work that affords flexible time commitments. These jobs pay less and tend not to offer benefits such as health care.

The majority of working young women are employed in the informal sector, in family businesses, or on the family farm. These jobs have low barriers to entry, and provide great opportunities for women who lack adequate training or the connections needed to find formal employment. Young women often engage in unpaid work, such as domestic work and household enterprises, as well as lower-paying informal work, all of which lack benefits. Early marriage stifles education, and many young women must find care for their children and meet other obligations if they are to participate in the labor force. In developing countries, between 2000 and 2010, roughly one-third of women were married before the age of 18.¹³ The alternative to economic advancement—early family formation—reduces opportunities and welfare later in life, perpetuating the cycle of vulnerability.

Successful programs to enhance livelihood opportunities for young women have also had some success in promoting other outcomes, such as delaying childbearing. These programs are generally comprehensive, combining life skills and technical or business skills; other evidence suggests that life skills alone are what matter, or access to capital and physical assets. Several projects indicate there is cause for optimism about lessons learned from interventions with young women. For example, the ELA program¹⁴ in Uganda saw that livelihood and life-skills training for young women resulted in positive impacts on income and health. The AGEI job-training and placement program in Nepal had positive results, as participants were more likely to work more hours, gain employment in various trades, and, on average, saw a significant earnings increase. The EPAG¹⁵ program in Liberia saw that women who received business training were twice as likely to gain employment, compared with those who received vocational training. Success in these projects may be attributed partially to the sequencing of activities, where financial support is provided only after the young women are motivated and have a supportive environment to engage in an income-generating activity.

There are indications that actors need to better understand the local labor market in order to identify the most promising training opportunities for young women, including nontraditional jobs. This includes knowing where the young women workers will be in demand, and where

¹³ UNFPA 2014.

¹⁴ Bandiera et al. 2013.

¹⁵ See Adoho et al. 2014.

self-employment might be more successful. Building social and financial capital, by opening savings accounts, building financial skills, and providing incentives to save and invest is critically important.

Arguably inadequate attention and research has traditionally been paid to the distinct employment challenges faced by young men, especially in regions where they may be at a masked disadvantage. For young men, the struggle to find productive employment is inextricably linked to the process of establishing identity and independence. Young men also often face a different set of livelihood challenges in the face of differing societal expectations: masculinity and gender norms, responsibilities (often including military service), higher likelihood of engaging in hazardous work, and more exposure to crime and violence and illicit economic activities.

In addition to living in what is often an all-around hostile and rights-abusive environment, LGBT youth in the developing world commonly face fear, discrimination, and outright exclusion in education, getting a job, and advancing in the workplace.

Like many of their male peers, disadvantaged young women around the world want to participate in programs that enhance their economic empowerment. They want to overcome the barriers to achieving their economic goals, including their lack of skills, insufficient financial and social assets, the depredations of conflict, and social and gender norms. But evidence has shown that unless programs are tailored to their distinct needs, they will not participate—nor will the programs have the desired impact. Recent research has yielded a number of lessons, but much remains unanswered, especially in terms of male deficits, needs, and interventions. In the long run, the institutional and structural constraints, as well as norms and culture that limit young people's opportunities for employment will need to be addressed not only to increase their earnings, but also to unleash their entrepreneurial potential.

Conflict-Affected and Fragile States

In general, the populations of fragile states are young, and half of the world's youngest countries are fragile. Globally, about 1.5 billion people live in areas that are conflict-afflicted or fragile. In these places, youth face unique constraints. The jobs challenge in fragile and conflict states is threefold: to prepare youth for work, to create jobs and generate work opportunities, and—because work is more likely to be in the informal sector—to boost the productivity of activities in which the youth are engaged.

Young people are often disproportionately affected by conflict and fragility. Conflict, especially armed conflict, and violence lead to displacement, breakdown of systems, and weakened infrastructure that cause many young people to miss developmental milestones, especially around education. Roughly half the world's out-of-school children and youth are in conflict-affected environments. At the same time, globally, unemployed young people are at a particular risk for turning to violence, crime, gangs, and rebel movements to compensate for the absence of voice, self-esteem, and belonging that a job might otherwise provide. Among youth ages 10 to 29, an estimated 200,000 homicides occur globally every year, and more than 80 percent of the cases involve a male victim. When surveyed by the World Health Organization, 53 percent of countries reported having a national policy or action plan to prevent youth violence.¹⁶ But although youth

¹⁶ WHO 2014.

unemployment and the associated feelings of exclusion or lack of value may contribute to violence, there is no mechanistic connection between large youth populations and violence.

