
Attachments to Background Paper: IDENTIFYING THE BASIS FOR A YOUTH EMPLOYMENT STRATEGY AIMED AT TRANSITION AND DEVELOPING ECONOMIES

Richard Curtain
Curtain Consulting, Melbourne
E-mail: curtain@bigpond.net.au

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Attachment 1: The Incidence of Poverty: recent World Bank research findings

ONE QUARTER OF WORLD LIVES ON LESS THAN \$1 A DAY: WORLD BANK.

Around one quarter of the world's population is living on less than \$1 a day, Reuters reports a working paper produced for the World Bank says...

Although the incidence of poverty as a percentage of people dropped to an estimated 24 percent in 1998 from 28.3 percent in 1987, the rate of reduction in poverty has slowed and the benefits of global economic growth are being spread more unevenly, authors Shaohua Chen and Martin Ravallion say. They believe there are two reasons for the slow rate of poverty reduction even though many low and middle income economies have shown reasonable growth. "Firstly, too little of that economic growth was in the poorest countries. Secondly, persistent inequalities within those countries and elsewhere prevented the poor from participating fully in the growth that did occur," Chen and Ravallion are quoted as saying.

According to World Bank studies, private consumption per capita rose by 2.6 percent a year for the 1990-1997 period for low- and middle- income countries as a whole. But for sub-Saharan Africa, where the number of people living in poverty rose by more than 80 million between 1987 and 1998, consumption actually fell by an annual 1.2 percent. The report shows that in 1987 there were 217.33 million people living in poverty in sub-Saharan Africa, a figure which rose to 290.87 million in 1998.

As a percentage of households, the rate of poverty has remained unchanged: in excess of 46 percent of households are living on less than \$1 a day. "While sub-Saharan Africa is certainly not the only place where inequality impedes pro-poor growth, the depth of poverty in that region carries a warning for the future," Chen and Ravallion are quoted as saying. "Africa will probably need a higher growth rate than South Asia to achieve the same rate of poverty reduction in the coming years."

Other regions also suffered rising poverty, with Eastern Europe and Central Asia seeing the rise in percentage terms in a period which covered the collapse of communism, notes the story. According to the study, the number of people living in poverty in the region rose to almost 24 million in 1998 from just over one million in 1987. As a percentage of households, the number rose to more than five percent from less than a quarter of a percent.

South Asia, which ranks as the second most poverty-stricken region after sub-Saharan Africa, saw the number living in poverty rise to 522 million from 474.41 million, although the percentage of households living in poverty dropped from almost 45 percent to 40 percent. Latin America and the Caribbean also saw an increase in the number of poor, to 78.16 million from 63.66 million, although as a percentage of households, the number was relatively stable at 16 percent.

East Asia saw dramatic declines in poverty both in relative and absolute terms, although there was a small reversal of the trend after the 1997 financial crisis...

Source: World Bank Development News 2 August, 2000

Attachment 2: The Limitations of Unemployment Rate Applied to Young People

The OECD's recent report on education to work transition in 14 countries offers the most comprehensive discussion of the limitations of standard labour force measures in relation to young people.¹ Using Labour Market Indicators of Transition Outcomes in Comparative Studies

In most OECD countries, the full-time unemployment rate for teenagers 15 to 19 years concerns only those who have left the education system early, hence the least skilled. Teenage full-time unemployment rates in OECD countries average over 20 per cent and in some cases as much as 30 or 40 per cent. However, this measure only says what is happening to early school-leavers, rather than the age group as a whole. If all 15 to 19 year-olds are considered in the unemployment to population ratio, teenage unemployment, on an OECD country average in 1998 amounted to only 3.5 per cent.²

The more specific measure of non-student unemployed to population ratio offers a better guide to proportion of young people are having difficulty in the labour market. At age 20 and above, the proportion of unemployed non-students in the population increases. Using the OECD country mean for 20 to 24 year olds, the unemployment to population for non-students in 1998 was 8.3 per cent and 7.6 per cent for 25 to 29 year olds. However, the unemployment rate to population for non-students aged 20 to 24 years was much higher in France (12 per cent), Greece (17 per cent), Italy (16 per cent) and Spain (16 per cent).³ These same countries continue to record high unemployment to population ratios for non-students at age 25 to 29 years (respectively, 14, 13, 13 and 17 per cent).

