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IDENTIFYING THE BASIS FOR A YOUTH EMPLOYMENT STRATEGY AIMED AT TRANSITION AND DEVELOPING ECONOMIES

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The Attachments are in a separate paper.
EXECUTIVE SUMMARY

This paper is a response to a brief from the United Nations to prepare a concept paper on the issues relating to youth employment. It is based on available research, information and analysis. Its focus, as requested, is on the employment needs of young people in developing and transition economies.

In his Report to the Millennium Assembly, the Secretary General announced that:

Together with the heads of the World Bank and the ILO, I am convening a high-level policy network on youth employment - drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge.' I will ask this policy network to propose a set of recommendations that I can convey to world leaders within a year. The possible sources of solutions will include the Internet and the informal sector, especially the contribution that small enterprises can make to employment generation.

The purpose of the paper is to highlight the scope for initiatives that can play a “lighthouse” role in pointing to viable future directions to enhance young people’s employment prospects. It is proposed that the youth employment strategy be based on five key design principles. These are:

1. Promoting youth entrepreneurship
2. Linking to the new economy
3. Promoting private/public partnerships
4. Targeting the poor
5. Putting young people in charge.

It is proposed that youth entrepreneurship, in its both private and social forms, be promoted not only as an end in itself. Opportunities for youth entrepreneurship can also be used as a litmus test of the how well the educational, regulatory and technological infrastructure is functioning in developing and transition economies. Direct linkages to the “new economy” through the use of new, low cost forms of communication, and the use of public/private partnerships with enterprises in the new economy are two other design principles proposed. The fourth principle recommends that the strategy apply to all youth with scope for targeting groups of poor young people in poor countries. In terms of implementing the strategy, it is proposed that young people take the lead in developing and implementing initiatives consistent with the strategy’s objectives. It is also suggested that the functions of broker and mentor, operating across the geographical “digital divide”, need to be central features of the implementation process.

The paper has three main sections. The first section outlines the issues and broad dimensions of the situation facing youth in developing and transition economies. Section two offers a critical assessment of the shortcomings of existing programs currently in place and the gaps in the innovative initiatives identified. The final section of the paper proposes a set of design principles to underpin the proposed youth employment strategy and makes some specific suggestions about how these principles could be applied in two instances based on young people’s interest in music and sport.

Developing and implementing a youth employment strategy is a complex matter. No single intervention or program can be offered as a panacea. A methodology is needed which provides the tools and resources for regions and countries to develop their own local approaches within a broad, supporting framework.
INTRODUCTION

The Secretary General of the United Nations notes in his Millenium Report that the world faces a major challenge in the form of youth unemployment, particularly in the light of the coming youth population bulge. According to International Labour Organization estimates, 60 million young people are searching for work but cannot find any. Some 80 per cent of the young jobless are in developing countries and economies in transition.

The purpose of this paper is to offer some suggestions as to how the United Nations, in partnership with other agencies, might approach the development and implementation of a youth employment strategy. The particular emphasis of the strategy is to be on youth in transition and developing economies. In an attempt to break new ground, the approach taken is to stand back and to look critically at existing research, policy and programs. The objective, therefore, is to offer new insights, from a public policy perspective, into how to develop and implement better employment strategies for young people. The aim of the paper is to present an innovative approach that reflects a critical awareness of the limitations of past initiatives, and that can demonstrate in practice as well as in design, the principles of participation and accountability. The proposed youth employment strategy needs to “walk the talk” by pointing to the future not only in terms of its focus, content, and the linkages required but also in terms of who and how it is implemented.

The Paradox of Globalisation

The signals about the employment prospects for young people, given the current state of world economy, are mixed. On the one hand, the forecast for continued world economic and employment growth is highly positive. On the other hand, the gap is increasing between those economies that are capable of participating in this growth and those that are not.

The June 2000 edition of the OECD Economic Outlook notes that “world economic prospects are brighter than they have been for some time...”. The OECD forecast notes that with the strong and widespread rebound of economic activity outside the OECD, world output may rise by some 4 per cent this year and next. In particular, the United States economy is continuing its longest upswing in the last 100 years. Japan’s economy appears to be in recovery mode and is projected to grow by 2.1 per cent in 2001. In the Euro area, the OECD claims that growth and employment prospects in the near term are better than at any time since the late 1980s. Overall within OECD countries, unemployment is expected to decline by more than 2 million between 1999 and 2001, falling to 6 per cent of the OECD labour force. The beneficiaries of this growth within OECD countries are expected to be the “long-term unemployed, young people, and to a lesser extent low-skilled and less educated people.”

On the other hand, the UN’s Human Development Report for 2000 notes that the income gap between rich and poor countries continues to widen. In the 30 countries considered to have the highest level of human development, life expectancy at birth is more than 75 years. In sub-Saharan Africa, in sharp contrast, life expectancy is only 48.9 years, falling to as low as 39.1 years in Malawi and 37.9 years in Sierra Leone. The report also notes that between 1990 and 1998 per capita income fell in 50 countries; however, only one of these countries was within the OECD (see Attachment 1 for details of recent World Bank research on the distribution of household incomes in poor countries).
The paradox of globalisation is not only that the growth in the major economies has had little flow on effect on the poor countries. The paradox also stems from the fact that one of the main engines of growth, digital technology, is itself generating a new form of inequality. Lack of access to the new forms of computerised technology is the source of the expanding gap between the skilled and the unskilled within the wealthy countries and between countries. Harvard Professor of International Trade, Jeffrey Sachs has recently noted:

> With the end of the cold war, old ideological divisions are over. Virtually all nations proclaim allegiance to global markets. But a more intractable division is taking hold, this time based on technology. A small part of the globe, accounting for some 15 per cent of the earth’s population, provides nearly all of the world’s technology innovations. A second part, involving perhaps half of the world’s population, is able to adopt these technologies in production and consumption. The remaining part, covering around a third of the world’s population, is technologically disconnected, neither innovating at home nor adopting foreign technologies.

Sachs concludes that “much of the world, perhaps 2 billion people or more, will fail to share in the benefits of global growth without a complete change in international strategy.” He proposes three responses on the part of the 1 billion citizens of the first world: more expenditure on efforts to control infectious disease in poor countries especially in sub-Saharan Africa (e.g., HIV/AIDS, Malaria and TB); co-operative schemes to bring marginalised regions into the major new trading blocks, and more collaboration between poor countries and the generators of knowledge such as international high-tech firms, first-world universities and scientific associations. A youth employment strategy needs to encompass ways to address this growing technological gap between the knowledge rich and knowledge poor countries.

Globalisation, a process that gathered force in the last decade of last century, is showing itself to be double-edged sword. One the one hand, globalisation as a process has produced dramatic reductions in the effect of distance. The rapid expansion of low-cost communication has made it easier for geographical areas and whole regions that once considered themselves isolated to be in touch with other countries and regions. An indicator of the rapid pace of this aspect of globalisation is the growth in information & communication technology diffusion as shown by the number of Internet hosts worldwide. According to the Internet Domain Survey, their numbers have grown from about 1.3 million in January 1993 to some 72.4 million in January 2000. Recent growth has been even more phenomenal, increasing from 43.2 million in January 1999.

