

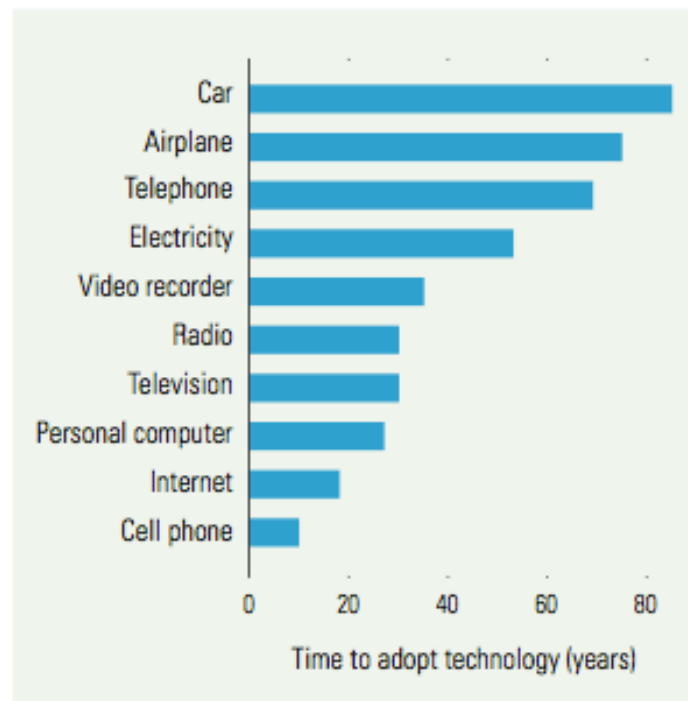
Youth unemployment in Neighbourhood countries

DG NEAR

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**Adoption of new technologies in the United States
has been impressively quick**



Part 1:

Challenges

*Today we have the largest young generation in human history. There are **1.8 billion young** people living on the planet*

*– with approximately **85 percent** of them living in developing and emerging economies and in fragile states.*

1 in 4

Young people
can't find work
for \$1.25 a day

621 million young people
worldwide are not employed
or in education or training

85%

Of the world's youth
live in lower income
countries or fragile
states

Young people are up to
4X more likely to be
unemployed than adults

In the next 10 years:

1,000,000,000+

young
people will
enter the job
market

Only 40% will
be able to
enter jobs that
currently exist

600 million

jobs will need to be
created to keep
employment rates
constant

That's **5**
million jobs
a month

Why Youth Employment, Why Now?

Global growth over the next 20 years will be driven by young people. Without employment opportunities, the world could be faced with a generation lost in economic crisis.

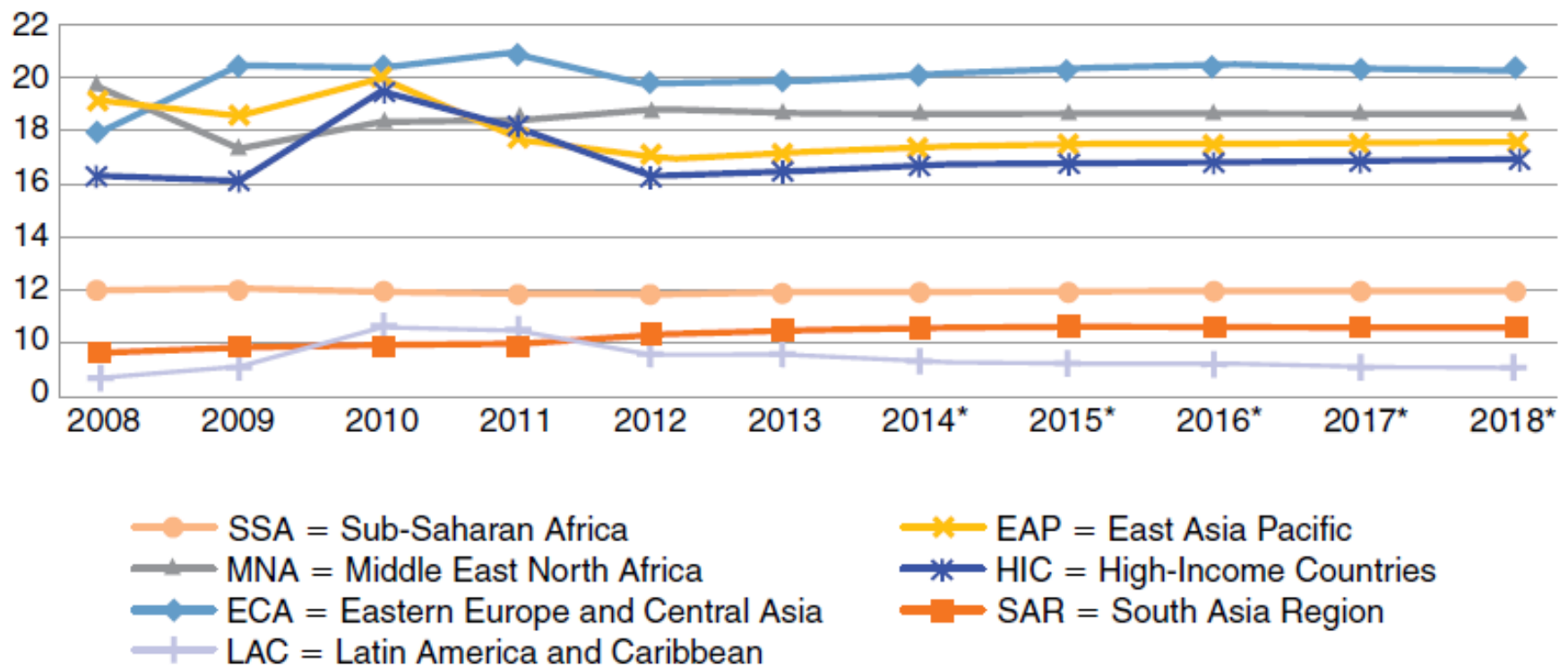


Why Youth Employment, Why Now?