Other deficiencies are that it is a static measure, not taking into account the volatility of the labour market in which young people in particular are increasingly operating. The use of unemployment duration to provide an indicator of changes over time does not capture the dynamic nature of the labour market in which young people operate.

The static nature of the unemployment rate measure is also related to its often-arbitrary way of defining young people as job seekers or not in the labour force on the basis of meeting certain activity criteria. The OECD, in an analysis of youth entry to the labour market, notes: "There can be a thin borderline between inactivity and unemployment, making the two difficult to distinguish in labour force surveys."⁴

The unemployment measure for young people says little about the size of the group of young people within a particular cohort who are "at risk" of not making a successful transition from education to work. These "at risk" young people may be caught in a cycle of temporary work, periods of active job searching and inactivity, all of which are not reflected in a static indicator.

It is not possible to encapsulate all the aspects of teenage unemployment in a single measure. Alternative measures of teenage unemployment are required which are more appropriate in assessing the extent of the problem and the nature of policy responses.⁵ The OECD analysis of the adequacy of standard labour force measures for the study of the education to work transition process concludes that youth unemployment rates should be used with caution in any attempts to compare the outcomes of national transition policies and programmes.

They [youth unemployment rates] should be used with particular caution when

they apply to teenagers, and in nearly all circumstances unemployment to population ratios are to be preferred for this age group. Those unemployment to population ratios calculated using only non-students in the numerator and the total population in the denominator are even more preferable when teenagers are the focus of the analysis. Inactivity measures can be a useful supplement to unemployment-based measures of transition difficulties, but should be treated with some caution, as some young people who are involved neither in education nor in the labour force appear to be involved in activities that can make a constructive contribution towards their subsequent transition to work. Employment to population ratios have many advantages over unemployment-based indicators when assessing the effectiveness of national transition frameworks. They have particular advantages when applied to young adult non-student populations.⁶

The OECD study recommends the following as indicators of a country's successful transition process for young people.

1. High proportions of young people completing a full upper secondary education with a recognised qualification for either work, tertiary study or both.
2. High levels of knowledge and skill among young people at the end of the transition phase.
3. A low proportion of teenagers being at the one time not in education and unemployed.
4. A high proportion of those young adults who have left education having a job, preferably excluding involuntary temporary or part-time work.
5. Few young people remaining unemployed for lengthy periods after leaving education.
6. Stable and positive employment and educational histories in the years after leaving upper secondary education; and
7. An equitable distribution of outcomes by gender, social background and region.

The specific measures used by the OECD study to identify the countries with more or less successful transition outcomes are listed in the table below.

Table A1.1 Indicators of transition outcomes in OECD countries

1. Unemployment to population ratio, 15-19 year-olds
2. Non-student unemployed as a per cent of all 15-19 year-olds
3. Long term unemployment, 15-19 year-olds
4. Unemployment to population ratio, 20-24 year-olds
5. Long term unemployment, 20-24 year-olds
6. Employment to population ratio, 20-24 year-olds
7. Per cent of non students aged 20-24 employed
8. Youth to adult unemployment ratio
9. Per cent not in education one year after the end of compulsory schooling
10. Apparent upper secondary graduation rates
11. 16-25 year-olds at document literacy level 4/5
12. Per cent of 20-24 year olds with low qualifications
13. Relative disadvantage of low qualified 20-24 year-olds
14. Per cent tertiary qualified at age 25-29

Source: OECD, 2000, *From Initial Education to Working Life: Making Transitions Work*. Table 2.1.