However, it has also become clear that the disadvantages for many people of being on the periphery of the world economy have not abated with cheaper forms of communications. A concentration of resources – capital, skills and know how – has been drawn into the centres that are able to attract critical masses of venture capital, skills and managerial know how. Over 700 ICT firms in Silicon Valley are owned by Indians - mostly graduates of Indian institutes of technology.

A feature of the so-called “new economy” is the emergence of rapidly growing cities and regions in so-called “new economic spaces”, such as Silicon Valley in California, Austin in Texas, Route 128 in Boston, the Research Triangle in Charlotte North Carolina, Houston, Los Angeles, New York, Phoenix, and Seattle and in Cambridge in the United Kingdom or the high-tech and craft-industry clusters in northern Italy. These areas have capitalised on their internal strengths to exploit international markets, such as the presence of thick networks of
firms in linked sectors, a culture of entrepreneurship and strong institutions supporting economic development and innovation.

On the other hand, the capacity to catch up in developing and using the new digital technology is available to countries outside of the OECD group. India has a vibrant, government-led national information and communication strategy. An Indian, Sabeer Bhatia, invented Hotmail, the most popular form of Internet based e-mail, and sold it for US$400 million to Microsoft. The challenge for those seeking to close the gap between rich and poor countries is how to diffuse the growth centres of the “new economy” so that the poor can benefit from the economic growth that these centres are generating.

Outline of the paper

The following sections define youth in terms of its common meanings: statistical, legal, sociological and economic and presents data on the significance of youth in the world’s population. The shortcomings of existing programs and innovative initiatives aimed at improving employment prospects for young people are discussed. The paper then outlines a set of operating principles and other public policy considerations that should underpin a youth employment strategy. The paper concludes with two examples of how the proposed principles might be applied.

I IDENTIFYING THE ISSUES

Defining Youth

Youth as a stage between childhood and adulthood is defined in different ways according to different legal, economic or social contexts between and even within countries. The legal definition specifies a particular age, 21 in many countries and 18 in others, when a young person is considered an adult. However, the legal status of a young person for different purposes can also vary widely. Legal minimum ages often vary not only by gender but also accordingly to the purpose of the age limit - marriage, voting rights, criminal responsibility, military service, access to alcoholic beverage, consent to medical treatment, consent to sexual intercourse etc. For instance in South Africa, a young man or young woman can legally consent to sexual intercourse at the age of 16, can obtain a driver’s license at the age of 17, can vote at the age of 18 but can only own land at the age of 21.

Youth as an economic agent is defined as starting at age 15, according to ILO Convention No. 138. However, there are many adolescents under this age in a range of countries who are actively working, often in family enterprises or in farming. For statistical purposes, 15 to 24 years is often taken as the age group used to analyse youth as a particular social group. However, this age grouping is clearly too narrow for many countries. In some OECD countries, for example, the transition to adulthood in terms of achieving economic and social stability that comes with steady employment may extend for many young men up to the age of 28. For some men in OECD countries who have not completed secondary school, the transition to stable work could take up to age 35.

Youth, in economic and social terms, refers to a separate stage in the lifecycle between childhood and adulthood. Youth, as a stage in the lifecycle, refers to a complex interplay of personal, institutional and macro economic changes that most young people in other than wholly traditional societies have to negotiate. The relative importance and intermingling of these factors can vary widely not only between countries according to their level of economic
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development. It can also vary within countries according to socio economic, ethnic and other social groupings.

However, despite this variation in how youth is defined, it is possible to identify in many societies four distinct aspects in young people’s movement from dependence to independence. These are: leaving the parental home and setting up new living arrangements; finishing full-time education; forming close stable personal relationships outside their family of origin, often resulting in marriage and children and settling into a more or less stable source of livelihood through employment and/or career choice. In developing countries, being able to demonstrate the capacity to contribute to the economic welfare of the family is also a key stage in the journey to adulthood.

However, these different transitions do not take place independently of each other. In many cases, leaving the parental home, setting up a new household and entering into close stable personal relationships outside the family of origin depend on first obtaining a secure form of livelihood. In most instances, the achievement of a stable livelihood based on marketable skills and experience is a necessary condition that affects markedly the chances of young people achieving the other transitions to adulthood.

Young people, when faced with uncertain employment prospects and insecure financial conditions, are likely to postpone marriage or forming stable personal relationships and/or the begetting/accepting responsibility for children. More extreme social behaviour in response to limited or non existent economic prospects may include, as in the case of South Africa, engaging in illegal activities such as drug trafficking, violent crime, or as gang warfare. Poor economic prospects may also promote anti social behaviour such as exposing others to the spread of HIV/AIDS through the practice of unsafe sex.

It is also important to note that, in sociological terms, the term “youth” is often used by other than young people to refer to what is regarded as their distinctive set of attitudes and behaviour. Adults in positions of power and authority, from politicians to social workers, can refer to “youth” as a social group who are variously perceived as a threat to the established social order, unpredictable, volatile, or, particularly in the case of adolescent females, as vulnerable. This is particularly the case in sub-Saharan Africa.

Youth people, in a period of rapid change, are also more likely to be associated with a propensity to engage in risk taking behaviour. This can be both a negative and positive feature of young people’s behaviour. Risk draws attention to the dangers that can emanate from rapid change. It also points to the opportunities that arise out of the demise of inappropriate structures and practices. Giddens has highlighted the broader significance of the new exposure to risk:

Risk is a double-edged phenomenon. It is the source of economic energy and of most forms of innovation...Yet by its very nature it presumes the possibility of harmful consequences. Now that the pace of scientific and technological evolution in some areas has become so fast, we have to cope with risk situations that are different in character from those of the past.

Contemporary youth face an uncertain and volatile economic and social world. This offers expanded opportunities for risk taking in economic ventures. Many young people thrive on risk as entrepreneurs and even in their leisure pursuits. It is no accident that the most audacious entrepreneurs in the new economy are still in their twenties. The challenge for governments, non-government organisations and international bodies seeking to foster youth
employment is to tap the dynamism of young people and build on their strong spirit of risk taking. This also requires addressing the downside of “win lose” attitudes in the form of the greater inequalities and penalties for young people whom society and themselves define as “losers”.

**Young People’s Share of Total Population**

According to UN estimates, in 1995 there were some 525 million young males and 500 million young females between the ages of 15 and 24 in the world. About 60 per cent of the world’s youth aged 15 to 24 years live in the developing countries of Asia, and 23 per cent live in Africa, Latin America and the Caribbean. Only about 17 per cent live in developed regions. In 1995, nearly two-thirds of the world’s youth lived in countries with per capita GDPs of less than $US 1000 per year.

Young people aged 15 to 24 years account for just over a quarter of the world’s population (see Table 1). This share over time has decreased from nearly a third in 1970. However, there is a marked difference between types of economies. The youth share varies from a fifth in the developed economies to 30 per cent in the middle income developing economies. However, in the least developed economies, the youth population accounts for as much as 36 per cent of the total. Young people’s share of the least developed economies’ population has not decreased over the last thirty years in contrast to the youth population share elsewhere.