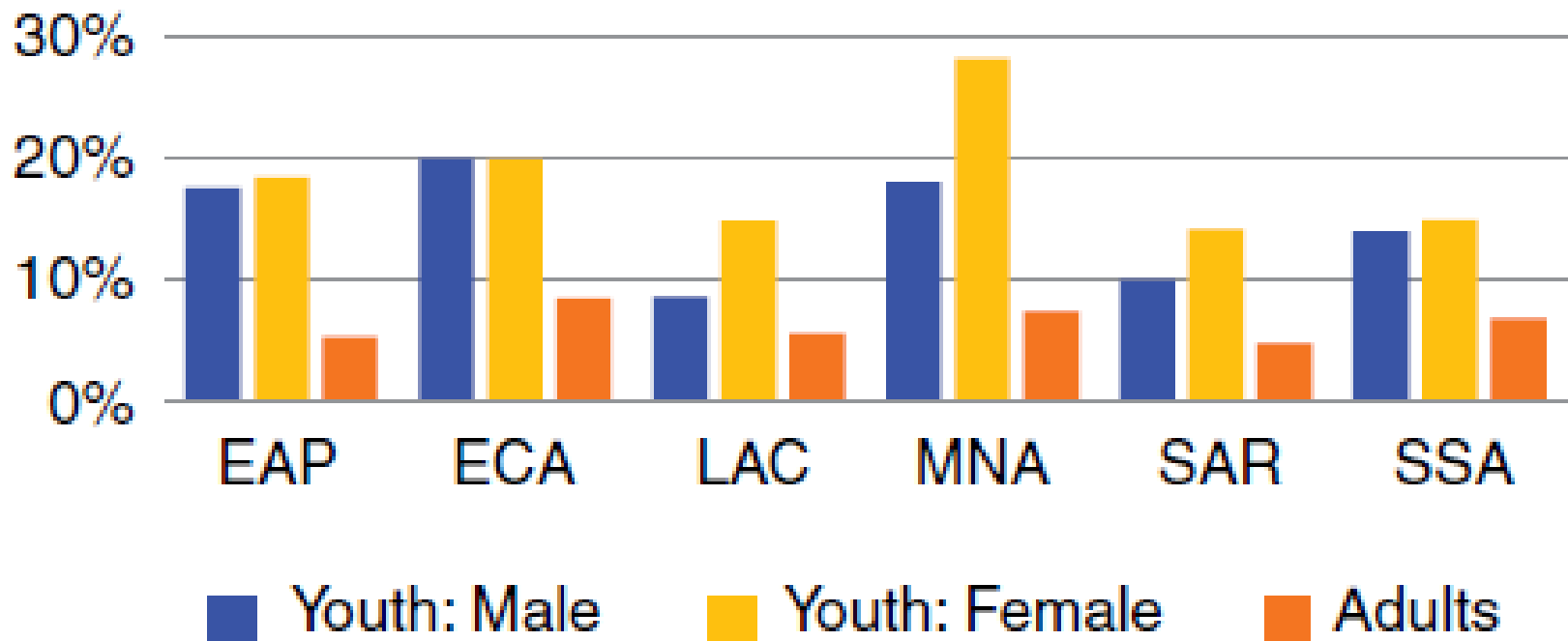
When young people are not participating in the labor force or are NEETs:

- **Governments=** cost of social safety nets, unemployment benefits, and lost productivity
- **Businesses=** risk losing a generation of consumers
- **Social costs:** rise of violence, insurgency and youth extremism

Youth Unemployment Worldwide : Persistent and high



Youth are more than 4x as likely to be unemployed



EAP = East Asia Pacific
ECA = Eastern Europe and Central Asia
LAC = Latin America and Caribbean

MNA = Middle East North Africa
SAR = South Asia Region
SSA = Sub-Saharan Africa

High unemployment rates + very high youth unemployment rates (15-24 yrs)

Country examples:

	total	female	youth
Tunisia	15.9	23.0	34.7
Egypt	13.2	24.2	34.2
Morocco	9.2	9.6	19.1

Private versus public sector in the Southern Neighbourhood countries

- **The State as the main employer:**
Examples: Algeria 40%,
Jordan 39%, Palestine 23%,
Tunisia 22%.
- The **private sector** is dominated by informality, high precariousness, long working hours, low income and lack of social protection