Attachment 3: Microfinance for young people

The Commonwealth Secretariat, under its Commonwealth Youth Program, has operated several pilot programs since 1995/96 offering microcredit facilities to youth in four regions through its Commonwealth Youth Credit Initiative. The key features of the CYCI model are: competitive interest rates, and minimal training costs; use of peer group support and peer pressure to encourage repayments and savings; a sound loan collection system; on-going training and monitoring of enterprises; financial self-sustainability; together with regular reporting, monitoring and appraisal of the scheme.⁷

Success in the pilots has varied but the broad experience gained in the implementation has led into the development of a Microcredit Management System. It is proposed to use this system to extend microcredit and enterprise development services for young people to other parts of the Commonwealth.

A Micro Credit Management System (McMS) has been developed by the Commonwealth Youth Program to ensure the orderly administration of micro-credit schemes, resources and enabling environment in order to ensure their success in a given country. However, the Micro Credit Management System is in its embryonic stage and is going through a process of development.⁸

The piloting of microcredit schemes by the Commonwealth Youth Credit Initiative has shown up several pitfalls. 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. Initiatives by commercially oriented institutions such as banks offering loans with subsidised interest rates are believed to hold better promise of success. Also important is the use of the group lending approach where individual members of a small group guarantee the loans of other group members and uses peer pressure as an alternative to tangible collateral.⁹

Microcredit schemes for youth need other features to help ensure success in terms of the operating principles for a youth employment strategy, outlined above. Many existing schemes have been focused on assisting the poor working in the informal sector and hence are concerned primarily with economic survival. In rural areas, the focus is often on helping young people to start up micro-enterprises as a way of supplementing subsistence farming with cash income. In urban areas, the focus is often on activities that will keep participants within the informal sector, with no bridges or links to growth sectors in the global economy.

One Bangladeshi critic of microcredit has highlighted the problems in the following terms: “the general inability of the average poor usually illiterate woman to expand her business and create jobs will always be a stumbling block. Their lack of knowledge of market requirements always keeps them bound to limited unsophisticated buyers...”¹⁰ For the informal sector to be a stepping-stone to the high sectors of the formal economy, certain additional features for microcredit schemes are needed.

Recommendations to address the concerns of microcredit institutions about lending to young people include the need for lending procedures that help to reduce risk, for example, by creating smaller and more short-term loans. Young people also need to have direct control over their loans and procedures should be in place to encourage saving on a regular basis for

future use. Savings can be used for expenses and investments in the future, and play an important role in giving youth more options and more control over their lives.¹¹ A fundamental challenge of microcredit in relation to youth, however, is to support entrepreneurial ventures that link into the global economy.

Ways to help ensure the success of micro credit programs

- ❑ Provision of a range of financial services tailored to the needs of the client base being targeted.
- ❑ A strong outreach approach is needed to attract young micro-entrepreneurs. The most successful micro credit programs in developing countries are said to literally go from door-to-door to gain recruits.¹²
- ❑ Loan applicants also need “small business management” skills such as preparing a simple business plan and put in place simple system to manage finance matters. Education services may be needed to provide these skills. Other support services needed such as assistance with identifying and gaining access to new markets.¹³ These support services may need to be funded separately.
- ❑ Efficiency needs to be a central focus. Overhead costs of the loan administrators need to be kept low as a key element in achieving self-sufficiency. Systems are needed which are based on stringent operating standards regarding overhead costs per loan, the number of loans disbursed per staff member and the time it takes for a borrower to receive funds. Rigorous standards also need to be used for benchmarks to evaluate organisational performance and make funding decisions.
- ❑ Microcredit loan administrators also need effective information systems for monitoring borrowers and sanctioning defaulters. Some microcredit programs have a policy of “zero tolerance” for defaulters. They do this by tracking defaulters closely, sometimes on daily basis, and cutting access to supporting services for borrowers who fail to repay on time. This is an essential element in sending the right signals to borrowers to help maintain their motivation.¹⁴
- ❑ Innovation needs to be fostered through experimentation and exchange of experiences. This can lead to new financial products for which the “core” poor are willing and able to pay relatively high charges. Alternatively, it should also be possible to find cheaper ways to deliver financial services to poor clients.¹⁵
- ❑ If governments are involved, for example as loan guarantors or subsidisers of interest rates, an arms-length relationship is needed between the micro credit lending agency and government. This arms-length relationship needs to be based on explicit criteria and forms of accountability and conducted in a clearly transparent manner. The same standards should also apply to relations between an international donor NGO and the local microcredit lender.¹⁶
- ❑ Facilitating and mobilising household savings should also be part of microcredit arrangements to help achieve financial viability. This may require formal links to chartered banks to provide government regulated security.¹⁷

