

YOUTH  
JOB  
CREATION

• A POLICY PRIMER •



# CREDITS

**This booklet has been prepared by Peace Child International for the Parliamentary Network on the World Bank and IMF to launch an ongoing research project to disseminate best practice in the field of youth job creation.**

The views expressed in this booklet are those of the authors and do not reflect official policies or opinions of either Peace Child International or the Parliamentary Network on the World Bank and IMF. Please leave your comments at: [www.peacechild.org/jobs](http://www.peacechild.org/jobs)

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**About Peace Child International (PCI):** PCI's mission is to 'Empower Young People.' Mandated by the youth delegates of our most recent World Youth Congress, the current focus of our work is youth job creation. We co-hosted the 1st International Youth Job Creation Summit in London last year with the UK's Department of Business Innovations and Skills, a recommendation from which resulted in a Global Coalition for Youth Employment. As the World Bank launches its new Coalition, we are pleased to work with Jeremy Lefroy MP and the Parliamentary Network for the World Bank to present this Policy Primer to outline the challenges and solutions facing those trying to resolve the youth unemployment crisis. Solutions abound, and though the problem is colossal, we are confident that governments and institutions like the World Bank, working hand in hand with young people and NGOs, will develop the strategies to solve it. We look forward to helping in any way we can.



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# INTRO

I am pleased to introduce this small booklet which catalogues both the problems of youth unemployment and its most effective policy solutions along with some examples of those solutions in practice around the world. I am especially delighted that the projects featured have been selected by the young people of Peace Child International whose International Youth Job Creation Summit I attended – and whose job creation programme I witnessed in Liberia earlier this year.

The youth unemployment crisis affects almost every country. Both the Presidents of Sierra Leone and Liberia, without prompting, told me that unemployment, particularly among youth, is something they need to tackle urgently. UN advice confirms their concern: “Create more jobs or risk unrest.” The UK’s Secretary of State for Development, Justine Greening, agrees: she gave a major speech recently entitled: “It’s all about jobs...”

Too often, young unemployed people are considered a threat. Rather, we should see the hundreds of millions of young people coming on to the job market in the next decade as a tremendous opportunity for the good of all of us.

Let us all work together to realise that opportunity.



**Jeremy Lefroy MP,**

Chairman, Parliamentary Network for the World Bank  
Member, International Development Committee,  
UK Parliament

# PROBLEMS

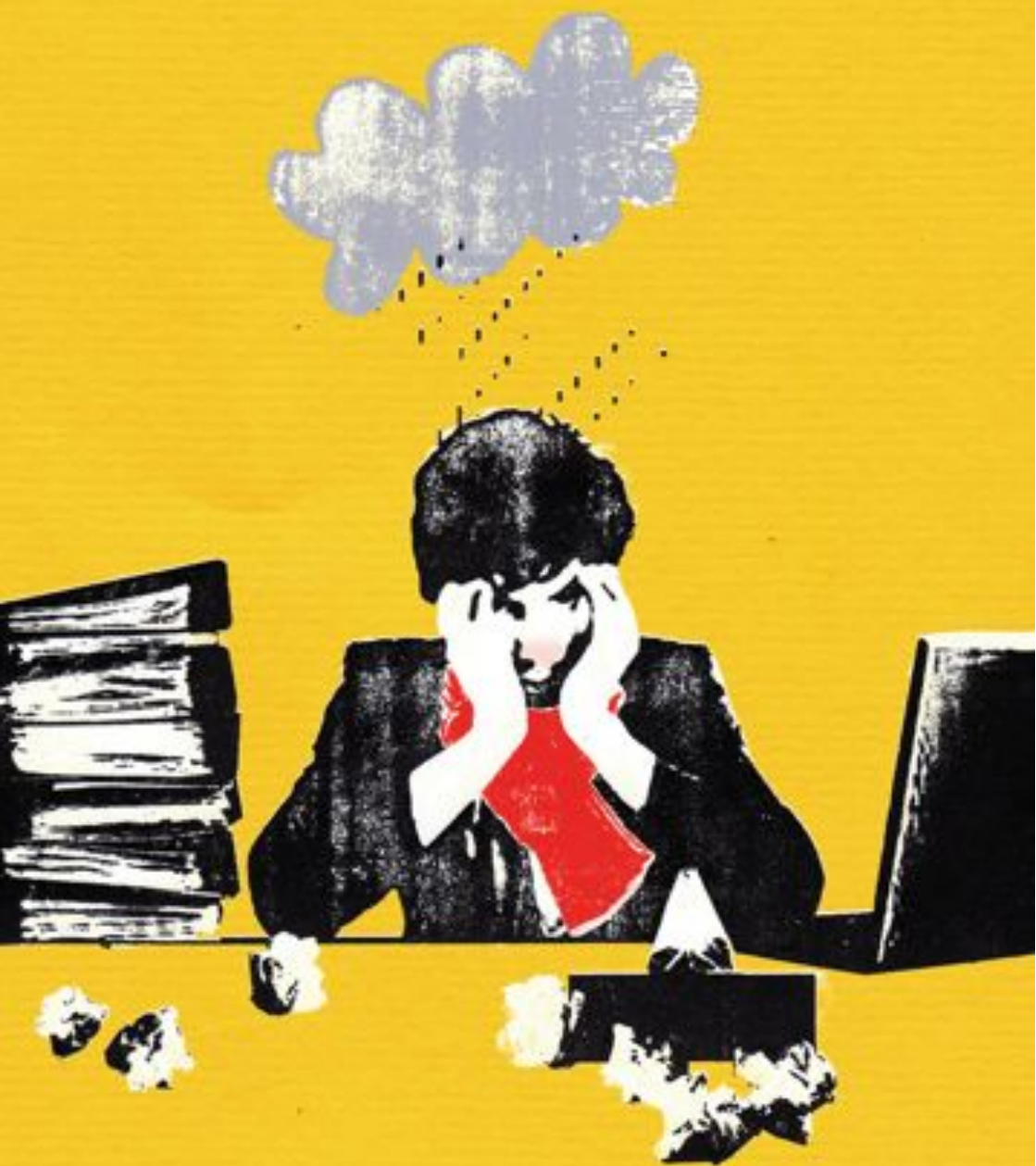
Youth unemployment is a massive problem. The World Bank's Arup Banerjee says, "we need to create 6 million jobs a month, and that's one million a month in Africa alone!"