Private sector: Insufficient job creation

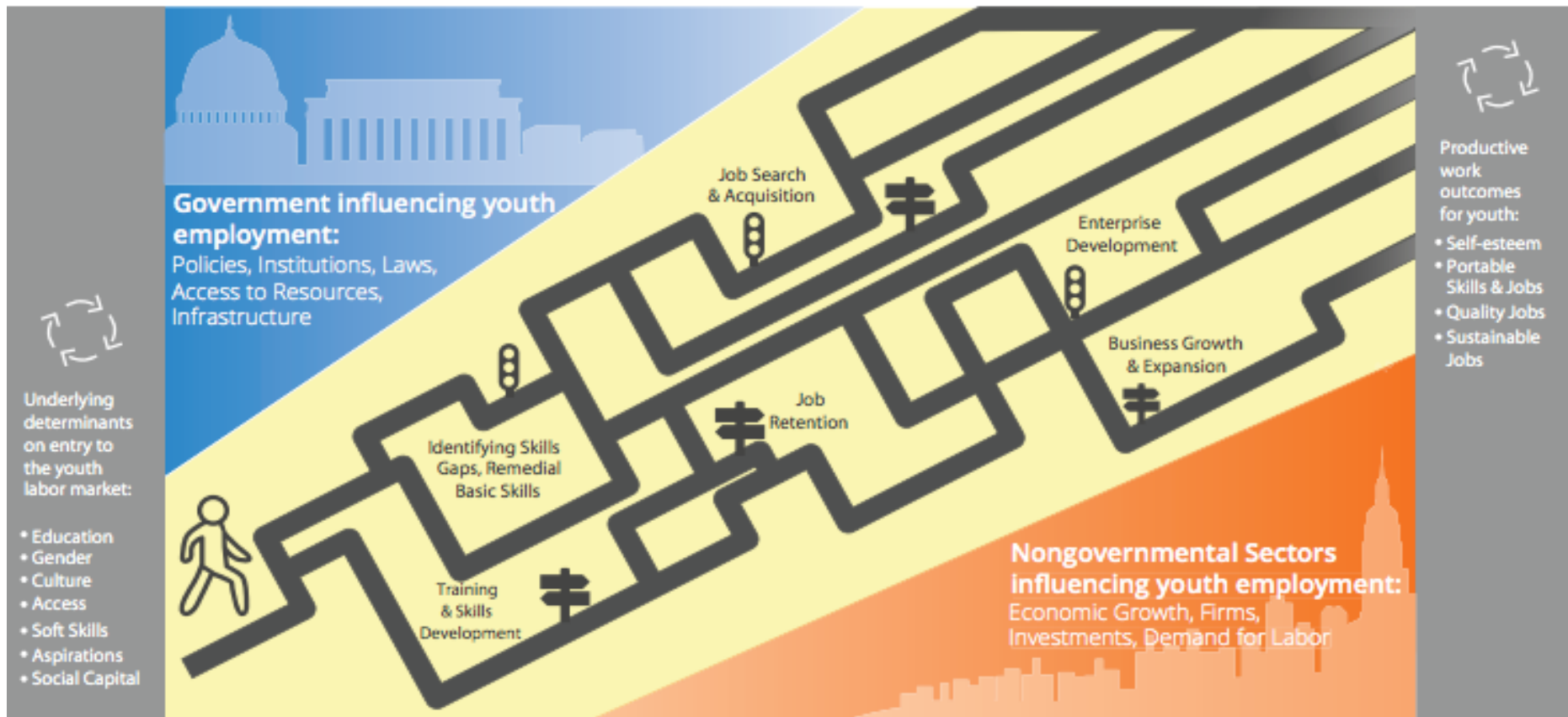
- **Structure of the economy** (small and micro enterprises, family enterprises)
- **Business environment** (low ranks in "Ease of Doing Business" survey), competition rules

Part 2:

Policy Frameworks

Pathways to Youth Employment

- S4YE's Theory of Change below represents the Coalition's current conceptual thinking on how to provide young people with pathways to economic opportunities and employment – and how all stakeholders can work to achieve youth employment at scale.



The Multi-Sector Challenge: Will these young people have better opportunities in 2020?

*Investments in youth employment are a timely and strategic investment right now. There is no one solution and sustainable solutions for employment will not be found in a single sector. For effective and scalable solutions, **the private and public sector must work together.***



Different Regions, People, Challenges: Same Problem

While circumstances differ, the issues remain the same – too many of the world's young people are unable to secure productive work.

Shayma

Sousse, Tunisia

Shayma is 23 years old and has 2 children. She and her husband are unemployed.

The Odds

58% of young, unemployed Tunisians have been without work for more than a year

55% of private investors cite political instability as a major constraint

40% of global youth are more likely to migrate to urban areas than adults



What's next for Shayma?

Political upheaval in 2011 ruined her and her husband's plans to start a business. They moved to an urban area last year but have been unable to find stable work.



Different Regions, People, Challenges: Same Problem

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Rokeya

Dhaka, Bangladesh

Rokeya is 19 years old. She dropped out of school to care for her family, including her unemployed older brother who has a disability.

The Odds

80% of young Bangladeshi women are unemployed or engaged in insecure work

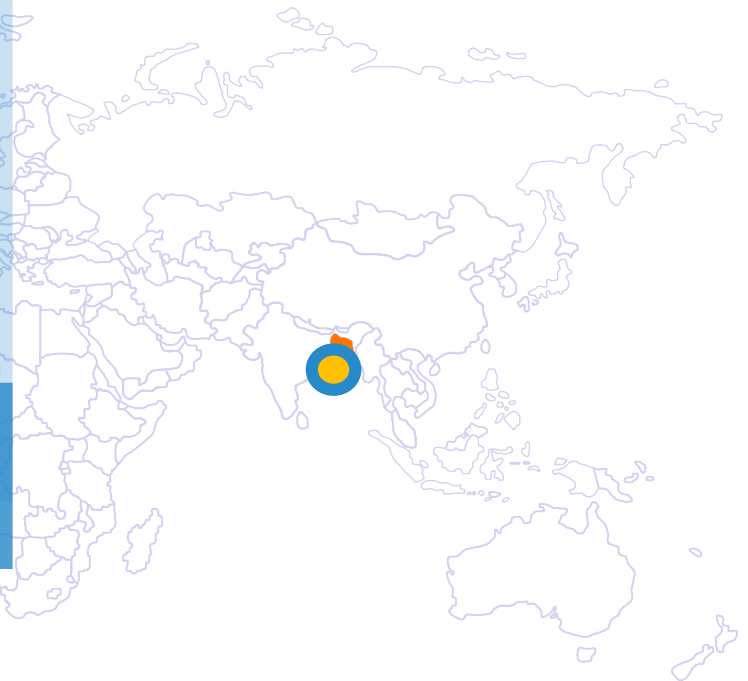
Two-thirds of Bangladeshi women are dropouts - **65%** of drop out to get married

One-third of women worldwide are married before the age of 18



What's next for Rokeya?