Attachment 4: Examples of Innovative Programs

A number of examples exist around the world of programs for youth that combine an entrepreneurial focus with an emphasis on making the most of access to the Internet. The following brief outline of innovative programs is not intended to a comprehensive survey. Its purpose is merely to highlight programs that have been drawn to the author's attention. One such program is "*Quiosque do Investidor*", conducted by Portugal's Youth Foundation. This program aims to help young entrepreneurs deal with the "red tape" required to establish an enterprise and to identify business opportunities through better access to world markets. One way this is done is through partnership arrangements with international companies. The use of experienced business people as mentors is another feature of the program.¹⁸

Other European initiatives are to be found in Germany and the UK. In Germany, *Erziehung zu Eigeninitiative und Unternehmensgeist* (Education for Enterprise) was founded in 1991 to help pupils become acquainted with social market economics through action-oriented teaching projects. Education for Enterprise seeks to develop qualities that are essential for success in modern day society: creativity, enterprise, responsibility, and decision-making, skills traditionally excluded from the school curriculum. Through the Education for Enterprise program, pupils plan, set up, and manage independent companies, such as a travel agency, as part of their regular schooling. Various aspects of the companies are developed in class, such as budgeting and advertising. This allows young people to receive critical guidance and to realize how their education can contribute to future careers. Because of its success, Education for Enterprise has been the basis for international exchange with Ireland, Poland, and the Czech Republic.¹⁹

In the United Kingdom, the *Prince's Youth Trust Business Start-Up Program*, founded in 1986, provides a portfolio of services to help young people, aged 18 to 30, establish or develop their own businesses. An applicant must submit a proposal for a viable business which needs to be not only located in a community needing its service, but also will be run entirely by youth. In addition to giving loans and grants to approved businesses, the program assigns an advisor or a mentor who provides ongoing technical assistance to the new business. The Prince's Trust offers additional support, such as trade fairs, regional marketing associations, ongoing skills training, and performance monitoring. Some 35,000 youth have received funds since the program's inception. Two-thirds of the business start-ups have survived at least three years, and two-thirds of the loans have been repaid. The program has been replicated in 38 regions across the United Kingdom.²⁰

Canadian Youth Business Foundation, also known as *Youth Business*, is a private sector funded non-profit organization, provides programs that support young people who are creating their own employment through entrepreneurship. Access to start-up capital in the form of loan of up to \$15,000 provided to give young entrepreneurs who are not eligible for conventional financing a head start, and at the same time ease them through the transition to more conventional financing and banking practices. A condition of the loan is the requirement to work with a mentor.²¹

The Centre for Entrepreneurship Education and Development in Nova Scotia, Canada, delivers a suite of successful programs aimed at cultivating and directly assisting youth entrepreneurs. Through shopfront centres, exposure to secondary and tertiary curriculum, partnerships, specific projects, and conferences, the Centre, as a regionally based program, has introduced more than 250,000 people, mainly youth, to entrepreneurship as a viable career option (see Attachment 5 for more details).

The *Africa Youth Livelihoods Knowledge Network* is a project funded by Canada's International Development Research Centre (IDRC), in cooperation with its developing country partners, to generate knowledge on the situation facing African youth using the concept of sustainable livelihood. The project is also collecting data on the programs in place to address livelihoods needs and opportunities; and formulating policy recommendations on the basis of the information collected and analysed. Research is currently underway in Malawi, Zambia and South Africa.