Further World Bank and ILO statistics tell us that 75m young people are registered unemployed, 620m are not in training or seeking work and 600m will enter the job market in the next decade with only 200m jobs awaiting them.<sup>(1)</sup> So we need to create, give or take, a billion new jobs in 10 years.

There are few bigger problems on the International Development horizon – and few bigger obstacles to the goal of eliminating poverty by 2030.

We identified six major problems:

1. LACK OF EDUCATION FOR ENTREPRENEURSHIP 8
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# SOLUTIONS

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There is no shortage of solutions! From our own experience and that of our partners in the field, there are policy solutions to all the problems listed. At the World Bank's Solutions4Work meeting, 170 delegates arrived with armouries of solutions. The Bank's new Coalition for Youth Employment aims to share and replicate them.

In this Policy Primer, we offer the best solutions we have found and include some case studies to illustrate how some of these solutions work in practice.

We hope that you, the reader, will add your own ideas and case studies to our online edition ([www.peacechild.org/jobs](http://www.peacechild.org/jobs)) – and that governments at all levels prioritise the incorporation of several of them into local, regional and national policy road maps to full youth employment by 2030.



## PROBLEM ONE

### LACK OF EDUCATION FOR ENTREPRENEURSHIP:

“They tell me, ‘start a company, make your own job!’ But nothing in my schooling taught me how to do this. I don’t know where to start....”

Paul  
Kenya

“Massive expansion in access to education has added many years of schooling, but much less learning. The Sub-Saharan African experience with Technical Vocational Education and Training (TVET) has been disappointing. Secondary and post-secondary vocational training costs at least three times more than basic secondary education, yet often provides a poor foundation for private sector jobs as their curricula has not been geared to private sector needs.”

Filmer & Fox,  
Youth Employment in  
Sub-Saharan Africa.

The mountain of money being sunk by donors into Education and Training is not only failing to provide education for self-employment or enterprise creation, which is where 83% of new jobs will be created, but it is also failing to deliver basic education. In Sub-Saharan Africa, nearly half of students completing six years of primary education cannot read, write or add numbers.<sup>(2)</sup> 70% of teachers say they are happy with the curriculum they teach, but less than 50% of students and employers agree.<sup>(3)</sup> Too often, the subjects teachers teach bear no relation to the world of work their students will enter.



## SOLUTION ONE

### PROVIDING EDUCATION FOR ENTREPRENEURSHIP

“ We need to embed Entrepreneurship Training in the DNA of every nation’s education provision – from K through 12th Grade. ”

**Recommendation of the International Youth Job Creation Summit, London, September 2013**

We have not been able to find a single country that includes entrepreneurship education in its national, assessed curriculum. Some, like the UK, are conducting experiments like the Studio Schools initiative whilst the governments of Germany, Austria and Switzerland have kept youth unemployment low with nationwide apprenticeship schemes.

In the UN system, the ILO provides leadership with projects like Start & Improve Your Business Programme (SIYB) which reaches 4.5 million trainees through 17,000 trainers and 200 master trainers in 2,500 partner institutions.

PCI attempted to persuade the Global Partnership for Education to host a workshop on Entrepreneurship Education at their recent pledging conference – without success.

Changing schools and teachers’ mindsets as well as those of the donors that support them may be the biggest challenge that we face.