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<th>Region</th>
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<td>Southern Asia</td>
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Africa, compared with other regions, stands out in terms of its concentration of young people in the population. This is both in terms of the share of young people in the total population and their unchanged dominant share over the last thirty years. South Asia has just below a third of its total population aged 15 to 64 years (32 per cent), with only a marginal change since 1970 (from 33 per cent). Young people in the transition economies account for a nearly a quarter of their countries’ population (23 per cent) which is higher than the youth population share in Western Europe (18 per cent).
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The distribution of the youth population in the world reflects another paradox. In the countries that are experiencing unprecedented levels of extended economic growth, young people represent only a fifth of the population and, compared with 1970, are a declining share of the total population. This suggests that young people in developed countries are not only benefiting from the greater opportunities available in fast growing economies. They are also likely to benefit more from this economic growth than earlier age cohorts as there are fewer young people chasing the new jobs being created.

However, in the least developed economies, the share of young people in the total population is over a third and is growing. This suggests these young people face not only much more limited economic opportunities compared with young people in the rapidly growing developed economies. They also face increasing competition for jobs and other economic opportunities that are available due to the greater absolute numbers of young people in these economies.

**Young people and access to employment**

Research into the dimensions and causes of young people’s disadvantaged position in the labour market, even in OECD countries, is still at a preliminary stage. The inappropriateness of using the standard labour force measure of unemployment for young people has hampered a deeper understanding of the nature of the difficulties experienced by youth. This applies to both OECD countries and elsewhere. In developing and middle income countries, the coexistence of formal and informal sectors also makes the concept of unemployment a narrow one, limited to those who can afford to look for work.

In many developing countries, due to the scarcity of formal sector jobs, young people may find work only in the informal sector and in less than ideal work arrangements. Furthermore, many formal education systems have not adjusted to provide the skills and knowledge that young people need to take care of themselves and their families. In sub-Saharan Africa, the majority of young people exit the formal education system before the age of 12. This has manifested itself in the form of a growing informal sector where young people are increasingly faced with applying enterprise skills, and yet often end up doing so in inefficient ways.

Adolescent girls, in particular, often confront different responsibilities, vulnerabilities and social constraints than their male counterparts. Many adolescent girls face both gender and age-specific barriers to their participation in work activities, especially outside the home. Barriers to adolescent girls’ participation in schooling and in remunerative activities include their expected social roles and their limited bargaining power in decisions affecting their lives. Often, they are in unequal power relationships within and outside of the household. Adolescent girls’ capacity to make their own decisions will be greatly enhanced if they have alternative options to economic dependence on others in the form of self-supporting employment.

The narrow and western-centric focus that the terms employment and unemployment connote has led to the use of the alternative concept of livelihood to emphasise adaptability. A dynamic livelihood capability has been defined as the ability to anticipate change and continually experiment, innovate and explore new options in order to ensure the sustainability of their livelihood. This capability to deal with stresses and shocks in an unstable socio-economic environment is especially applicable to those youth who are vulnerable due to lack of relevant education and work experience.
The livelihood concept applied to the realities of young people needs to take into account the contexts of poverty; lack of formal employment opportunities; and low levels of education, skills, and available resources. In this context, three stages to livelihoods have been identified. These are survival: sustaining a livelihood but having few prospects to sustain stresses and shocks; security: surviving but also generating sufficient additional resources to develop assets and capabilities in such a way as to sustain stresses and shocks; and growth: achieving a level of security and generating livelihood opportunities for others in the community. These are important steps in identifying the achievement of a sustainable livelihood and should be reflected in program design.

**Key research findings on youth employment**

As noted above, the complexity of the factors involved in young people’s move from the transition from full-time education to job seeker and job getter makes it difficult to use standard labour market measures to gain a good appreciation of what is happening. This applies to both developed and developing economies. This means that standard labour market measures often provide an inadequate information base on which to assess young people’s progress and to identify the nature and extent of the problems they are encountering. Inadequate measures can also produce inappropriate policy responses. These might vary from designing inappropriate institutional mechanisms to promote youth employment to failing to identify and target for assistance the most vulnerable in the labour market.

The unemployment rate is an inadequate measure of how young people fare in their transition from education to work. Its inadequacy stems from its partial coverage of the relevant young age cohorts, its cross sectional and hence static profile, and its somewhat arbitrary definition of job seeker. In developing countries with a large informal sector, unemployment in the sense of active job searching is a luxury that only the better off can afford. Many school leavers without the resources to fund an extended period of job search are forced to work generating low income to survive.

The transition from education to work for many young people is not a single step of leaving the educational system and entering the world of work. In many countries the transition process can extend for some time with neither an obvious starting point nor a clearly defined end. It may involve several steps forth and back between education and work. It may be interrupted by search and waiting times, involuntary unemployment or chosen time off for leisure, travel or other activities.

It is, therefore, often not possible to encapsulate all the aspects of teenage or young adult unemployment in a single measure. Alternative measures of young people’s transition from education to work are required which are more appropriate in assessing the extent of the problem and the nature of policy responses. Attachment 2 discusses in more detail the limitations of measures such as the youth unemployment rate, lists the fourteen specific labour force and education attainment measures indicators used by the OECD to identify the countries in its study with more or less successful transition outcomes and outlines the OECD’s recommended transition indicators.

**Relevant research findings**

The following section identifies a series of stylised findings about youth employment. These findings are mainly based on OECD countries with some reference to the transition and developing economies where data are available.
Youth employment prospects are closely tied to overall employment growth. Tackling overall high and persistent unemployment is an essential part of any ‘youth-oriented’ policy package, but will also not be sufficient.  

In many African countries, the low growth rate of the economy and the limited relevance of education and training systems have been identified as key issues in the explanation of youth unemployment in these countries.  

The transition from school to work is a turbulent and uncertain period for young people, even if many of them start on the right track. Longitudinal data show the damaging effects of persistence in unemployment and inactivity in the first years of the transition process. In some OECD countries, such as those in Southern Europe, even those who have completed tertiary-level education are still at risk of considerable unemployment after entering the labour market.  

The lack of accountability for the post school student outcomes is a feature of education systems not only in middle income and the least developed countries but also in many OECD economies as well.  

Labour markets are increasingly differentiated by skills. Unemployment risks are unequally distributed among skill groups. This means that education attainment and young people’s chances of gaining employment are intimately linked. Young people in most OECD countries who have not completed upper secondary education are more vulnerable to unemployment.  

Enterprises in growth sectors of the global economy require new employees to operate in high performance and decentralised workplaces. Recent US national survey data show that high performance workplaces have increased from 25 per cent in 1992 to 38 per cent in 1997. These workplaces are more likely to compete in international markets, use relatively high-skilled technologies, and place a high value on product quality.  