The IDRC project aims to develop the capacity of young researchers and policy analysts, establish a knowledge base, stimulate exchange of experience among primary players, as well as identify suitable interventions and mobilize resources and primary players to action. The Network has supported a number of young researchers and policy analysts in attaining higher degrees, including doctorates.

A specific focus of the network and its related research is enterprise approaches to non-formal training to promote self-employment and entrepreneurship as a livelihood alternative. The research program has highlighted the uncoordinated nature of many non-formal training programs delivered by international NGOs and community-based organizations. The aim of the IDRC research is to assess the effectiveness of these programs in relation to the needs of youth and the marketplace. Particular attention is also being paid to how these programs can act as implementation vehicles for broader national strategies.

A website has been established to house the results of the research and to provide access to knowledge on effective practice. This website is being developed into a Internet portal on youth enterprise and entrepreneurship development that will focus on, among other things, disseminating design, management and learning tools for the systemisation and transfer of experience; linking service providers; and online discussion and learning.²²

In Latin America, the Organisation of American States has addressed the limitations of job creation in the modern wage sector of small economies by setting up projects to stimulate entrepreneurship and small business development. *Small Business Centres* in particular have been set up to serve as a one-stop locus of support services for youth attempting to launch a small business. *Youth in Business Centres* in The Bahamas and Barbados have helped young men and women explore credit options and financial management programs and assist in marketing, product development and access to a wide array of books, manuals, video tapes and other materials related to starting and maintaining a small business. The centres' sponsor annual Expo's where young persons can display their goods and services to the public including tourists. Access to microcomputers is also provided to young business persons to prepare financial plans, advertising and record keeping.²³

Net Corps Americas is an initiative that provides sends volunteers high-level links in information technology skills to Latin America and the Caribbean. The programs aims to address the unequal access to information technology and the skills that increasingly distinguish the rich from the poor countries. In its first year of operation, Net Corps Americas has put together a coalition of some 31 members from Latin America, the U.S. and Europe, which include multilateral organizations, government entities, academic institutions and NGOs, as well as several specialized units of the OAS.²⁴

Twelve high-tech volunteers ranging in age from 24 to 66 were sent for approximately six weeks each to work in 9 countries Caribbean member states in 1999. They were able to provide assistance to over 100 family-run inns, many of whom now have websites and the capacity to accept reservations online. The purpose of the project was to build on the finding

that small hotels that had previously gone online have more than quadrupled their business in a two-year period. In early 2000, 14 Canadian interns, aged 20-30, also went on assignment to the Caribbean with Canadian government funds from Net Corps Canada. They will serve 6 months each.²⁵

The *Friends of Africa Foundation* seeks to mobilize new private and corporate funding to support young Africans on a sustainable basis and help them develop leadership, workforce and enterprise skills. It aims to do this by linking up with established organizations and programs and making full use of information and communication technology. The Foundation maintains a website with a web page on youth and a web-based resource library.²⁶

Another initiative in Nairobi shows the potential to close the gap between firms in the informal and the global economy through the use of digital technology. SITE, or *Strengthening Informal Sector Training and Enterprise*, is a development organisation in Kenya which focuses on small businesses such as metal fabricators, small-scale engineering shops and the textile sector - garment finishing, fabric production the textile industry in general.