Without training, she's having difficulty finding a job. Without a car or childcare, she's unable to enroll in any courses.



Different Regions, People, Challenges: Same Problem

While circumstances differ, the issues remain the same – too many of the world's young people are unable to secure productive work.



Jose San Salvador, El Salvador

Jose is 17 years old. Despite having finished his schooling, he can't find a job. Crime is an attractive option.



The Odds

Young men are **3x more likely** to be unemployed in El Salvador.

Only 1 in 4 urban youth feel safe worldwide

Nearly **50%** of homicides globally involve youth between the ages of 10 and 29

More than **80%** of homicides involve a male victim

What's next for Jose?

He's expected to provide for his family. With many friends involved in illegal activity, Jose is considering joining a gang.

Different Regions, People, Challenges: Same Problem

While circumstances differ, the issues remain the same – too many of the world's young people are unable to secure productive work.

Henry

Paimol, Uganda

Henry is 15 years old. He dropped out of school and works on his neighbor's farm when he can.

The Odds

Nearly 50% of Ugandans drop out of school

66% of rural youth worldwide are unemployed

78% of rural youth worldwide would be less likely to migrate to urban areas if there were more opportunities



What's next for Henry?

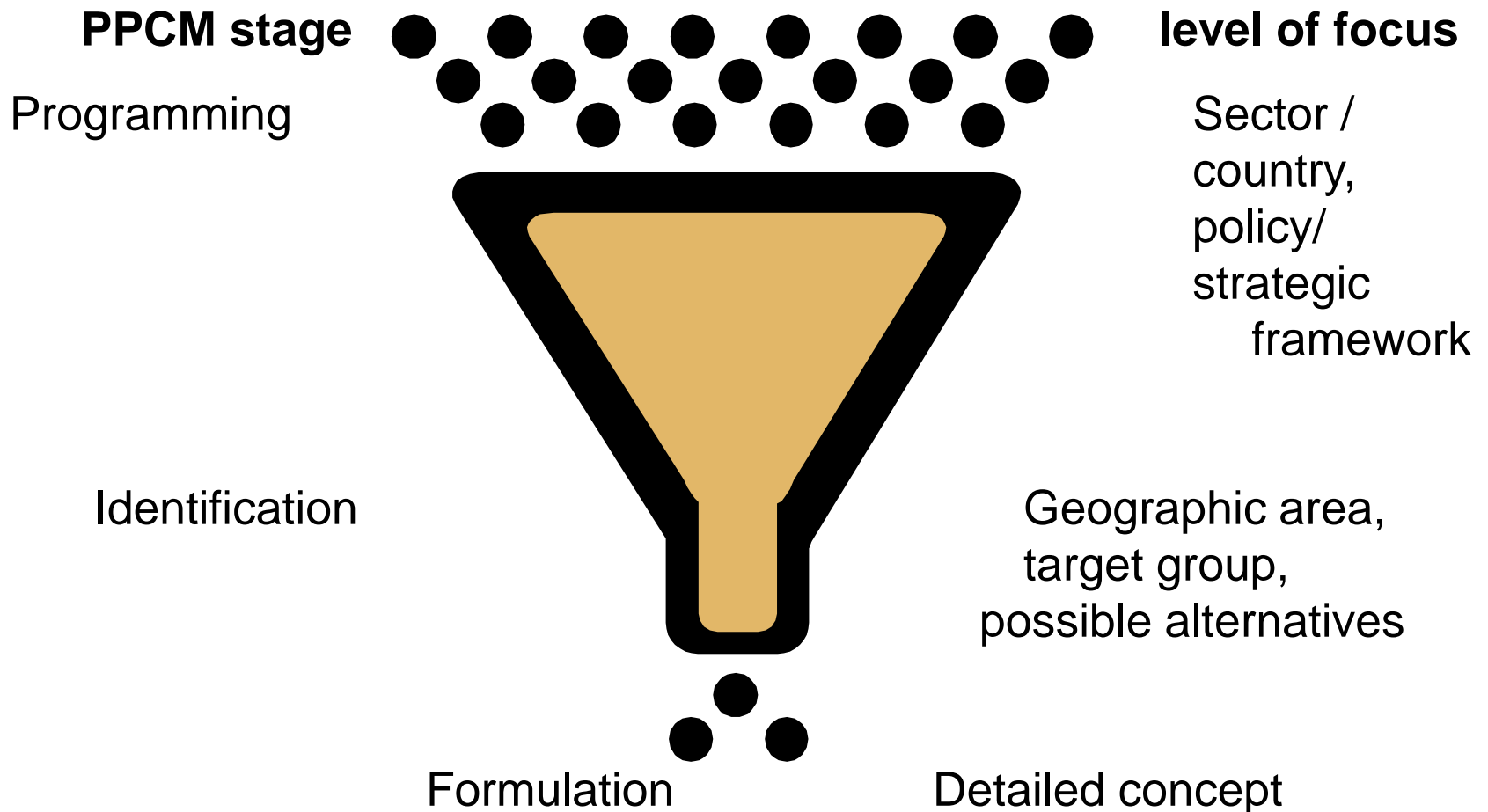
He wants to start a business but lacks land rights and access to capital. Conflict limits his educational opportunities and there are limited private sector jobs.