However, some NGOs are pioneering innovative solutions:

- **Teach a Man to Fish:** Determined to tackle the global youth unemployment crisis and inspired by the work of sister organisation, Fundación Paraguaya and their self-financing school, Teach a Man to Fish developed the innovative ‘School Business Model’. Schools run real, profitable and educational school businesses that give students real world business experience and empower them with the skills they need to reach their full potential in life. Through their School Enterprise Challenge Competition, they have supported schools in over 90 countries worldwide and have staff based in Uganda, Rwanda, Nicaragua and Guatemala.
- **Youth Business International (YBI):** formed in 2000, YBI is a global network of independent non-profit initiatives in more than 40 countries that help young people to start and grow their own business and create employment. YBI members assist under-served young entrepreneurs with a combination of training, access to capital, mentoring and other business development services. YBI research emphasises the value of mentoring and support and shows that about 70% of the businesses started are still successfully trading after 3 years. Since its creation the YBI Network has supported over 100,000 new businesses.
- **PCI’s Be The Change Academies (BTCAs):** The BTCA idea was developed by young people who concluded that entrepreneurship is a vital skill for 21st century youth, many of whom will be forced into self-employment or enterprise creation in order to survive. The BTCAs offer free business plan creation training to any young person with the seed of a business idea. They learn about market research, budget, cash flow, product development and marketing to grow their ‘seed’ into a viable, fundable business plan.

In their 2014 OECD paper, “Youth Employment in Sub-Saharan Africa”, Deon Filmer and Louise Fox suggest that “most promising of all interventions are those that bundle the delivery of integrated skills training along with assistance with accessing start-up capital.” PCI provides each BTCA with its own Revolving Loan fund or Micro Finance Institution (MFI) to fund the best trainee business plans, which goes a long way to resolving Problem Two (below):

## PROBLEM TWO

### LACK OF ACCESS TO CAPITAL:

“Less than one quarter of one percent of loan portfolios of finance providers are directed to those under the age of 30.”

**Pawan G Patil,**  
Chief Executive of the World Bank’s Global Partnership for Youth Investment



A common remark heard from BTCA trainees confirms this: they all tell us that the doors of major banks are firmly shut against young people. Further, if they can get a loan from MFIs, they are charged exorbitant interest rates of 5-15% a month. This makes it all but impossible for youth to start a business.

## SOLUTION TWO

### EASING YOUTH ACCESS TO CAPITAL:

Ever since the publication in 2009 of Dambisa Moya's "Dead Aid", there has been a welcome recognition that loans rather than grants can make for more effective development assistance. This has yet to transform the nature of most governments' overseas development assistance, but the following NGOs are pioneering the practice:

- **KIVA:** the first and perhaps the most successful online crowd-source funding programme is Kiva.org. Started by Matt Flannery and Premal Shah in 2005, it has advanced over \$610m in loans supplied by 1.2m lenders who benefit from a 98.79% repayment rate. It charges no interest on its loans, which are passed, electronically, through its 275 field partners, enabling them to fund more disadvantaged entrepreneurs with low interest loans.
- **Jatropha Youth Micro-Finance Bank:** Jatropha is perhaps the world's first youth-focused MFI. With its low-cost branch network on university campuses across Guinea and Mali, it has support from governments, UN Peace Funds and other UN Agencies to provide young people with inexpensive, non-collateralised loans. Jatropha also manages the Revolving Loan fund for the Guinea BTCA network.
- **SPARK:** SPARK has funded 1,561 Small to Medium-sized Enterprises (SME) start-ups – chiefly in post-conflict fragile states. Together, these SMEs have created 5,939 jobs and achieved a 94% survival rate through careful training, low-interest loans and sensitive business incubation and mentorship of each start-up. SPARK believes that agencies like theirs can learn more from its mistakes than its successes, so with support from the ABN-AMRO bank, it runs a 'Failure of the Year' contest to encourage like-minded development agencies to own up to their errors so that all can learn from them.
- **Prince's Youth Business International (YBI):** YBI turns job seekers into job creators. All members of the YBI Network offer an integrated support package to under-served young entrepreneurs with a combination of training, access to capital, mentoring and other business development services. In 2013, YBI's members helped 14,406 young people start their own business and gave entrepreneurship training to nearly 200,000 young people.

## SOLUTION IN PRACTICE

For us, these solutions come to life in the stories of the young people they affect directly. We include stories from five beneficiary groups: YBI, SPARK, KIVA, Teach a Man to Fish and the BTCAs. All are examples of how these agencies transform the lives of thousands of young people:

## YOUTH BUSINESS INTERNATIONAL STORIES



### **Nimali Gunawardana, Sri Lanka**

Nimali (25) overcame her impoverished background and banks' consistent rejection of her loan requests to set up the Nimali Chips and Fibre Mill. This new, eco-friendly industry makes mattresses and other home furnishings from coconut husk chips. With the help of Youth Business Sri Lanka (YBSL), Nimali's new business has turned a loan of \$781 into an enterprise with a projected turnover of over \$39,000.