SITE offers, in addition to marketing and technical and managerial skills training, assistance through a technology promotion program. The programs help firms to choose appropriate technologies. SITE's chief executive notes that there are many-hundreds of technologies in the public domain which are known, tested and in use in various countries. To aid local adoption of these technologies, SITE has set up a technology information service on the Internet called "*technologies for enterprise*". Due to limited capacity, the immediate focus of the service is on food and agro-processing technologies and general working tools and equipment. Future plans include moving rapidly into other sectors such as chemicals, electronics and electricals and other technologies, depending on demand. Harun Baiya, SITE's Chief Executive, claims that the new access to technologies is having a significant effect: "We are encouraged because we see the small businesses we are already working with starting to come into the mainstream market and they are prospering".²⁷

Attachment 5: Centre for Entrepreneurship Education and Development, Nova Scotia

Promoting Youth Entrepreneurship (www.ceed.ednet.ns.ca)

The Centre for Entrepreneurship Education and Development (CEED) in Nova Scotia has worked since 1995 fostered an entrepreneurial culture in youth. CEED has introduced, through a range of activities more than 250,000 people, mainly youth, to entrepreneurship as a viable career option. The program has become known nationally and internationally. CEED started with the development of a curriculum for a Grade 12 entrepreneurship course for the Nova Scotia Department of Education. The course, Entrepreneurship 12, has become the most popular Grade 12 elective in the province. CEED also developed entrepreneurship components for all other public school grade levels.

CEED has developed more than 30 entrepreneurship projects and programs targeted at youth, educators and economic development professionals. One project is Open for Business (OFB) that has evolved into a network of eight youth-friendly walk-in centres since July 1996. OFB offers, one-on-one assistance and support, referrals to appropriate agencies, a meeting place, a wide variety of workshops, access to reference materials and computers equipped with business plan software and Internet access.

OFBs are staffed by young Entrepreneurship Apprentices to provide a youth-friendly environment and approach to service delivery. OFB's approach is to not only recognise that different people need different support and information at different times, but also that different people have different learning styles. OFB offers one-on-one personalized support services to clients and assist them in choosing the right public and private sector resources to access in the proper sequence.

OFB sites offer regularly scheduled low-cost (normally \$5) workshops where OFB brings in experts in the areas of financing, marketing, communications, human resources and much more. These workshops provide clients with an introduction to the subject area to raise clients' level of awareness. Should the client be 'sparked' by the subject and its usefulness to themselves, staff will help find a way for the client to find additional details, source community resources or available programs of study.

The OFB Network exposed 45,525 individuals to entrepreneurship during the fiscal year 1999-2000 through one-on-one interaction, workshops and community outreach. OFB has reached community members of all ages, introducing entrepreneurship to the next generation who will fuel the economy for today and the future.

OFB staff made 2839 referrals to other business support agencies during the fiscal year 1999-2000, exceeding the previous year's referrals to other agencies by over 200 percent. Building partnerships and working in a complementary manner with all community stakeholders is key to the sustainable success of OFB. OFB also acts as a platform to launch other youth and entrepreneurship-related programs.

Other programs include: *Second Chance*, a self-employment program for young people who have been in conflict with the law, the *Entrepreneurial Skills Program* for university students, *Future Quest* to assist aspiring entrepreneurs between the ages of 18 and 30 to identify their entrepreneurial strengths and weaknesses in starting their own businesses. The Centre has produced a range of learning materials and manuals, some of which is accessible via its web site.

The OFB Network has supported the creation of 168 new business start-ups in Nova Scotia during 1999-2000. Without OFB, these individuals may not have had access to direction, or support to reach the business start-up phase. Across the Network, this averages \$2,725 per job. Of the 168 new start-ups, 80 were youth under the age of 30. The OFB Network supported the creation of 211 full-time and 51 part-time jobs last fiscal year. As a result, OFB has made a significant contribution to reducing high unemployment, and keeping individuals working in their own communities.

The OFB Network, itself, is also an employer. The present Network employs an average of 21 individuals at any given time. One role of OFB is to give Entrepreneurship Apprentices work experience and employable skills to kick-start their careers. By design, staff turnover occurs on average every 6 months. Therefore, the OFB Network employs 42 employees across the Network annually plus an administrative staff team of up to five full-time positions. As the OFB Network grows, staffing levels will increase contributing to individual OFB community economies.