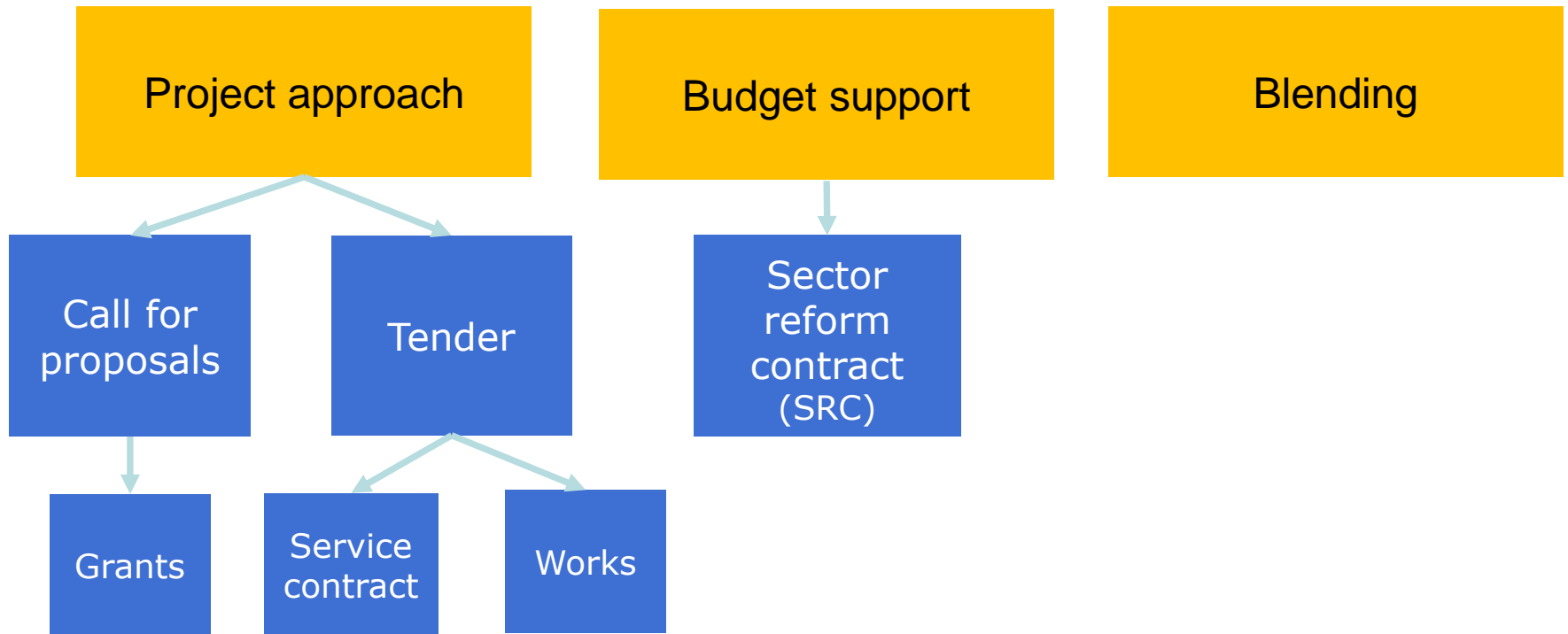
Part 3:

Implementation of programmes & Aid modalities

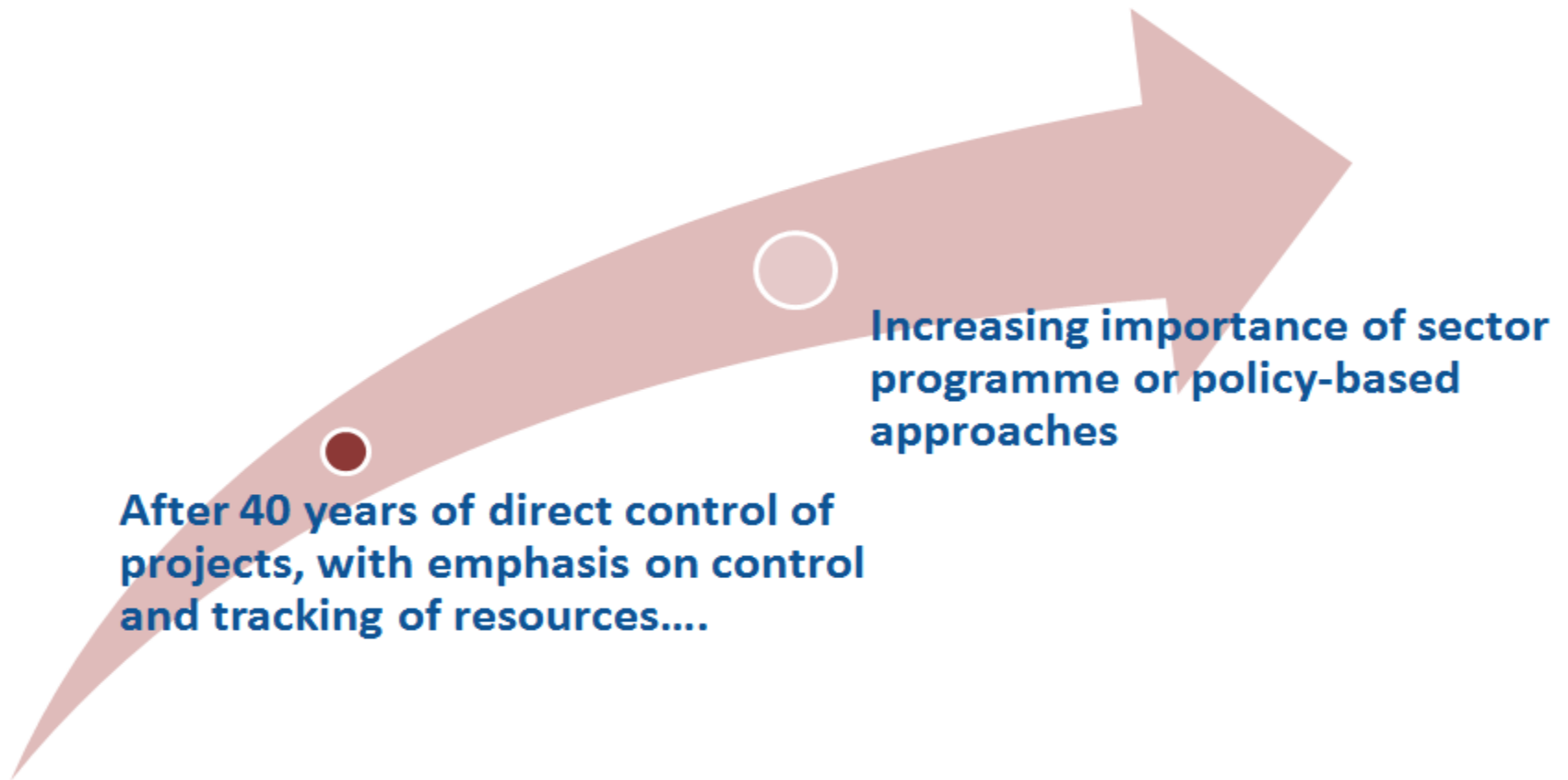
Filtering process



Aid modalities



A shift in practices

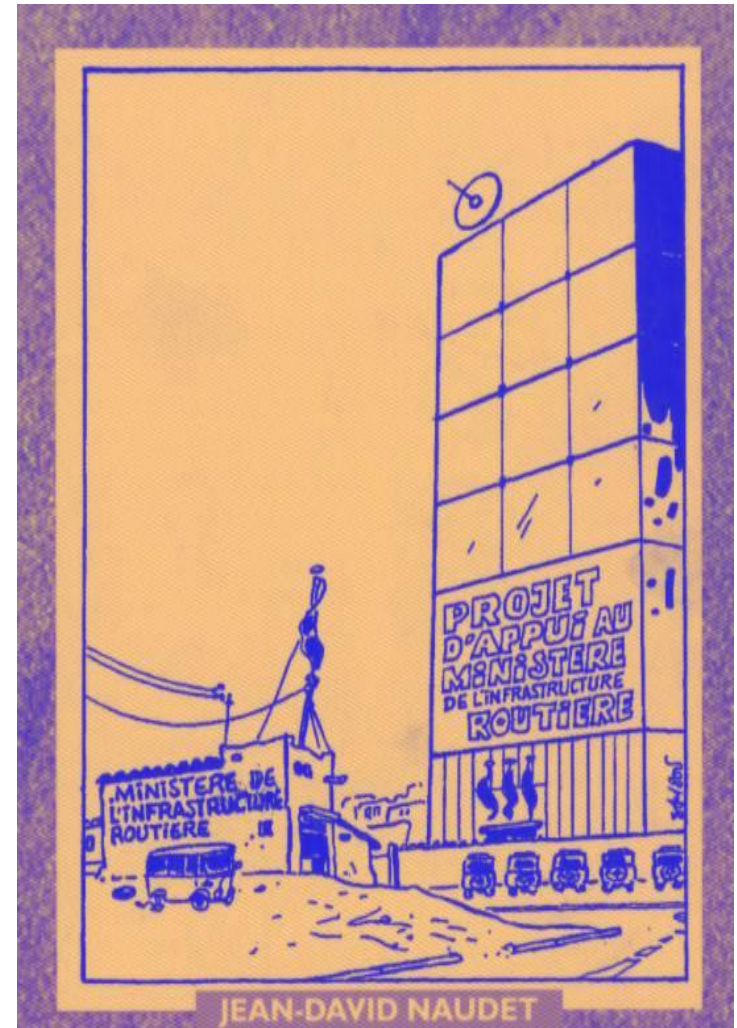


Distortionary impact of projects in the public sector

Building partner government capacity?

"Aid agencies have a long history of trying to 'cocoon' their projects [...] they have neither improved services in the short run nor led to institutional changes in the long run".