Without education and skills, youth have a harder time getting a job. In Libya, for example, the ratio of employment among the total population to that among youth was about 2. That is, young people were half as likely to be employed as someone chosen randomly from the general population. Sometime around 2010, this ratio increased to nearly 2.5. This preceded the civil war that began in Benghazi in February 2011.

Job creation insufficient to absorb young workers is not unique to fragile and conflict-affected states. But in these countries, private sector investments are comparatively low and thus the demand-side challenge is especially acute. It is important for policy makers to consider how to encourage investments in fragile states. Governments need to identify and alleviate constraints that drive conflict and instability, such as weak institutions regarding land rights, for example, which are a major restraint on private investment. An even greater constraint against private investment is lack of access to electricity: 70 percent of respondents to a survey of private sector entities cited poor access to electricity as the main reason for not investing, compared with the 55 percent who cited political instability. Moreover, in encouraging private investment, policy makers must often balance trade-offs between economic growth and job creation, and between the urgent short-run needs of stabilization versus those actions and investments needed for medium and longer-run development objectives.

Without enough private sector investment in fragile states to generate jobs, the majority of economic activity occurs in the less productive informal sector, which is also where most youth work. Not enough empirically evaluated interventions have succeeded in improving both the employment opportunities and productivity of youth in fragile environments. More rigorous research is needed.

Rural and Urban Settings

Rural and urban youth face different challenges and likely have different prospects in the world of work. Roughly 70 percent of sub-Saharan African (particularly those in the Horn and the Sahel) and South Asian youth live in rural regions, and half of the youth labor force works in agriculture, making these regions the greatest proportions of rural youth, globally. At the same, these regions are also experiencing the global trend toward rapid urbanization and migration, especially among youth.

Today, more people live in urban areas than in rural areas, with 54 percent of the world's population residing in urban areas in 2014. In contrast to the Americas and Europe, where between 82 and 73 percent of the population lives in cities, Africa and Asia remain mostly rural, with 40 and 48 percent of their populations, respectively, living in urban areas. But all regions are expected to urbanize further over the coming decades. Africa and Asia are urbanizing faster than the rest of the world and are projected to become 56 and 64 percent urban, respectively, by 2050. Overall, the United Nations expects continuing population growth and urbanization to add 2.5 billion people to the world's urban population by 2050,¹⁷ with nearly 90 percent of the increase concentrated in Asia and Africa.

¹⁷ *United Nations World Urbanization Prospects: The 2014 Revision.*

From education to infrastructure, governance, and access to services and technology, youth in different settings have varied experiences with these and other factors. In terms of education and skills training, for example, rural youth are usually at a disadvantage compared with urban youth, yet urban youth tend to have higher rates of un- and underemployment and likely face higher degrees of all-around informality in their lives and work. In Ethiopia, for example, the urban youth unemployment rate was 37 percent, while the total unemployment rate was just 8 percent.¹⁸ Similarly, cultural, ethnic, and social norms are likely to vary between communities, creating special considerations, especially for young women, in finding economic opportunities. In Tunisia, less than one in five rural women are employed, while nearly 40 percent of urban women have a job. And both rural and urban youth are likely to confront distinct health and security risks that could hinder their ability to obtain work or be successful in the workplace.