Source: Personal communication, Mary Fumerton, Centre for Entrepreneurship Education and Development, 26 June, 2000

Attachment 6: Brazil's Committee to Democratise Information Technology

He's plugging the poor into high tech

Rodrigo Baggio, recently named one of Time Magazine's "Leaders of the New Millennium," has been courting partners during this week's WTO meeting. ...Baggio's whirlwind tour is part of fulfilling what he calls "my big dream" -- to bring computer and Internet technology to as many poor youths as possible in his native Brazil. In 1995, Baggio founded the Committee to Democratize Information Technology, or CDI. The non-profit organization teaches young people in Brazil's favelas, or slums, key computer skills to obtain jobs and improve their lives. A self-described social entrepreneur, he has received worldwide recognition for his work.

In Brazil, CDI has started 110 centers reaching more than 31,000 young people, some of whom were at one time gun-toting gang members. The students have learned computer tools, from operating systems and word processing to spreadsheets and computer maintenance. But they also learn citizenship skills that allow them to gain an understanding of social, economic and environmental issues in their country. "Our goal is not only to prepare good technicians but also people with a good view of society, of the world and of social problems."

As a youth, Baggio taught himself how to use a personal computer. Growing up, he also worked in social movements, often helping Brazilian street kids. But he had never connected his social passions with his computer savvy. Then one day, while juggling work as a computer consultant and a teacher at a middle-class high school, he had a dream: to bring the technological revolution to poor youths. His friends thought he was crazy. "Poor people have the mindset of poor people," they chided him. "They can't use the computer."

But when Baggio started the first CDI center in March 1995, more than 600 Brazilian youths rushed to sign up; his friends had a change of heart.... The Brazilian model -- which Baggio hopes to spread to other developing countries -- has thus far worked well. The centers rely on donations from companies, as well as the work of local volunteers. The centers cut down on staffing costs by allowing experienced students to teach the newer ones.

CDI has benefited from a key source in Seattle: Global Partnerships, a non-profit group that enlists local businesses to fight poverty. Global Partnerships sees both Baggio and CDI as sound social investments. "We want to help him develop this to the point that it becomes an exportable model," said Clapp, a Seattle businessman and the former chief executive of the Matthew G. Norton Co., a property management firm. Global Partnerships this year donated \$100,000 to CDI, which was raised from a variety of local sources. In the program's early years, its operating annual budget was about \$65,000. Today, CDI runs on an annual budget of \$250,000 -- an indicator of its exponential growth.

Beyond money, Global Partnerships has offered key intangibles. Baggio had been having difficulty getting attention from Microsoft in Brazil. "Only the secretary," he chuckled. After he connected with Clapp, Baggio found himself in a meeting with Bill Gates Jr., father of the software company's founder. Later, Baggio's foundation received \$4.5 million in software -- one of the largest donations from Microsoft to a non-governmental organization in Latin America, Asia or Africa, Clapp said...

Source: Robert I. Jamieson Jr. Seattle Post-Intelligencer reporter, Saturday, December 4, 1999
<http://seattlep-i.nwsourc.com/national/poor04.shtml>

Attachment 7: Private Sector Partnerships

Dow Releases First 'Triple Bottom Line' Report

MIDLAND, Michigan. Sept. 28, 1999 /PRNewswire/ -- The Dow Chemical Company today released its 1999 Public Report and is among the first in the chemical industry, and industry in general, to report its progress and challenges in balancing economic growth with environmental integrity and social responsibility -- known as the "triple bottom line" of truly sustainable business.

"The world has seen huge economic growth over the last 50 years -- nearly tripling global per capita income -- yet, many developing economies are still struggling with meeting basic needs. At the same time, the global environment is facing new risks ranging from global climate change to depletion of natural habitats," says William S. Stavropoulos, Dow's president and chief executive officer. "Dow needs to provide solutions and it is our corporate responsibility to do just that. This Report is a reflection of our commitment to achieve greater balance and integration across the spectrum of economic, environmental and social needs, and to help raise the bar on public transparency."