### **Sharad Tandale, India:**

Sharad won YBI's Entrepreneur of the Year Award for his engineering business that provides turnkey products to big clients including the Pune Municipal Corporation. Sharad comes from a marginal farming tribe where less than 1% of them start businesses. His family opposed his entrepreneurial ideas, but he got an engineering degree from a rural institute on a government scholarship. He wanted to tackle small engineering jobs on his own but no financial institution was willing to fund him. YBI was impressed by how Sharad had broken through the tribal barriers and gave him a loan to buy raw materials and equipment.

His company has managed to turn a \$20,000 order book into a \$500,000 turnover last year with confirmed orders of \$1m for the current financial year and potential for more growth.



## SPARK STORIES



### **James Mulbah, Liberia**

James Mulbah is a young Liberian entrepreneur who sees the value of recycling solid waste and keeping Liberia clean and green. His Green Center has been in business for two years now and is doing tremendously well. The Center buys and sells recyclables, produces decorative materials and creates compost from vegetable waste.

James Mulbah was part of SPARK's Business Plan Competition of 2012. In November of 2012, he spoke at the international BiD Network Conference for Growing SMEs, where he had the opportunity to match his business with investors.

### **Alice Jua, South Sudan**

Alice manages a piglet production business. She finds the return on investment high because a female pig gives birth twice a year. A SPARK loan helped her build a slaughterhouse, where Alice will increase her services by including the manufacture of soap from the extracted fatty parts of the piglets.

New skills will be developed to keep integrating new ideas and projects within the piglet production business.



## KIVA STORIES



### **Tsetsegmaa, Mongolia**

Tsetsegmaa and her family live in a yurt in Mongolia. She used a Kiva loan to expand her dairy business, buying two more cows to supply milk and yoghurt for a school lunch contract. She started the business herself.

### **Jhuni, India**

When Jhuni's husband passed away, she opened a tailoring shop to provide for her children. A Kiva loan enabled her to buy a second sewing machine and more fabric to expand her business. As the only tailoring shop in her village, she sees great opportunity for expansion and is now training local younger girls.



### **Paul, Zambia**

Paul runs a mobile money transfer business in Kabwe, Zambia. When the number of transactions jumped from 10 to 60 a day, he took out a Kiva loan to open up more mobile money outlets in his town. Paul is committed both to his business and to his community.

## **TEACH A MAN TO FISH STORIES:**

### **Diana, Tanzania**

Diana is a 12-year-old student from Rwemondo Secondary School in Tanzania. She impressed her teachers with her hard work, leadership skills and commitment to entrepreneurship throughout the running of their tree seedling business, called 'Plant Trees Make Kagera Green (PTMKG)'. Diana stood out because she was fully committed to the idea of entrepreneurialism. She committed herself to her school's business and spread the message about the importance of entrepreneurship. Diana pursued the idea that entrepreneurship should be taught in schools, and this is something that her school is now looking into.





### **Jorge Guerrero, Paraguay**

Jorge wanted to pursue his dream of studying agronomy at university. He won a scholarship to cover his fees but had no way to cover his living costs – the kind of setback that would cause most young people to give up, but not Jorge. He took what he learned through school businesses at his school and came up with a highly entrepreneurial solution. He made an agreement with a retirement home to use their unused land for an organic vegetable garden where part of the production would go to the home and the rest could be sold to generate extra income. He even created his own brand name: ‘BioGran’!

## **BTCA STORIES:**

### **Satta Momo, Liberia**

Satta is a green vegetable seller in Paynesville, Liberia. She trained at the BTCA and developed a business plan to rent two lots of land higher up the valley because her current, low-lying land floods in the rainy season, so her source of vegetables dries up. She got a loan and now she can grow greens all year round and make more money. The BTCA loan has doubled the size of her business.



### **Rhoda Akinyi, Kenya**

Rhoda has an unusual business in Kisumu, Kenya making party dresses for little girls. She used to make them on her kitchen table, causing considerable irritation to her husband and small children. She attended the BTCA in Kisumu and secured a loan for her plan to re-locate her business to a shop on the main road. The size of her business doubled and she was able to move into the school uniform business and hire an extra seamstress. And, she is able to keep the kitchen clean for family meals. “The best thing I learned was financial management – how to make my money work for me, rather than the other way round.”





### **Simon Oriko, Kenya**

Simon makes his own juice, which he sells from a stall at the bus station. He attended the BTCA in Kisumu and secured a loan to expand his business. “The training was great,” he says. “For the first time I had a road map for my business – a real understanding of the market and cash flows. Some of my friends paid high fees to go to business schools, but I know I got much more from the BTCA trainers than they did from their teachers. The BTCA’s young teachers spoke my language and came with me to the market to do practical market research. So even when I lost my pitch at the bus station, I was able to survive because I knew how to make a new business plan. My juice is the best! I will be the biggest juice-provider in Kisumu within the year. Watch me. And thanks for your support.”