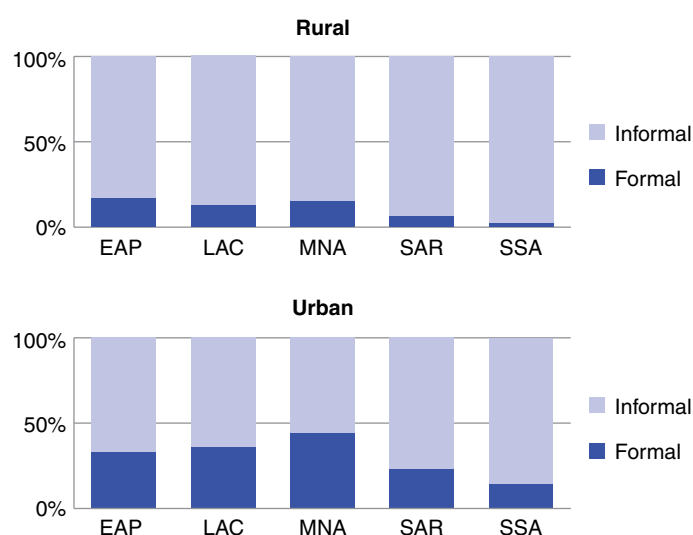


FIGURE 11a and 11b: Informality Dominates in Both Rural and Urban Settings

Source: I2D2, World Bank.

The structure of rural and urban economies also tends to differ greatly; as such, youth's opportunities will vary in different sectors, requiring different resources and rights, competencies and skills. Youth in cities, for example, are more likely to work in services, manufacturing, or trade (export/import). Rural youth, on the other hand, are more likely to be engaged in agriculture and fishery, forestry, handicrafts, small-scale retail (microenterprise), or cottage industry. Though it manifests differently in urban vs. rural settings, informality in work is a dynamic shared by both urban and rural youth.

The concentration of people, business, government, and information creates distinct opportunities for urban youth, while endless demand and rising crop and commodity prices create profitable opportunities for rural youth to engage in agriculture. However, land scarcity and weak or lacking land rights, are hindering youth from engaging in agriculture; and lack of access to loans and leases also prevent youth from obtaining their own land. Even though agriculture accounts for 59 percent of total employment opportunities in Africa and 54 percent in Asia, youth are staying away from agriculture for reasons such as lacking land rights, stigma, lack of finance, irrelevant education, fear of market shock and aversion to risk, or inability to penetrate supply chains.

While there is no doubt economic dynamism afforded by the density in cities, young people may not be poised to capitalize on innovative and inclusive potential that the concentration of people, ideas, and commerce can bring. Although they may have better digital and entrepreneurship opportunities, urban youth face unique challenges in underemployment, inadequate education, crime and violence, migration, and risky work in the informal sector. In developing countries, 85 percent of new work is in the informal sector. Two of every three Africans work in the less productive, low-wage, informal sector. Safety is a big issue for young city dwellers: A UN-Habitat

¹⁸ See Elder et. al. 2015 and Urdal and Hoelscher 2009.

study found that on average, worldwide, only one in four urban youth feel safe. Data show high rates of migration of youth, with UNICEF reporting that roughly 17 percent of youth, ages 10 to 24, are migrants. Data from 29 developing countries found that youth are 40 percent more likely than adults to migrate to urban areas. Young urban migrants are exposed to violence and health risks, as well as high economic costs.¹⁹

While spatial dynamics in youth employment are a relatively as yet underresearched and underevaluated area with weak empirical evidence, there are signs of promising practices. For example, conveying land rights and ownership opportunities to rural youth can encourage them to engage and invest in value-added agriculture. The STRYDE program in Eastern Africa and the World Bank's Young Rural Entrepreneurs program in Colombia both saw positive impacts on employability of both rural and urban youth participating in business and skills-building programs designed to meet their specific needs and immediate market demand. Similarly, there are signs that rural-urban migration can be lessened if improvements in infrastructure, new technology, and information systems can better connect youth to urban opportunities without incentivizing them to migrate. One poll of youth found that 78 percent of young people were less likely to migrate to urban areas if there were more opportunities in rural areas.

Table 3 illustrates the above with findings from background research in four diverse countries—Bangladesh, El Salvador, Tunisia, and Uganda—to highlight complexities and to help bring youth employment issues into closer focus.