Well-coordinated institutional arrangements governing the school-to-work process in OECD countries make a difference. Longitudinal data reveal important national differences in how well the transition “works”. This is especially true among young people who do not go to university, regardless of whether they have completed an apprenticeship or not.  

Young people in OECD countries that offer close links to workplaces during the education to work process supported by coherent vocational education pathways have fewer problems making to transition to work. Also countries where young people combine paid work out of school hours with education also achieve better transition outcomes. Studies in Australia, Sweden and the United States all indicate that those who have had such jobs have a better chance of being employed and a reduced chance of being unemployed than those who have not.  

However, in many of the least developed countries, there is little or no institutional framework to support the transition from education to work in the formal sector. Access to entry points to well-paid jobs is often determined by familial and other social ties.
Survey evidence from 11 European countries (including Hungary and Italy) shows that the majority of young workers prefer self-employment. The data suggest that there is large latent demand for an entrepreneurial status such as self-employment. Other evidence for 15 OECD countries shows that young people (aged under 30 years) find self-employment intrinsically attractive. Moreover the young self-employed report markedly greater well being than wage employees. Their job satisfaction, life-satisfaction and reported happiness levels are all higher than workers of identical personal characteristics.

**Implications for public policy**

Several general conclusions can be drawn with implications for public policy purposes. One is that youth employment prospects depend, above all, on overall employment growth. However, this alone often does not address the particular disadvantage that youth may face in the labour market. Differences in education-to-work transition outcomes reflect also the effectiveness of a country’s institutional arrangements in facilitating or hindering the transition process. Where these institutional arrangements work well, mostly as a result of good coordination between major stakeholders, there is no need for a specific focus on youth as problem group in the labour market.

Another conclusion is that a focus on employment generation needs also to be complemented by skills development, usually identified by level of education attainment as a proxy indicator of skill. There is near universal evidence of the link between education attainment and employment rates. However, the extent to which education delivers the skills in demand also differs widely between countries. Much depends on the effectiveness of public policy levers in lifting the quality and responsiveness of education providers.

The near universal link between education and employment also indicates an increasing bifurcation between young people with skills and those without. A new labour market dualism may be emerging where it may be impossible for many young people to move out of a cycle of low skill and uncertain employment, unemployment or informal sector participation to a high skill, relatively secure employment status. Leaving school early and not acquiring recognised skills is likely to condemn a young person to a life of limited income earning prospects.

A youth employment strategy needs to address both the supply side and the demand side of the labour market, at both the macro and micro economic levels. As well as emphasising the need to improve the quality of education, the strategy also needs to promote close links to growth sectors of the global economy. At a micro demand level, the strategy also needs to incorporate the skills, both technical and social, required in high performance workplaces.

The youth employment strategy also needs to tap the mind set that is the basis for risk taking in the growth sectors of the global economy. As noted above, surveys in a large number of countries show that young people have a strong preference for work as self-employment where they can exercise a high degree of autonomy. On the supply side, the level and quality of initial education attained will play a necessary but not sufficient condition. Mechanisms and processes are also needed that achieve better coordination between major stakeholders. This coordination is needed to meet the increasingly specific skill and other socio economic needs of individual young people.

It is also important to note that while the situation facing youth on entry to the labour market and employment has been the subject of extensive research, policy recommendations and
practical initiatives in OECD countries, youth employment does not appear to be on the political agenda to the same degree in developing countries. This is despite the major problems specifically facing developing countries such as youth participation in armed conflict, crime, social exclusion, and the spreading of HIV/AIDS.

II EXISTING EMPLOYMENT PROGRAMS AND INITIATIVES: SOME CRITICAL COMMENTS

Youth programs and NGOs

There is evidence of significant shortcomings in existing efforts by governments and NGOs to provide opportunities for young people in developing countries to access employment. As part of an overview of existing programs for youth for a report conducted under the auspices of Canada’s International Development Research Centre (IDRC) for USAID entitled *Improving Youth Livelihoods In Sub-Saharan Africa*, Paul Bennell surveyed over 200 relevant organisations. Despite reminders, the overall response rate to this survey, however, was only 15 percent. Bennell also made direct contact with British NGOs which supported youth programs in Sub-Saharan Africa. All NGOs that might have youth projects and programmes were contacted and a total of 25 interviews were conducted with relevant staff. His assessment of the general lack of interest in youth employment and related issues is reflected in the following conclusion:

... youth are not an important target group for most NGOs and so consequently few were able to identify specific projects and programmes. Furthermore, very little information was available on programme outputs and impacts. In part, this is because of the arms-length relationship that generally exists between most NGOs in the UK and their partner organisations in Sub-Saharan Africa. But it can also be attributed to a lack of evaluation capacity in most NGOs coupled with the absence of sufficiently strong incentives to conduct proper impact evaluations.

Bennell further notes that the absence of hard data is not, however, confined to British NGOs. For example, the International Youth Foundation which has its headquarters in Washington D.C. has identified 150 ‘model’ youth programmes around the world, 10 of which are in Sub-Saharan Africa. However, Bennell notes that a closer inspection of the documentation that the IYF has on these programmes in Sub-Saharan Africa shows that most information is very out-of-date and there is no little or no robust evidence of a program’s sustained impact on youth livelihoods. Bennell concludes his assessment of available sources of information that “…the general paucity of information makes it very difficult to analyse the situation of youth in Sub-Saharan Africa and the efficacy of programmes that exist to support youth livelihoods.

Microcredit and limited access for youth

Microcredit has achieved considerable success on a worldwide basis on reaching the poor and disadvantaged. Microcredit has shown clearly that it is the lack of access to capital through restrictive institutional practices that has been a major obstacle to giving the poor greater capacity to improve their own standard of living. Microcredit has been successful because it has worked from the bottom up to link together individuals, non-government organisations, governments and businesses in new ways.
However, youth appear to be underrepresented as a target group of microcredit programs. A quick search of the 902 organisations in 96 countries listed under the Microcredit Summit's Council of Practitioners reveals only 21 organisations with youth in their title. There are, of course, microcredit programs directed to youth by the mainstream microcredit organisations but a check with several experts in microcredit confirms that youth are an underrepresented group.42

A number of reasons to explain why micro credit has neglected young people have been identified (see Attachment 3 for a more general discussion of the limitations of microcredit programs). Microcredit deficiencies in relation to young people include the requirement in most programs for clients to be at least 18 years old to ensure that they can sign a legal contract. Programs, at least in Asia, are more likely to target married women, as opposed to unmarried women. The assumption is that there is high risk of default for loans to unmarried girls who might stop repaying their loans once they get married. Some programs also have minimum asset requirements to qualify for participation, and this excludes adolescents for the most part. Some microcredit programs require that borrowers have an ongoing business, as they prefer to lend for ongoing businesses rather than start-ups. In general, adolescents are seen as a higher risk group to which to lend. Because it is a period of transition in their lives, they are often regarded as more likely to default on their loans.43