## **PROBLEM THREE**

### **YOUTH DESPONDENCY AND ABSENCE OF YOUTH LEADERSHIP:**

Youth unemployment is a youth problem so young people should be in the vanguard of finding solutions to it. But many – perhaps most – are not: they are ill-prepared, disenchanted and despondent, feeling that governments and institutions have broken the social contract that invited them to work hard, pass their exams and go to college secure in the knowledge that they would be rewarded with a nice job for life, a car, a house and a salary adequate to raise a family. It hasn’t worked like that for years, but schools have yet to change their curricula to alert youth to that fact.

The Silatech Index, developed with Gallup to measure youth mindset and access to jobs and capital, has declined across the MENA region since 2009. Youth today are less hopeful than ever about their chances of getting a job or the capital they need to start a small enterprise.

Filmer and Fox note that “although the current generation of African youth entering the labor force is the most educated ever, many are finding that their employment prospects and earning differ little from their parents. In a few countries they are worse. Youth in urban areas have been vocal about their dissatisfaction.”

Mohammed Bouazizi, the Arab Spring and the Occupy Movement created national and international headlines about the plight of the unemployed youth. But, though there are thousands of youth-led agencies and NGOs working on behalf of youth around the world, very few have a strong focus on, or provide intelligent leadership for, the problem of youth unemployment. Young people can, and must, do better!



## SOLUTION THREE

### EXAMPLES OF YOUTH LEADERSHIP:

Youth unemployment is a young people's problem. Governments and institutions should therefore empower and enable young people to help tackle it. There is no time for despondency. Youth and donors should work with the many organisations and governments which are promoting excellent models of youth-led development, such as:

- **Restless Development:** this organisation has a mission to ensure that young people are significant contributors to development processes. A major architect of the UK's DfID's International Citizen Service (ICS) programme, Restless focuses on livelihoods and employment creation as well as safe sexual and reproductive health and rights for youth. Most of its operations are youth-led.
- **Alianca, Brazil:** Lina Maria Useche founded this entrepreneurial alliance in 2005 to give young entrepreneurs access to information, networks and guidance. It has a partnership network with 40 NGOs, universities, government and private sector partners - Coca-Cola, IYF, Danone and Natura. Guidance from YBI helped take Alianca to scale and support 17,000 young entrepreneurs in 15 states. 85% of its entrepreneurs are women. They like to work in a group, and when they generate income, they get an altruistic bug. They don't just think of themselves; they want to contribute to their communities and their families.
- **Million Jobs for Youth Campaign:** Lottie Dexter (23) led a successful UK campaign to abolish the jobs tax on young people under the age of 21, enabling the creation of 1.5m jobs for young people.<sup>(4)</sup> She also campaigns to abandon wage subsidy schemes, like the UK's Youth Contract. "Such schemes will not solve our deep-rooted youth unemployment crisis. We urge the government to abandon this sinking ship."
- **BTCAs:** PCI's BTCA idea was developed by a 24-year old Indian and made a reality by a 22-year old African.<sup>(5)</sup> All its trainings are delivered by youth volunteers – some local, some international.
- **DfID's ICS Entrepreneur:** The ICS Entrepreneur follows a similar model to the BTCAs and, though currently more focused on the impacts to the British volunteers,<sup>(6)</sup> it could develop into an excellent youth-led enterprise development programme.
- **US Peace Corps:** Enterprise development and job creation is now on the US Peace Corps radar. They have recently appointed two volunteers to the BTCA in Sierra Leone. Sharing US expertise widely in enterprise creation could make an enormous contribution to developing economies.



## PROBLEM FOUR

### FAILURE TO GO TO SCALE:

Youth Business International plans to support 100,000 new businesses a year by 2020 that will, in turn, provide employment opportunities to hundreds of thousands more young people. McKinsey's Africa at Work study reports that "accelerated job creation could add 72m jobs in Africa by 2020 – 5% in hospitality, 7% in manufacturing and 6% in agriculture."

<sup>(7)</sup> The travel industry promises to create 70m new jobs by 2030.<sup>(8)</sup> The IT Sector reports a need for 200,000 more engineers every year across Africa. These are all impressive figures, but they are not enough. As David Robalinho of the World Bank said, "the problem is in the millions: but our solutions are in the thousands." Several World Bank studies have also pointed out that, with an aging population in many parts of the world, "a country has to grow rich before it grows old." In other words, without a large, working youth population, no country can afford to pay the pension costs of an aging population.

## SOLUTION FOUR

No country has taken any of these solutions to scale. Even the World Bank's Pro Joven skills training programmes, widely implemented by governments across Latin America in the last two decades, has only impacted a small percentage of the disadvantaged young adults it was designed to reach – with mixed results.<sup>(9)</sup>

- The European Commission's Youth Guarantee Scheme: This scheme promises a job or a place on a training course to every European Youth within four months of leaving school / college. It has secured € 7bn, but the ILO calculates that this is less than 5% of what is needed for it to be completely effective.
- The UK's Start-up Loans Company & Apprenticeship scheme: The UK has committed £151 million to support start up loans for at least 30,000 new businesses. To date, more than 20,000 loans totaling at least £100 million (average £5,000 per business) have been granted. In addition, the UK government has launched a large-scale apprenticeship scheme combined with subsidies for hiring young workers. This has helped to keep the UK youth unemployment rate down to 23% but not reduced it to the levels of Germany, Austria and Switzerland – where a combination of targeted apprenticeships and work experience for every student has kept the youth unemployment rate in the single figures – 3.5% for Switzerland.