TABLE 3: The Inclusion Baseline in Four Focus Countries

Bangladesh	<p>80% of young women are at home and not in the labor force. Two-thirds of young women are NEET, and two-thirds of school dropouts are women.</p> <p>36% of urban youth and 42% of rural youth are NEET.</p> <p>25% of young women who are working are employed in agriculture.</p>
El Salvador	<p>Inactivity rates among young men rose by 20% between 2007 and 2013. About 66% of young men cited studying as reason for their inactivity, while 73% of young women said that domestic and household work was keeping them from jobs.</p> <p>61% live in urban areas, while 39% live in rural areas.</p> <p>The unemployment rate among young men is lower in rural areas than in urban areas; the reverse trend holds true for young women.</p>
Tunisia	<p>37% of young men and 38% of young women have been without work for more than two years.</p> <p>Less than one in five women (18.5%) in rural areas are employed, while 40% of urban women have jobs.</p> <p>Two out of five rural youth are inactive, while one in three urban youth are inactive.</p> <p>Over 80% of inactive rural youth and 57% of urban youth have not completed secondary school.</p>
Uganda	<p>Unemployment is higher for young women (71%) than young men (55%).</p> <p>Unemployment is higher in rural areas (66%) than in urban areas (54%).</p> <p>Most young employed youth work in agriculture and fishery (58%).</p>

¹⁹ See MacArther 2014, UNHabitat 2013, Cortina et al. 2014.

Toward Solutions for Youth Employment in the Era of Sustainable Development

While this report shows many interesting things, the real test of progress for the S4YE Coalition will come in 2020 when we reassess the findings and compare how our knowledge and evidence has been built over time.

Right now, the prospects for too many young people to be engaged in productive work are dim. For a 15-year-old girl in Uganda, the underlying determinants that shape her future are stacked against her—weak education completion rates, limited cultural acceptance of her as an equal in the workplace, and restricted access to financial services. The policy environment is not conducive to her informal enterprise formalizing and flourishing, and entrepreneurship is constrained. There is very little predictability about the informal sector, or the agricultural basis on which her livelihood depends. Her sources of income are vulnerable. And if this girl happens to live in the more conflict-affected and fragile north of her country, we must assume (because we have little available knowledge of the situation) that she will have even less ability to make informed decisions.

Right now, the prospects for a 15-year-old Chinese boy who has just moved from a rural area to Shanghai are equally as concerning. He has likely arrived without enough money for housing and is forced to live in a slum on the outskirts of the city. It is likely that he doesn't have the requisite skills or training to get a job in the city—he probably worked in agriculture, may not have completed secondary education, and he doesn't have the language or 'soft' skills to work in a customer service job. He resorts to unregulated informal work where he is forced to work long hours, in an unsafe environment for little compensation—and in fear he could lose even this job at any time. Then he does. And, unable to face his family by returning home a "failure," he might feel he has no other choice but to join a gang or engage in illicit activities—trafficking of people, drugs, weapons—for money.

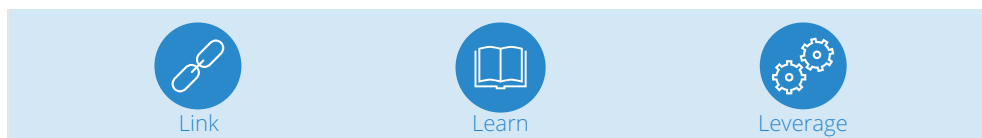
Despite the dire situations of this boy and girl, early signs show promise about what we can do to maximize their chances of changing their trajectories. The challenge to us is this: Will a 15-year-old girl in Uganda, or a 15-year-old boy in China have better opportunities and chances for a smoother transition into employment in 2020? What does this baseline tell us about what we can do to get this girl and boy into a position where they can make more effective and informed decisions? And what does the baseline tell us about what the international community needs to do to facilitate that?

Unsurprisingly, it tells us that we need to act now. We need to act fast. And we need to do more together.

The international community has made great promises to achieve full and productive employment for all young people by 2030, and to substantially reduce the number of NEETs by 2020. This is an incredible challenge, but one the S4YE Coalition is designed to meet head-on. The findings from this report indicate that if we act on proven interventions, there will be a positive impact. This is necessary, but not sufficient. The baseline also indicates that there is a genuine lack of quality evidence and information about what works, and why. S4YE's *raison d'être* is to build evidence to make informed strategic decisions. We know there is a lot to work with,

but we need to consolidate and curate what is there to enrich the current knowledge base. The four country background studies affirm many patterns, but illustrate the need to continue to dig deeper to refine our global learning for application in varying national contexts.