World Bank, Assessing Aid, 1998

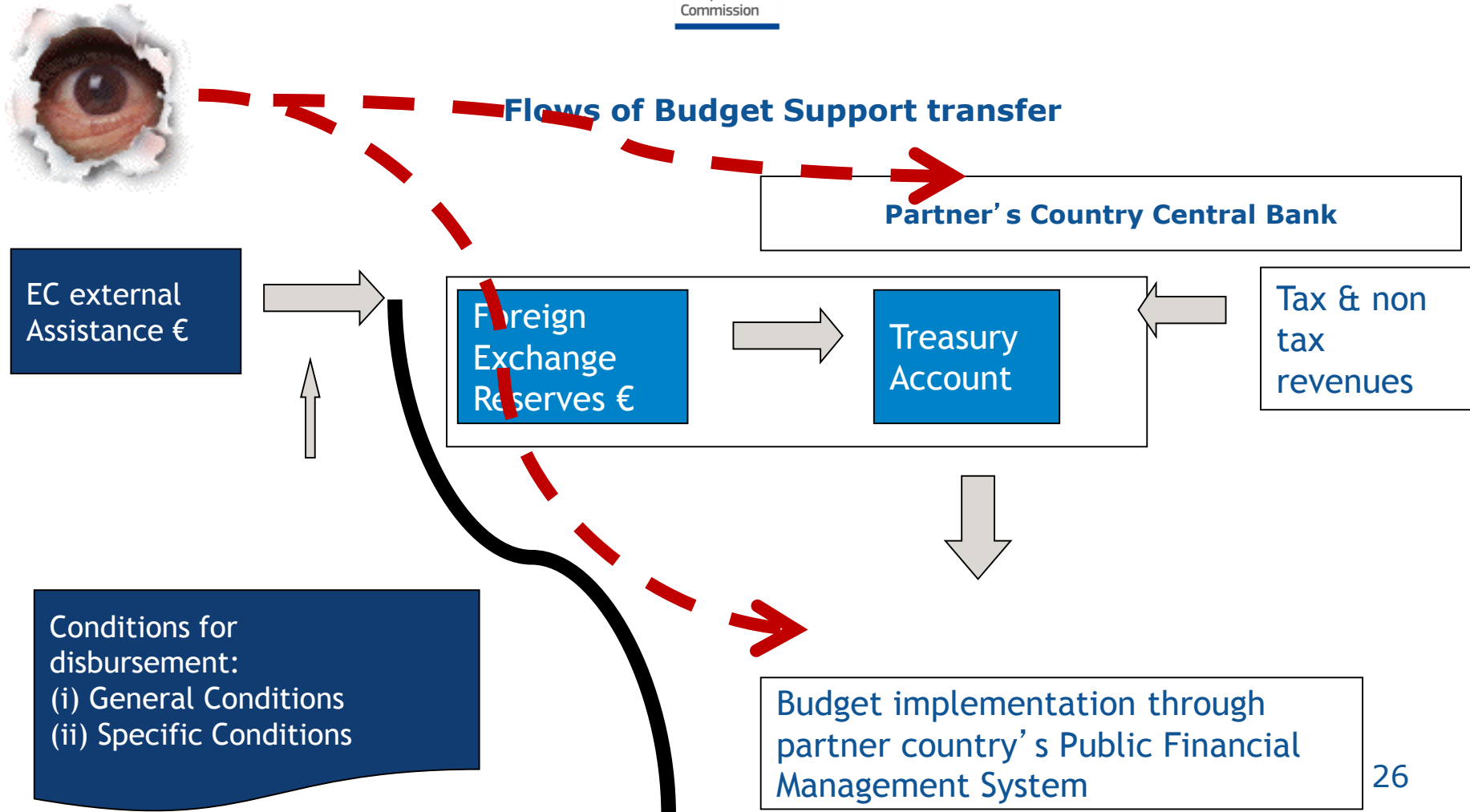


Why? - Problems with projects in the public sector

Poor track record on sustainability of benefits, due partly to:

- **Donor controlled – lack of partner ownership or accountability**
- **Lack of coherence with national and sector policies**
- **High transaction costs – multiplicity of projects and different donor systems**

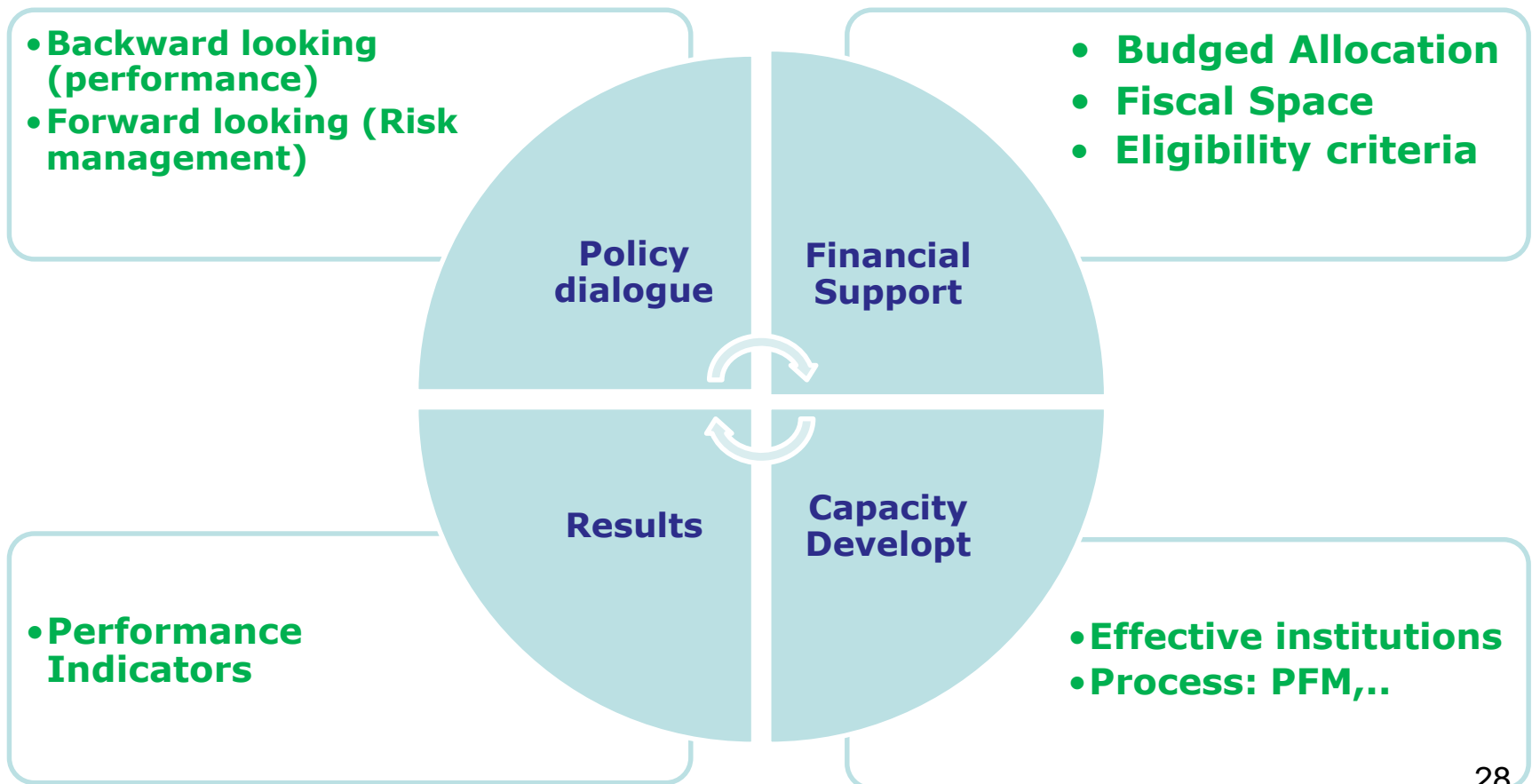




Definition of Budget Support

- *EU BS guidelines: **Transfer of financial resources of an external financing agency to the National Treasury of a partner country, following the respect by the latter of agreed conditions for payment;***
 - ✓ **It is not a blank cheque**
 - ✓ **Eligibility criteria + disbursement conditions**
- *The resources transferred are:*
 - ✓ **part of the global resources of the partner country**
 - ✓ **used in accordance with the public financial management system**