## PROBLEM FIVE

### THE DIGITAL DIVIDE:

The current emphasis by many development theorists on new technology opportunities in Africa doesn't help youth living in areas where it is hard to find an electric light source let alone a laptop. Though it is well-known that millions of jobs have been created in the IT sector over the last two decades, a huge percentage of African and South Asian youth are cut off from the opportunity to join the jobs bonanza being driven by new technology.



## SOLUTION FIVE

### EXAMPLES OF EFFORTS TO TAKE SOLUTIONS TO SCALE:


The key is to increase the number of opportunities for Young Africans to work as e-lancers and net-preneurs and / or develop their own internet start-up companies. Despite the fact that most Africans struggle to get access to electricity, several excellent programmes reach out to youth who find themselves on the wrong side of the digital divide. Among them are:

- **Digital Jobs Africa:** This Rockefeller Foundation programme aims to impact 1 million lives in six African countries (Egypt, Ghana, Kenya, Morocco, Nigeria and South Africa) by generating social and economic opportunities through catalysing sustainable Information Communication Technology (ICT) employment opportunities and skills training for disadvantaged African youth. It is a \$100m, six-year programme.
- **One Laptop per Child:** This programme aims to provide disadvantaged children with a low-cost (\$100), low-power (capable of being re-charged from a solar panel), internet-connected laptop. This type of tool seeds young IT engineers and net-preneurs by engaging children in their own education and connecting them to each other, the world and a brighter future.
- **Computers 4 Africa:** This is a charity that receives working-redundant computers from around the UK. The donated equipment is then data-wiped and refurbished before being sent to schools, colleges and selected community projects in Africa which makes modern IT available to those that would otherwise never access it.



## PROBLEM SIX

### LACK OF KNOWLEDGE, COMMITMENT OR PRIORITISATION:

A woman with blonde hair and sunglasses is sitting in a chair at a desk, looking towards a large solar panel mounted on a tall pole. The scene is set outdoors with a clear blue sky. The woman is wearing a light-colored top and dark shorts. The solar panel is a large, rectangular array of photovoltaic cells. The overall image has a teal color cast.

In spite of the 2013 World Development Report on Jobs and tens of thousands of pilot projects and research initiatives, youth job creation is far from a priority for governments or donor agencies. An OECD 'Evaluation Insight' paper by Professor Michael Grimm asks: "Do we know how to create youth jobs?" He answers his own question: "first and foremost, our review underlines how little we actually know about how to create jobs." The famous World Bank Inventory of Youth Employment Interventions found that less than 5% of programmes evaluated tested for cost-effectiveness. Little data was collected at all: on the Joven programmes, one of the World Bank's biggest, the Inventory concluded: "There is not enough evidence to make an assessment." On the first page of the World Bank's Development Report on 'Development and the Next Generation' (2007), the authors warn, "one of the biggest challenges in writing this Report was that the evidence base was uneven. There were very few rigorous evaluations of youth programmes and policies for any of the issues covered in the Report." Given the lack of data and absence of rigorous analysis, it is perhaps not surprising that most donor agencies do not have a youth policy, let alone a youth employment policy. Very few have any officers specializing in youth issues. This must change. And securing better data and more rigorous impact evaluations is the first step.



## SOLUTION SIX

### EXAMPLES OF KNOWLEDGE, COMMITMENT & PRIORITISATION OF YOUTH JOB CREATION:

The World Bank remains the world's largest investor in the youth employment field with over \$2.8 billion invested in 90 operations between 2001 and 2011.<sup>(9)</sup> The Bank and the ILO, through the new Global Coalition for Youth Employment, are well-placed to provide governments, donors and NGOs with all the knowledge and guidance they need in order to make the budgetary commitments to make this field a priority.

- **Ministries for Youth Employment:** The Government of Guinea is the only country we have found that has a Ministry for Youth Employment. The Guinean Minister is promoting Business Plan Competitions, loan funding for BTCA graduates and a World Youth Congress to design a "Policy Road Map to Full Youth Employment by 2030." Properly funded by donors and national tax revenues, such ministries could design the skills-matching programmes needed by the private sector with partner ministries and create their own national and regional road maps to full youth employment.
- Some funders, like the **Mastercard Foundation**, and some NGOs, like **IYF, SPARK, PCI** and **YBI**, focus exclusively on youth job creation. Most of the large NGOs do not cover the issue at all. Plan International is one exception, weaving youth job creation into its broader development programmes.



# CONCLUSIONS

## **ONE: Start with entrepreneurship education**

In the IFC's "What can I do to create Jobs for my Generation?" youth essay contest, five out of the eight winning essays focused on education. Clearly, young people feel that schools are not providing them with the skills and information they need to face the challenge of self-employment or enterprise creation. Governments could serve their youth much better if they started focusing on this need right now.