The piloting of microcredit schemes by the Commonwealth Youth Credit Initiative has encountered several problems. These include the failure of programs due to direct administration by government youth or welfare departments which often lacked the necessary business skills and had weak procedures for loan collections. Similarly with NGOs, levels of success varied because of limited managerial capacity to appraise business projects and to recover funds. Other programs that were more successful had high and unsustainable administrative costs. However, another problem has been that adolescents, in general, are seen as a high-risk group to which to lend. Because it is a period of transition in their lives, young people are seen by those responsible for lending money as more likely to default on their loans.44

**Lack of user control**

Another report, commissioned by the IDRC, on youth, enterprises, livelihoods and reproductive health in sub-Saharan Africa highlights the lack of real user control or influence in the youth-oriented programs reviewed. This finding is consistent with the 1994 survey results of the Washington-based International Centre for Research on Women of more than 100 programs working with adolescents worldwide.46 The most frequently cited successful strategies for working with adolescents were: the active participation by adolescents in all stages of program design and implementation (21 percent), putting an emphasis on education (21 percent) and being responsive to adolescents' concerns. In relation to youth programs at a more general level, the Commonwealth Secretariat notes: "While the past two decades have seen the implementation of numerous youth development programmes, the level of economic enfranchisement achieved has remained relatively small"47

Grierson concludes that few programs take into account the characteristics of youth, their values or specific needs. Grierson’s survey of existing programs shows little evidence of overtly "learning" models which are able to adapt to local needs. The more general pattern is to apply imported models in a limited and unimaginative way.48

Attachment 4 outlines a number of innovative programs that do start with a strong focus on youth people’s own capacity to initiate change. Many of these programs seek to foster youth
entrepreneurship. However, only some programs seek to do so in ways that take advantage of the Internet. The brief overview of innovative programs (reported in Attachment 4) suggests that there is much more scope for initiatives that involve public/NGO/private partnerships to create youth-based entrepreneurial opportunities that are in some way linked to the new economy.

III THE CHALLENGE AND POLICY RECOMMENDATIONS

The New Economy

The “new economy” is a popular term for the high growth sectors of the world economy. Just what the new economy is and what are its drivers if it can be defined is the subject of ongoing analysis. Recent OECD analysis of the key drivers of increased growth performance shows that no individual factor can be singled out as the main source of differences in growth between OECD countries. However, the analysis does identify key ingredients to be information and communication technology, innovation and skills.

The new economy is not merely about high-tech companies. It also refers to the strategic application of knowledge to everyday processes such as giving small business the systems needed to access world markets. A simple illustration of this, described in Attachment 4, is the setting up of web pages for family-run inns in the Caribbean which has helped to lift markedly their occupation rates.

A major feature of the new economy is the considerable efficiency gains that come from the application of information & communication technology to conventional industrial and service sectors. This is achieved through, for example, simplified and low cost business-to-business transactions. This new means of doing business has opened up the possibility of suppliers, wherever they are located, to offer their products on the world market. The ready availability of low cost and safe means of transmitting documents means that business have lower transaction costs. The need for costly business trips, long telephone discussions and face-to-face negotiations behind closed doors has been greatly reduced. Electronic commerce has thrown the business procurement market open to suppliers of all sizes, addresses and backgrounds, often overriding the long-established ties established by international companies over time.

The role of networks

Another key feature of the new economy is the development of new network forms of association between businesses that are more open and adaptable than the hierarchical organisations that have dominated world trade. The new economy is built on a shift in organisations away from top-down hierarchical structures to flatter structures such as networks and autonomous teams. Organisational forms based on networks, in contrast, operate through relationships based much more on frequent negotiation and evidence of reciprocity to build up trust. Consensus-building, open dialogue become central in the new organisational forms. The form of trust most effective in networks has been called “reflective trust” as opposed to traditional “blind” trust.

Networks are well placed to operate over wide distances and to encompass divergent but partially overlapping interests. However, networks need to be responsive to their weakest link to survive and grow. Networks need to be especially open and accommodative of differences while tapping the skills and resources of their members. Networks are often
based on “weak ties” that require constant evidence of reciprocity and mutual interest to survive.56

Networks are well placed to foster social capital.57 World bank research shows that the poor actively excluded from certain social networks and institutions, ones that could be used to secure good jobs and decent housing.58 Without access to employment information networks, residents of poor inner urban areas are likely to find themselves trapped into low-wage jobs.59

The fostering of open and diffuse networks among young people through low-cost communication channels such as the Internet is now increasingly possible, even involving youth in poor countries. The Los Angeles Times (14 July, p.A2) reports that more than a dozen generator-powered cyber-cafes have sprouted in a Haitian suburb, offering, the story says, “a precious sliver of hope for the younger generation of the country”. Jakarta has a growing number of “Internet cafes”.

According to a recent cross-national analysis of Internet capacity in 74 developed and developing countries using 12 politico economic variables, a country’s potential to adopt the use of the Internet on a wide scale is not a simple linear function of economic and political development, but rather appears to be driven by complex interactions.60 According to this analysis, several countries can be identified with the structural attributes that should support more Internet development and usage. These are identified as: Jamaica, Botswana, much of Central America and South America, Indonesia, Korea, and several other “newly industrialised” countries.61

Design principles for a youth employment strategy

Taking all of the above discussion of the background issues into account, the following design principles are proposed for a youth employment strategy. The purpose behind the proposed principles is to encourage employment generation through the promotion of youth entrepreneurship linked to the “new economy” through the Internet and high-trust networks. The proposed principles are:

1. Promoting youth entrepreneurship
2. Linking to the new economy
3. Promoting private/public partnerships
4. Targeting the poor
5. Putting young people in charge.

The following section discusses each design principle in turn. For illustrative purposes only, the section concludes with two examples of how the design principles might be applied.

1. Promoting youth entrepreneurship

The youth employment strategy needs to foster an environment for young people in which they can create choices in life, make informed decisions freely, be aware of the implications of those choices, take action based on their decisions, and accept responsibility for the consequences of those actions.62 Youth entrepreneurship as a focus for the employment strategy has a number of advantages. It starts with young peoples’ own view of what they believe can be done to improve their employment prospects. It builds on the positive aspects of many young people’s predisposition to risk taking behaviour. It also builds on their strong preference, noted above, for work such as self-employment where they have a high degree of autonomy.
While it is acknowledged that promoting self-employment or youth-run enterprises are not likely to be a “mass” or wide ranging solution, the approach offers a strong employment generation focus. Young entrepreneurs are likely to be particularly responsive to new economic opportunities and trends as new basis for creating jobs. There may also be a multiplier effect if new young entrepreneurs hire fellow young people. New small firms may raise the degree of competition in the product market, bringing gains to consumers. Greater self-employment among young people may produce increased self-reliance and well being, thus producing wider societal benefits. Attachment 5 provides details of an innovative Canadian program to promote youth entrepreneurship.

The youth employment strategy should also promote social entrepreneurship. This refers to the process of organising, managing and assuming the risks of a business enterprise but in a non profit setting to benefit a particular group or society in general. Social entrepreneurs are like business entrepreneurs in the methods they use; however, they are motivated by social goals rather than material profits.

Their great skill is that they often make something from nothing, creating innovative forms of active welfare, health care and housing which are both cheaper and more effective than the traditional services provided by government.