This report confirms that if we are to have a positive impact on young peoples' lives in a timely and dynamic way within the span of a generation, S4YE needs to:



- **Link** public, private, and civil sectors to integrate lessons learned, identify effective solutions, and accelerate impact on the ground through cross-sector collaboration and innovation.
- **Learn** more and better by pursuing a compelling learning agenda, both by collecting and disseminating knowledge across the broad youth employment landscape, and through a targeted portfolio of high-impact initiatives. S4YE will generate and share open knowledge and data, as well as related practical insights across the globe.
- **Leverage** knowledge and partners to catalyze the promotion of public, private, and civil sector innovations and operations that scale up promising youth employment practices. S4YE needs to leverage new resources and innovative investment tools for youth employment—and do so swiftly to stem the tide of the 500 million unemployed young people in the world today. This means more resources, used more strategically, with targeted deployment. S4YE will promote greater transparency on resource allocations, so investments can be reoriented more quickly and more effectively based on robust evidence that an intervention will work.

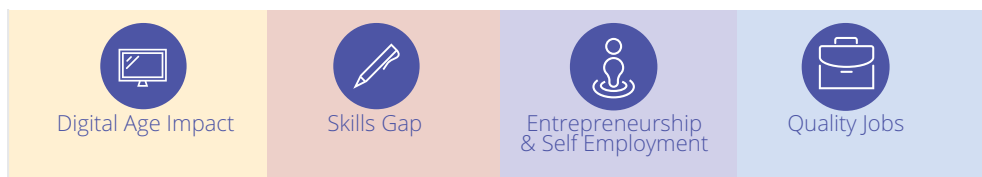
S4YE's success will likely be limited unless this effort is brought forward not only for youth, but with youth as well. Young people know best the opportunities and challenges they face in entering and succeeding in the workplace or in starting a venture on their own. Surveys show that young people feel underserved and underprepared by most public and some private

**“Let us make our future now,
and let us make our dreams
tomorrow's reality.”**

—Malala Yousafzai

education and training systems. If we involve young people and seek their opinions in crafting policies and programs, the end products are likely to be more responsive to their needs and interests. To this end, S4YE is committed to ensuring active and meaningful participation of young people in all S4YE activities.

Furthermore, S4YE is recommitting itself and looking to others to:



- Leverage improvements in technology that are empowering people to learn in new ways, improving training effectiveness and scalability to respond and adapt to the new employment trends of the digital age

- Play a constructive role in ensuring that the supply side of training is fit for purpose, and ensure that curricula developed to teach skills meet the needs of young people and their future employers
- Identify good practices in entrepreneurship development, provide additional support to those areas where there is a lack of evidence or partnerships, and encourage the supply of appropriately skilled young people who can drive growth and sustainable self-employment forward
- Understand the complex mix of variables that determine the search, acquisition, and retention of quality jobs by young people, which are directly related to an individual's aspirations and self-esteem as well as the demand for jobs from private sector actors.

Success, sustainability, and scale in all these pursuits will not be possible without collaboration involving government and public institutions at all levels (regional, national, municipal, local) to strengthen capacity and policies that foster an environment to enable growth and allow proven interventions to succeed at a greater scale. S4YE stands ready to support the development of evidence-based strategies to promote employment for all young people.

Recognizing the development and growth dividend opportunity in today's young generation, these baselines—context, evidence and knowledge, inclusion—signal the road ahead. Over the next 15 years, S4YE is on a mission to increase the number of young people engaged in productive work in a world where all youth have access to job opportunities that empower them to escape extreme poverty, thus boosting shared prosperity worldwide. With the adoption of new global goals, S4YE will be pursuing its mission in an era of inclusive and sustainable development—an era marked by bold ambition to eradicate extreme poverty, defined by universality and a commitment to leave no one behind. And an era in which today's youth become the torchbearers of this transformation and our collective futures.

You can find S4YE online at <http://www.s4ye.org>.

Together we can continue to advance solutions for youth employment.

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