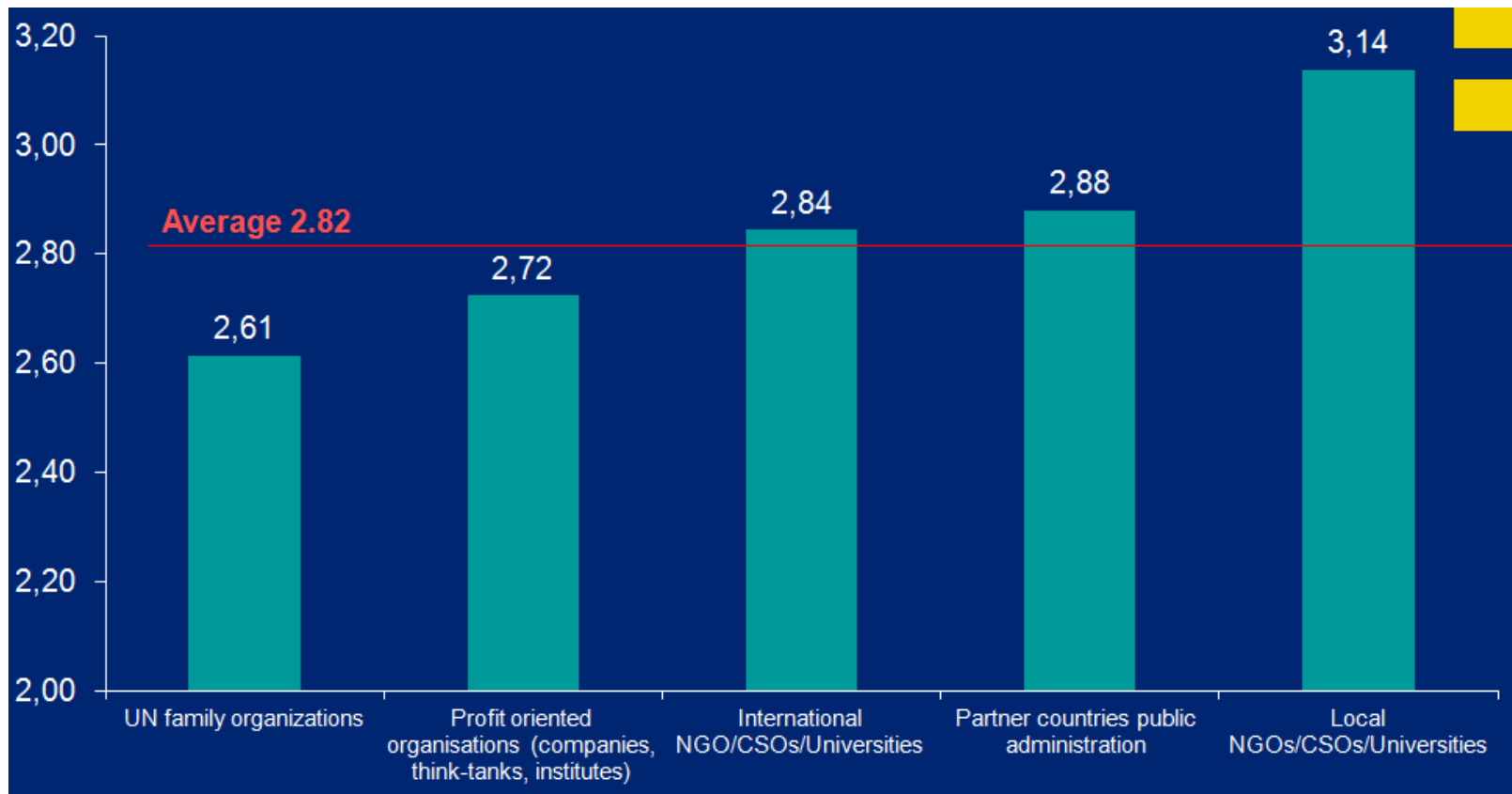
Budget support: Four pillars



ROM grading system

Grading	Numerical	Qualitative	
a	4	very good	The situation is considered highly satisfactory, largely above average and potentially a reference for good practice. Recommendations focus on the need to adopt these good practices in other operations.
b	3	good	The situation is considered satisfactory, but there is room for improvements. Recommendations are useful, but not vital for the operation.
c	2	problems	There are issues which need to be addressed; otherwise the global performance of the operation may be negatively affected. Necessary improvements however do not require major revisions of the operations' strategy.
d	1	serious deficiencies	There are deficiencies which are so serious that, if not addressed, they can lead to failure of the operation. Major adjustments and revision of the strategy are necessary.

Some interesting tendencies thrown up by ROM



Further Questions

- How will **labour markets** in low- and middle-income countries adapt in the next two decades, and how can young people **be best prepared** to meet these challenges?
- What are the **economic, institutional and policy conditions** that lead to better youth employment outcomes?
- How can **(HE) education and training** for young people be made more effective at preparing them for work?

Any questions?

Thank you!