A number of US-based foundations specialise in promoting social entrepreneurialism. Attachment 6 outlines the success of the social entrepreneur Rodrigo Baggio who, with a background as a teacher, founded in 1995 a non-profit organization that teaches young people in Brazil’s favelas key computer skills to obtain jobs and improve their lives. The story also illustrates the role of private partnerships in supporting his activities (See Attachment 6).

However, it is important to see the promotion of youth entrepreneurship as not solely an end in itself. A more profound and longer term effect could be as a vehicle for changing a society’s core institutions to be more responsive to the needs of young people and, indeed, to its citizens at large. Promoting youth entrepreneurship could, for example, help to re-orient intermediary support groups to change from viewing young people as passive clients of services to supporting them as responsible agents. As noted above, such a re-orientation is needed for NGOs to develop support programs which more closely reflect young people’s needs.

The focus on youth entrepreneurship could also be a powerful means of challenging core institutions such as universities, secondary and indeed primary schools to work out ways to support entrepreneurial activity. Promoting youth entrepreneurship offers not only access to opportunities for employment generation which the new economy offers. It could also serve as a means of encouraging governments to change regulatory frameworks that impede private and public entrepreneurship. At a deeper level still, a focus on youth entrepreneurship through a youth employment strategy could help to foster new forms of public and civic life based on citizen self-initiatives that better facilitate economic growth and provide the conditions for a more equitable distribution of life chances.

2. Linking to the New Economy

The second feature of the strategy should be to build on the new forms of low-cost communication such as the Internet to foster links to the new economy. This involves gaining access to support networks that link the potential entrepreneur into the growth sectors of the global economy. Self-employment or entrepreneurial activity undertaken in isolation,
in the informal sectors of poor countries, for example, is likely to be merely a survival or poverty alleviation strategy. For youth entrepreneurial activity in poor countries to be more than a survival strategy, it has to be linked in some way to growing markets. Only in this way can it be part of a growth or poverty elimination strategy.

Considerable thought needs to be given to how these links can be made. It does not necessarily involve a single-minded focus on ensuring that more youth in poor countries have greater access to the Internet. Intermediaries may be the more appropriate means for providing access to low-cost forms of communication through the Internet. For example, a youth band in a poor urban slum, at the suggestion of a local mentor or broker, could record its original songs and music. An NGO working with youth could then transform the audio tape into a digital format, compress the wav file using the MP3 Compression software and post it on a website set up for that country’s expatriate population in Europe or North America. If the music generates sufficient interest, a music company could be asked to help oversee the production of a high quality recording and to assist with its distribution, with appropriate royalties returning to the originators of the music. This example is not entirely fanciful; as it presents in a more contemporary fashion, the stylised facts behind the way that Reggae achieved its worldwide success as a distinctive musical phenomenon.

Potential entrepreneurs need more than access to credit. They also need to know how to develop a business plan, and where to obtain support in the form of a mentor to work through the issues related to the viability of their plan, no matter how modest their project. The World Wide Web offers the capacity, through a well-serviced web site, to provide support to young entrepreneurs in poor and middle-income countries. Such a web site could operate at several levels, from supplying the business tools such as guides to producing a business plan, offering an automated preliminary screening of initial proposals. More advanced services could involve the option of joining an electronic network of other young entrepreneurs and entering a one-to-one relationship via e-mail with a volunteer mentor, perhaps on the other side of the world.

The World Bank’s Global Development Gateway (www.worldbank.org/gateway), launched in June 2000, offers a model for a site devoted to youth entrepreneurship. Global Development Gateway is a portal website focused on development issues. The aim is for users to be able to access information, resources, and tools. It is also envisaged that users can also contribute their own knowledge and experience -- creating a common space for shared material, dialogue, and problem solving. The web site aims to help “everyone in the development field to share information and knowledge, easily communicate, and build communities”[69] The site, if it gains private sector support, could like up 100 countries by June 2003. The services and links available through the portal could include online training modules, research findings, best practices and ideas, case studies, procurement services, information on development projects, funding, commercial opportunities, product reviews, news, jobs, and directories with the emphasis tailoring the services to the needs of specific audiences.[70]

3. Promoting public/private partnerships

Public/private partnerships to foster the links to the “new economy” should be another key prong in the strategy. In general terms, public private partnerships refer to the recognition that in many areas of policy goals are best secured by the private, public and voluntary sectors working together. The various forms that public private partnerships can take can vary from new methods of financing and maintaining public assets to ways that partnerships can
help ensure that local communities have more opportunity to shape the services that they use.

In this context, it refers particularly to the ways that high-growth enterprises could be encouraged to work with intermediaries in poor countries (such as government support agencies and local NGOs) to foster youth employment opportunities. International business is showing a growing interest in fostering private public partnerships to address the needs of the poor in developing and middle income economies. The International Chamber of Commerce, which represents associations from over 130 countries, at its 33rd World Congress in May 2000, has highlighted, at a plenary session on Business and labour in a global economy, the need for public/private partnerships to stimulate creative approaches companies to address the “educational and training needs of their young work forces in developing countries? Another plenary session had as its topic “Connectivity - bridging the digital divide”. The specific issues highlighted in this session were the question of what is preventing some parts of the world from benefiting from the new technology? Are the impediments cultural or political or due to lack of infrastructure?

A growing number of high growth enterprises are acknowledging their corporate social responsibilities. There is a growing recognition by many corporates of the need for external indicators of accountability in relation to the environment and social and community issues. These indicators help to assess the extent to which companies add social value to the wider community in terms of contributing to human and social capital. In the case of human capital, measures of accountability for knowledge and skills are developed in terms of gains or losses to communities and economies in which the enterprises work. In the case of social capital, the focus is the enterprise’s contribution to levels of resilience, mutuality and trust in communities, be they villages, mega-cities or world regions.

New benchmarks are emerging, among them Social Accountability 8000 (SA 8000), developed by the US Council on Economic Priorities (CEP), and the revision of the International Chamber of Commerce's sixteen environmental principles to embrace emerging social requirements. New organisations like the UK-based Institute for Social and Ethical Accountability (ISEA) and of the London-based consultancy SustainAbility Ltd aim to bridge the divide between the different forms of accounting, auditing and reporting. See Attachment 7 for a description of Dow Chemical Company’s 1999 Annual Report using triple line accounting.

A good example of private/public partnership aimed at transferring skills related to participation in the new economy is the Cisco Networking Academy Program, initiated by Cisco Systems, a world leader in networking for the Internet. Cisco Systems sells its products in approximately 115 countries and has support offices in 75 countries. The Cisco Networking Academy program, which began in October1997, is based on a 280-hour web-based curriculum, teaching students to design, build and maintain computer networks. The Program is described as a partnership between Cisco Systems, education, business, government, and community organizations around the world. The target populations are universities, secondary schools, and vocational education schools. Currently, the program is operating in nearly 70 countries across the globe - with 50 per cent of students in developing and emerging market countries. As of mid 2000, there are nearly 4,000 academies and 85,000 students enrolled in the program.
4. Targeting the poor

The strategy, in concept, should be equally applicable to the poorest youth regardless of whether they live in poor, middle income and wealthy countries. This means that ways to promote the strategy could be made available through a publicly accessible web site, aimed, for example, at youth entrepreneurs, regardless of where they are located. However, the resources generated to support the strategy should be directed to countries with greatest numbers of poor youth. Young people from designated countries accessing the web site could also be eligible for special assistance such as access e-mail support or to receive specific information about available support services in their country and region.