## **TWO: Offer non-collateralised, mentored loans for youth-led business start-ups**

There are many ways that governments and agencies can do this. It is short-sighted to train hundreds of builders, mechanics and artisans in schools and TVET institutions and then fail to provide them with funds to buy the tools and materials they need to ply their trade. A Revolving Loan fund could be put at the heart of every training programme, or a Be the Change Academy could be attached to every secondary school to enable students to graduate with an operating business to run rather than just a paper certificate. Setting up YBI Business Trusts or Clubs, SPARK Business Incubators or Business Plan Competitions with loans as prizes are options, too.

## **THREE: Focus on the SMEs and household enterprises**

Only 17% of jobs in Africa are in the waged sector; 83% involve self-employment. It is quite limiting to teach youth only the skills and interview techniques they need to apply for the handful of jobs in the formal, waged sector; it is better to focus on the informal sector and teach them the skills they need to improve their productivity.

## **FOUR: Focus on research and get the metrics right**

It is not impossible to prepare indicators of a 'cost per job' and 'cost per enterprise' created – and, by working together in the World Bank's new Global Coalition for Youth Employment, we can begin to develop common metrics like this to give senior economists the evidence they need to assess the comparative advantage of different NGO and youth-led approaches to youth job creation. From such data, economists can calculate the macro-economic impacts of our endeavors. Until we do that, our field will remain marginalised.



## FURTHER IDEAS

Given that 90% of new jobs are created in the Private Sector, the IFC's "Lets Work" agenda.<sup>(10)</sup>

- Improve the investment climate to encourage the entry of private enterprise and create formal sector jobs.
- Improve infrastructure, availability and quality of services to help enterprises create more jobs.
- Skills-matching: encourage the private sector to work with education institutions to provide on-the-job training and ensure that training better meets private sector needs.
- Help private sector strengthen supply chains and distribution networks to improve their productivity and promote opportunities for jobs.
- Target the inclusion of vulnerable groups, such as women, youth and the marginalised.
- Create Free Trade Zones to encourage trade and target job-creating trading opportunities;

Amongst the ideas proposed by the IFC's Job Creation Essay Contest, the following are worth pursuing:

- A UN Year of Entrepreneurship
- Annual National Jobs Summits
- Improved access to online platforms that enable young people to secure e-lancing commissions
- More courage on the part of governments to introduce innovative school ideas like the UK Studio Schools, the Self-Financing Schools of Fundacion Paraguay / Teach a Man to Fish, and Timiakatemia - the famous Finnish entrepreneurship 'Centre of Excellence' at the JAMK university of Applied Sciences in Jyväskylä where students run cooperative businesses and learn while making real money from real customers

## FURTHER READING

1. "Youth Employment Inventory" - Gordon Betcherman, Susana Puerto: <http://www.youthemployment-inventory.org/about/>
2. "Development and the Next Generation" - World Development Report 2007
3. "Moving Jobs to the Center Stage" - World Development Report 2013
4. "Youth Employment in Sub-Saharan Africa" (OECD 2014) by Deon Filmer & Louise Fox;
5. Grimm, M. Paffhausen, A. L. 2013. "Interventions for employment creation in micro, small and medium-sized enterprises in low-and middle-income countries"
6. "Evidence on Youth Employment; - Susana Puerto et al; World Bank 2014; See: <http://www.worldbank.org/content/dam/Worldbank/Event/social-protection/Jochen%20Kluve%20Friederike%20Rother%20.pdf>
7. "Systematic Review of Interventions to improve Labour Market Outcomes of Youth" - Jochen Kluge et al; See: <http://www.campbellcollaboration.org/lib/project/306/>
8. "Smart aid: Why it's all about jobs" The Rt Hon Justine Greening MP, Secretary of State, DFID; Speech of 27 January 2014; See: <https://www.gov.uk/government/speeches/smart-aid-why-its-all-about-jobs>
9. Tibbs, S. DFID; The jobs and poverty paradox. See: <https://dfid.blog.gov.uk/2014/07/08/the-jobs-and-poverty-paradox/>.
10. Woollcombe, D, 2007. Youth-led Development, Empowering youth to make poverty history

For all other references and background reading, please review the hyperlinks include in the online version of this booklet at: [www.peacechild.org/jobs](http://www.peacechild.org/jobs)

## NOTES

1. World Bank Internal Evaluation Group – Report on Youth Employment 2012; ILO – Youth Employment Trends 2014;
2. Filmer & Fox "Youth Employment in Sub-Saharan Africa" 2014 + Numerous other reports, eg. UWEZO report: <http://www.uwezo.net/uwezo-east-africa-2012-report-findings>
3. Statistic quoted by at the Solutions4Work Conference
4. See Hansard record of speech by 1st Secretary to the Treasury, Danny Alexander, on March 11th 2014: <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140311/debtext/140311-0001.htm>
5. Jagan Devaraj, Founder of Peace Child India and Alpha Bacar Barry, PCI's Africa Desk Officer, 2006 to 2007;
6. See ICS 7 x Principles at: <http://www.volunteerics.org/7-quality-principles> 5 of them relate only to UK Youth;
7. McKinsey Study on Africa at Work: [www.mckinsey.com/insights/africa/africa\\_at\\_work](http://www.mckinsey.com/insights/africa/africa_at_work)
8. Commonly quoted statistic: eg. by Bill Reese, CEO of Intl. Youth Foundation at the Intl.