The Report looks at external trends impacting industry, and gives examples of how sustainable development thinking can help address the challenges...

The social responsibility section delves into what it takes to be a good employer and a good neighbor -- including a brief overview of employment practices, community outreach, contributions and ethical conduct.

The Report is supplemented with regional data, too. For example, Dow Pacific, headquartered in Hong Kong, is publishing its first-ever Public Report spanning Dow activities from New Zealand to Indonesia, Taiwan and China. And, Dow Canada is building on its 10-year tradition of voluntary environmental reporting.

"Global businesses will be increasingly tied to building and maintaining mutually beneficial, long-term sustainable relationships with our stakeholders -- employees, communities, customers and shareholders," says Larry Washington, Dow's vice president, EH&S, Human Resources and Public Affairs. "Our communities, and society as a whole, grant Dow a license-to-operate and to sell, and therefore Dow has a responsibility to address their interests. This Report helps serve as a vehicle to maintain that dialogue, so we can work together to face the challenges and opportunities of the twenty-first century."...

The Dow Chemical Company is a global science and technology based company that develops and manufactures a portfolio of chemical, plastic and agricultural products and services for customers in 168 countries around the world. With annual sales of more than \$18 billion, Dow conducts its operations through 15 global businesses employing 39,000 people. The company has 123 manufacturing sites in 32 countries and supplies more than 3,500 products.

Source: Dow Chemical Company <http://www.dakotacg.com/releases/pa/sep99/pr0930a.htm>

- ¹ OECD, 2000, *From Initial Education to Working Life: Making Transitions Work*. Paris
- ² OECD, 2000, p266.
- ³ OECD, 2000, Table E1.4
- ⁴ OECD, 1998, "Getting started, settling in: the transition from education to the labour market", Chapter 3, *Employment Outlook* 1998, p 93.
- ⁵ Australian Treasury, 1999, "Teenage Unemployment", Treasury Economic Roundup, Winter, Canberra.
- ⁶ OECD, 2000,
- ⁷ Ibid, p6.
- ⁸ Countries that have participated in the development of the system are: 8 countries in the Asia region, 15 Commonwealth countries in the Caribbean Region, and 9 countries from the Africa region.
- ⁹ Commonwealth Secretariat "Economic enfranchisement among young people: challenges and opportunities." YMM (2000) 8. p4-7.
- ¹⁰ Microcredit In Bangladesh, an opinion article that appeared in several newspapers that talks about Grameen and the general microcredit situation in Bangladesh. Circulated on the microcredit newsgroup.
- ¹¹ Sebstad, J, 1999, presentation in the Inter-Country Project on Adolescent Girls' Rights to Participation and Development, February, cited in Ibid, p7.
- ¹² Bhatt, N; Painter, G; & Shui-Yan Tang, 1999, "Can microcredit work in the United States?", *Harvard Business Review*, November-December, p26-27.
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ Morduch, ibid, p618.
- ¹⁶ Morduch, ibid, p625.
- ¹⁷ Morduch, Ibid, p626.
- ¹⁸ http://www.fjuventude.pt/quiosque/paginas/frames_2.html
- ¹⁹ Information supplied by Carolyn Darrow, International Youth Foundation,
- ²⁰ Ibid.
- ²¹ <http://www.cybf.ca/About%20Us/about%20us.html>
- ²² <http://www.idrc.ca/socdev/research/youth/>
- ²³ <http://www.ybiz.net/program/projects.html>
- ²⁴ <http://www.netcorpsamericas.org/>
- ²⁵ Newsletter 2000 Wednesday March 22, 2000, Ibid.
- ²⁶ <http://www.friendsof africa.net/about/index.html>
- ²⁷ Evans Ombiro, 2000, " 'Kenya's Future Lies In Small Businesses' :an interview with Harun Baiya, Chief Executive, SITE", *The Nation*, Nairobi, May 10.
http://www.africanews.org/east/kenya/stories/20000510/20000510_feat5.html