Multiple objectives, however, can create problems with delivering effective outcomes. Seeking, for example, to ensure that the employment strategy is directed at the poorest youth while also seeking to tap into the growth sectors of the world economy is likely to create pressure for a trade off between objectives. One potential trade off is to involve those young people with the capacity to participate at the expense of involving the poorest youth.

Research conducted by the author into the operation of emergency job creation schemes in Indonesia in 1998 confirms other findings from program evaluation. The more specific the target group among the poor, the more restricted the number of objectives a program must have. In other words, attempting to meet several objectives such as providing emergency assistance to the most needy while funding projects capable of longer-term poverty alleviation creates, in many cases, a conflict between objectives. Carefully selecting appropriate projects with longer term potential for poverty alleviation may conflict with providing assistance to the most needy because they do not have the potential to initiate such a project. Similarly, the time delay involved in consulting and selecting appropriate projects by the administering agency can conflict with the objective of getting assistance to those who need it quickly.

These conflicts between objectives are inherent in multi objective programs. The extent to which different objectives can be achieved or the relative weighting to be given to each objective will depend on the resources available and the time framework set to achieve measurable outcomes. Careful program design, pilot testing and “reflective practice” are the key to implementing an effective youth employment strategy. Initiatives could be developed for piloting that focus on implementing various combinations of the design principles. However, it is likely that an initiative that was based on all of the above design principles would require a specific set of conditions to make it work. However, such a “lighthouse” initiative could well offer valuable insights into the opportunities and constraints on how to achieve a quantum leap into the future.

5. Putting young people in charge

An important operating principle needs to be to place young people at the centre of the new strategy by emphasising organisational forms that require young people to take charge from the start. However, young people’s participation should also extend to the support services provided through a microcredit facility, for example. Young people’s participation should extend to developing and implementing the strategy. This should include a requirement to have a certain proportion of young people on the boards of the intermediary agencies that are funding or delivering the programs that are a response to the strategy.

Another aspect of this operating principle is to understand local contexts – who the poor youth are, what they are doing, the opportunities that exist both locally and globally and the
in institutional context in which they operate. Policy must be implemented in a way that it taps into the particular ways that young people forge their livelihood. This goes back to the fact that program implementers need to have ownership of policy. Young people and others who are developing programs for young people need to be involved and in control of the initiative.

**Examples of putting the design principles into practice**

Table 2 illustrates how the principles proposed above can be applied to two practical examples. The first focuses on an activity in which many poor youth in developing countries are already likely to be proficient. It is modelled on the success of Reggae from the 1960s as the creation of young urban migrants to the Kingston slums. Reggae was and is an outstanding illustration of self-generated youth activity emerging from the urban slums of Kingston, Jamaica that has achieved international success. The album *Legend* (1984), a retrospective of Bob Marley’s work, achieved international sales of more than 12 million copies. The example offered by Reggae shows how poor urban youth have been able to develop a product line that is original both in terms of its musical form, technical innovation and words and achieve international success as an export. Table 2 outlines how the Internet and compression software for sound files may offer similar opportunities to market the music of poor youth from other developing countries.

The second example takes another activity in which youth are likely to have a strong involvement - sport. It is based on the Mathare Youth Sports Association, Nairobi, Kenya. The association began in 1987 to promote sports (principally soccer) and environmental clean-up activities among male youth living in the Mathare Valley slum area of Nairobi. Its scope has been subsequently widened to include sports for young women and reproductive health education, focusing on HIV/AIDS prevention.

Over 10,000 youth from Mathare have participated in the association’s activities. There are now over 300 soccer teams from 50 slum ‘villages’ who play in league competitions and other tournaments and are regularly involved in clean-up campaigns. The AIDS awareness program has trained 75 leaders who have reached all members. While no formal evaluation has been undertaken, it is reported that school attendance has improved as a result of the program, drop-outs have declined, and there has been a ‘drastic decline’ in team members withdrawing from the program because of pregnancy. According to Bennell, the association has become a model for empowering youth to run effectively their own organisation as well as to develop self-esteem and skills to benefit themselves and their community. It provides an opportunity for youth to become leaders and role models for their peers. Youth play key roles in all aspects of the organisation, including administration, coaching and health education. Table 2 suggests ways that the Internet could be used to foster links to high profile sporting teams and youth run sporting associations in developing countries. One example of this link is the association formed between Brazil’s national soccer team and youth teams in East Timor.
Table 2: Proposed Operating principles for a youth employment strategy applied to two program examples

<table>
<thead>
<tr>
<th>Principles</th>
<th>Music</th>
<th>Sport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall objective: youth-run enterprises linked to the “new economy”, through high trust networks.</td>
<td>Young people's interest in and lead role in producing music could be a building block.</td>
<td>Young people's interest in sport could be used to generate support for group sporting activities eg soccer teams in urban poor areas</td>
</tr>
<tr>
<td>Internet should be used to foster links to the New Economy.</td>
<td>MP3 compression software offers the chance to distribute music at minimal cost via the Internet</td>
<td>Internet could be used to follow international football and set up links with clubs in other countries.</td>
</tr>
<tr>
<td>The use of technical and social skills required in high performance workplaces should be stressed.</td>
<td>Generating music offers the opportunity to be creative. It also requires small business skills. Sound recording and computer software require higher order technical skills</td>
<td>The group sporting activity could be used to teach enterprise skills, create HIV/AIDS awareness thru peer education.</td>
</tr>
<tr>
<td>Public/private partnerships should be used to foster the links to the “new economy”.</td>
<td>At a more advanced level of enterprise development, mentor relationships could be established with experts, using the Internet.</td>
<td>Mentoring relationships could be fostered by e-mail between young people in recognised teams and the new teams</td>
</tr>
<tr>
<td>The strategy, in concept, should be equally applicable to the poorest youth regardless of whether they live in poor, middle income and wealthy countries.</td>
<td>A website for youth music with a focus on “world beat” could be set up, open to all seeking to have their music posted.</td>
<td>A website for a particular youth sport (soccer, basketball, netball) could be set up with attached chat groups and club-to-club links.</td>
</tr>
<tr>
<td>The resources generated to support the strategy should be directed to countries with greatest numbers of poor youth.</td>
<td>Specific assistance could be available, via e-mail for example, for young people who meet certain criteria eg country of origin</td>
<td>Specific assistance could be available for young people meeting certain criteria eg country.</td>
</tr>
<tr>
<td>Young people should be placed at the centre of the new strategy by emphasising organisational forms that require young people to take charge from the start.</td>
<td>Bands could be embryonic enterprises. As a group, they could provide an asset for micro financing.</td>
<td>A sporting team is a quintessential young person's activity. It is also an opportunity for youth to exercise leadership and develop self-esteem in eyes of local community.</td>
</tr>
<tr>
<td>Young people’s participation should extend to the support services and intermediary groups</td>
<td>Microcredit support services should be delivered by young people (as peer educators)</td>
<td>Support services such as coaching, microcredit, Internet links should be delivered by young people</td>
</tr>
</tbody>
</table>