Youth Job Creation Summit from a study co-sponsored by IYF & Starbucks, and by Adam Weissenberg, vice chairman, Deloitte LLP, at:

[http://www.deloitte.com/view/en\\_US/us/Industries/travel-hospitality-leisure/38b4fa3b5791b310VgnVCM2000003356f70aRCRD.htm#VCpEQZhD7dk](http://www.deloitte.com/view/en_US/us/Industries/travel-hospitality-leisure/38b4fa3b5791b310VgnVCM2000003356f70aRCRD.htm#VCpEQZhD7dk)

9. World Bank Internal Evaluation Group – Report on Youth Employment 2012;

10. IFC Let's Work Campaign see: [www.letswork.org](http://www.letswork.org)

## RISKS AND BLIND ALLEYS

Just as SPARK challenges development NGOs to own up to their biggest failures, so funding agencies and governments should admit, and learn from, what is clearly not working in the youth job creation field. There is an emerging consensus on the following:

1. Too many tailors, carpenters and hair-dressers: minimal skills in market research would save many young people a lot of time and effort from trying to break into already over-crowded markets.

2. Mobility Incentives: several agencies have tried to reverse rural to urban migration by luring young people back to their villages with free bus tickets or mobility incentives. All too often, youth sell their bus tickets and/or return immediately to the city.

3. Wage Subsidies: these may work temporarily, but such jobs often end as soon as the subsidies are withdrawn and sometimes distort the market as employers are tempted to fire existing employees in order to hire subsidised ones.

4. Job Guarantees: these get bad reviews from youth and generally do not work. The British Youth Contract was dismissed by the Million Jobs for Youth Campaign as a “waste of money” and a “sinking ship.” The Finnish Youth Jobs programme on which the € 7bn European Commission Youth Guarantee scheme is based, was dismissed by many youth as “a ‘make-work’ scheme – little better than digging holes and filling them in again.” Such schemes disempower young people: if you know the state will offer you a job or a training position four months after leaving school, there is no incentive for young people to pull themselves up by their bootstraps and find – or create – their own jobs.

5. Public Sector Infrastructure Projects: These often provide only temporary jobs which disappear when the project is finished. Properly managed, they can teach good work habits and marketable skills to young people. Badly managed, they provide poorly paid, temporary work to young people who are left, ultimately, no better off than they were before.

6. Youth Centres: much-beloved of ODA funders, these buildings are ubiquitous across developing country towns and villages. A World Bank study, led by Wendy Cunningham, found that most of these centres were under- or poorly-staffed, under-funded beyond the original building and generally a waste of time and money.

“We need to change the psychology from ‘how do I get a job?’ to ‘how can I create ten jobs?’”

**Dr. Ngozi Okonjo-Iweala,**  
Minister of Finance, Nigeria

“Only through decent employment opportunities can young people get the chance to work themselves out of poverty. Focusing on youth is a must for any country.”

**Juan Somavia,**  
Former Director General, ILO

“Since I became a DFID Minister, I have been to Africa perhaps 20 times now. At certain times of day, one can see that many young men are sitting at the roadside without anything to do. That is a reminder of how important and necessary work is and how many jobs are missing.”

**Lynne Featherstone,**  
Under-Secretary of State for International Development, UK

“If we solve this, we will solve so much else in terms of peace, security, development, the elimination of poverty, and shared prosperity for both developing countries and for ourselves. It is not beyond us, with committed and visionary leadership.”

**Jeremy Lefroy MP**  
Chairman, Parliamentary Network  
for the World Bank

“Africa could benefit from the introduction of cleaner technology, including sustainable energy, which could propel the continent onto a carbon-friendly and green development path.”

**Report of the Danish Africa  
Commission (2009)**

“In Africa, it can take me 50 days to register a business. In some places, you need the signature of your father or your husband, and if you fail to get that, you need a judge.”

**Betty Maina,**  
Executive Director, Kenya Association  
of Manufacturers

“Youth Unemployment is a disease like Malaria. We have reduced malaria deaths by 43% and we can do the same for Youth Unemployment with the right medicine - the right mix of macro-economic policies for job-rich growth and practical, local, lo-cost solutions.”

**Branka Minic,**  
FutureWork

“Ask the poorest people and the communities they live in what they want most and they will say a job: The chance to work their way out of poverty, the chance to provide for their families and build themselves a future.”

**Justine Greening,**  
Secretary of State for International Development, UK “It’s  
All About Jobs...” Speech, Jan. 2014