Program implementation

The recent UK government White Paper entitled Modernising Government calls on policy makers to learn from experience. According the White Paper, policy making should be regarded as a continuous, learning process, not as a series of one-off initiatives. This requires using evidence those who implement and deliver policies and services to better understand the problems being addressed (see Table 3). It also requires making public the lessons of success and failure and acting upon them. One way to do this is to set up pilot schemes to encourage innovations and test whether and under what conditions new policy initiatives work.
Table 3: Criteria for assessing program effectiveness

<table>
<thead>
<tr>
<th>Development/Design</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic in focus and integrated with other policy initiatives</td>
<td>Offers simple, timely and seamless service delivery</td>
</tr>
<tr>
<td>Has clearly specified outcomes that are accountable</td>
<td>Links funding to performance</td>
</tr>
<tr>
<td>Inclusive by responding to identified needs of target population</td>
<td>Involves decentralised decision making</td>
</tr>
<tr>
<td>Wide prior consultation involving all major stakeholders</td>
<td>Maximises end user choice</td>
</tr>
<tr>
<td>Cost effective taking into account opportunity cost of no response or an ineffective policy response</td>
<td>Measures, assesses and evaluates performance</td>
</tr>
</tbody>
</table>

**Implementation: the roles of broker and mentor**

**Walking the talk**

The process for funding should start with a key operating principle - empowering the participants to take charge from the very beginning. If self initiated responses are difficult to generate due to a lack of capacity, then the funder could put brokers (persons with both a strong program knowledge and background in process issues - not an easy combination to find) into the field to work with interested parties (eg NGOs) to put relevant but realistic proposals together. For example, a project with a micro credit component would need to address how to overcome the limitations of existing micro credit schemes (see Attachment 3).

**Who could be the broker?**

Brokers and mentors need to possess three criteria: high credibility in terms of the client group (ie they need to have a reputation as someone who has achieved success in their area of expertise such as music or sport), have entrepreneurial skills and be prepared to provide their time when required. The broker could be involved in varying degrees – advice delivered face-to-face at the beginning of a venture to help attract funding, an ongoing mentoring role via e-mail and further visits to help undertake an appraisal of progress. The strategy could include a global network of locally based youth employment and entrepreneurship trainers and service providers. A higher level of skilled trainers, coaches and facilitators would also is needed on a global scale. One suggestion is for a UN sanctioned/sponsored accreditation program to be set up - one that prioritises the top attitudes, values, beliefs experiences and skill sets and sets benchmarks. The better the quality of the inputs, the better the potential outcomes in terms of employment generation.
CONCLUSION

There is no single or simple policy response that international agencies or national governments can make to address the issue of youth employment. A number of supporting policies are needed. Clearly, fostering human capital through investment in high quality and responsive education is one part of the equation. Promoting employment generation more directly also needs to be a fundamental element of a youth employment strategy. This paper has suggested that one way to do this is for public policy makers to create and foster the conditions that encourage youth entrepreneurship and innovation.

The Internet offers opportunities for low-cost and easy cross-country communication through the use of a single language that might have been regarded as science fiction five years ago. Access to the Internet is increasingly possible in developing countries, as the Haitian and Kenyan examples in this paper show. Recent cross country analysis has identified a number of developing countries with the potential to make extensive use of the Internet. Indonesia is said to have over 40 daily newspapers accessible through their own web sites. However, to enable young entrepreneurs to tap the new economy requires access to infrastructure such as broadband communication facilities as well as close links to successful “new economy” enterprises. This involves public private partnerships, in many cases initiated by the leading-edge enterprises themselves.

A word of caution is necessary to avoid the problem of over emphasising the possibilities offered by new technology (the deus ex machina fallacy). A narrow focus on technology alone, such as developing a sophisticated web portal, runs the risk of producing a lifeless interface. This paper has suggested that the development of a set of design principles is the best starting point for the development of a youth employment strategy. This needs to be followed by careful program design, using pilots to work through how to implement an initiative on a larger scale and building in scope for continuous fine-tuning. Specific initiatives based on an agreed set of design principles can serve as lighthouse examples to show international agencies, national governments and “new economy” private enterprises what can be achieved on a larger scale.

Developing a youth employment strategy is a foundation issue upon which a range of other changes depend such as reducing the spread of HIV. The need to promote a youth employment strategy is all the greater given the lack of support that exists now for youth employment opportunities in developing countries in particular. The creation of youth employment opportunities through entrepreneurship development is a complex matter. No one intervention that can be devised or offered as a panacea. A methodology is needed which provides the tools and resources for regions and countries to develop their own local strategies within a broader, supporting framework.
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http://www.idrc.ca/socdev/research/youth/docs/angloafrica.cfm
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percentage of the entire age cohort) by about 5 percentage points, and that of 25 to 29-year-olds by about 4 points. OECD, 2000, Education at a Glance. P264.


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61 Ibid, p 18.

62 Commonwealth Secretariat “Economic enfranchisement among young people: challenges and opportunities.” YMM (2000) 8. p2. The paper further notes that: “Enabling conditions in which young people can be empowered include an economic and social base; a supportive legal and administrative framework; a stable political environment of equality, peace and democracy; and access to knowledge, information and skills. Special attention needs to be paid to the empowerment of young women and girls, as well as young people in special circumstances, such as indigenous and minority groups, the disabled, the homeless and those living with HIV/AIDS.”


64 The National Center for Social Entrepreneurs, The definition of a social entrepreneur.

http://www.socialentrepreneurs.org/entredf.html

65 Leadbeater, C; The rise of the social entrepreneur. Demos Foundation, London

66 See the Social Entrepreneur Resources section in the on-lined edition of Fast Company


http://www.demos.co.uk/B_news.htm


70 Ibid


www.ippr.org.uk

72 Ibid, p 1.

73 http://www.iccwbo.org/home/conferences/budapest/programme.asp

74 See John Elkington in the Shell Report 'Profits and Principles - does there have to be a choice?'

http://www.sustainability.co.uk/triple/triple.htm

75 Ibid.

76 Walsh, Erin, Personal communication, 20 June, 2000, see also www.cisco.com/edu/academies


80 Ibid, p86.

81 Ibid, para 6, p12.

82 I am indebted to Craig Young, a successful operator of programs for entrepreneurs for this suggestion. See

83 Ibid.


85 Keith Hart, in a broad ranging analysis, offers a number of valuable insights into the significance of the Internet as a means of liberating people from the constraints imposed by the market economy hitherto. See Hart, K, 2000, The Memory Bank: money in an unequal world. Profile Books, London.