



YOUTH INCLUSION

KEY MESSAGES FOR RURAL YOUTH

Global Donor Platform, pre-AGA
Zurich
19/06/2019

OECD Development Centre



This project is co-funded by
the European Union



Our latest work on youth

- 4 countries in Africa
 - Cote d'Ivoire, Ethiopia, South Africa, Togo
- 2 countries in Asia
 - Cambodia and Vietnam
- 2 countries in Latin America
 - El Salvador, Peru
- 2 countries in Eastern Europe and Middle East
 - Moldova and Jordan



Region: Southeast Asia

Viet Nam: Supported the Ministry of Home Affairs Youth Department in revising its National Youth Development Strategy (second phase of the 2016-2020 plan of action). A list of target indicators has been developed and revised by the project in line with Chapter 1 findings.

Cambodia: The project contributed to the National Youth Action Plan (2014-2018)'s Activity 5.1.7 Baseline research into young people; Activity 6.1.9 Human resource development; and other sectoral activities (e.g. second chance, lifelong learning, health, participation). The institutional analysis is helping the operationalization of the newly created National Youth Development Council and its General Secretariat.



Region: Africa

Côte d’Ivoire: Support to the Youth Ministry (MPJEJSC) to revise the National Youth Policy (Politique nationale de la jeunesse, PNJ). Specifically, the report is helping the prioritisation of PNJ 2016-2020’s areas for action on youth social inclusion and well-being.

Togo: Support to the Ministry of Youth (MDBAJEJ) through thematic studies. The focus on topics related to social capital, youth civic and political engagement of youth and the qualitative studies on street children and youth as substance abusers were specifically selected and requested by the Ministry. Expected to contribute to the capacity building component of the project.

Malawi: The country report provided inputs on the youth component of the next Malawi Growth and Development Strategy (MDGS III). The Government requested to identify actionable policy recommendations.



Region: Latin America

Peru: The project contributed to develop the National Youth Strategy, currently in draft form. Specifically it contributes to Priority 1. Youth Policies and Institutions; Priority 2. Youth Participation & Governance; Priority 3. Inclusive Education of good quality. It supported the drafting of the M&E section of the National Youth Strategy.

El Salvador: This project contributed to the National Youth Strategy (2010 – 2024), specifically to the section on violence prevention, public safety, and promoting a culture of peace; Youth participation and the building of citizenship. The indicators support the ongoing efforts to better monitor youth-related policies.



Region: Neighborhood & ME

Moldova: The project contributed to the National Youth Strategy (2014 – 2020) Priority 1. Youth Participation. Objective 1: Increasing the involvement of youth in participatory democracy; Priority 2. Youth Services. Objective 3: Services to promote healthy lifestyles; Priority 4. Strengthening the youth sector. Objective 1: Recognising and enabling youth workers. The National Youth Survey, an output of the project, provides the baseline for monitoring of the National Youth Strategy

Jordan: The project provided evidence to support the on-going formulation of the national youth strategy as well as the preparation of its monitoring and evaluation system. It supported the capacity building of the newly established Ministry of Youth.

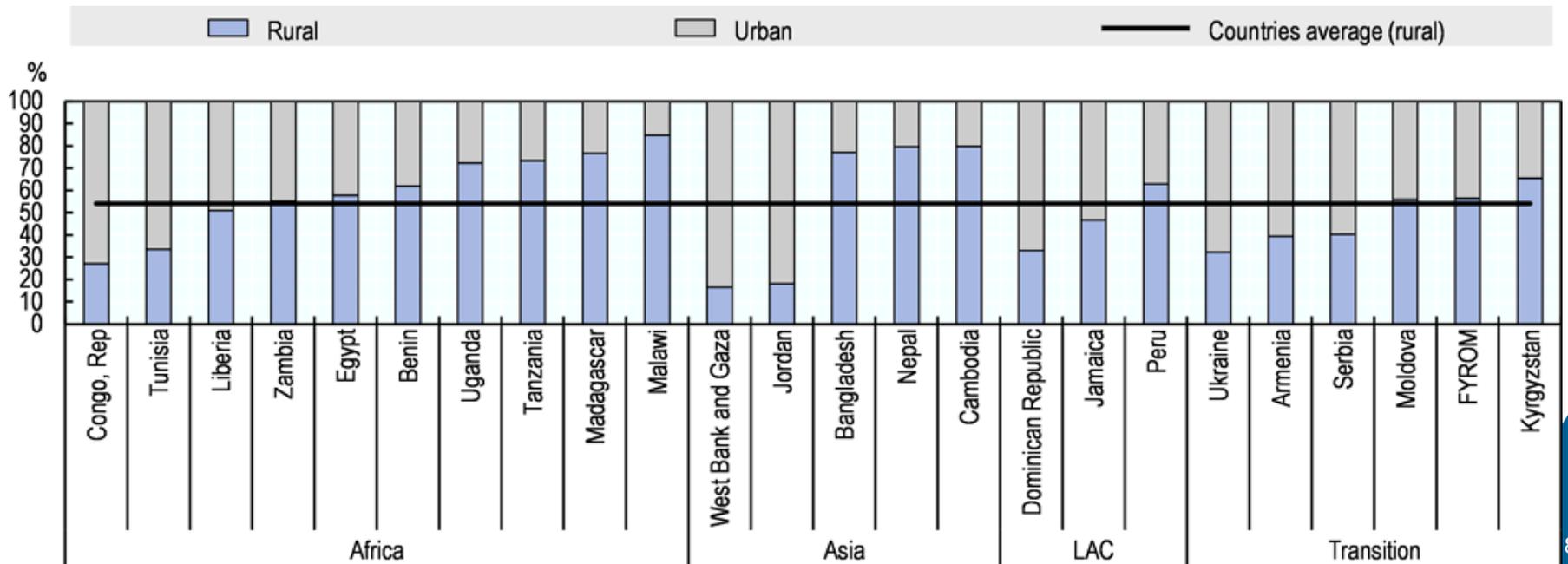


MAIN FINDINGS FOR RURAL YOUTH EMPLOYMENT



There is a massive employment challenge, particularly severe for youth in developing world

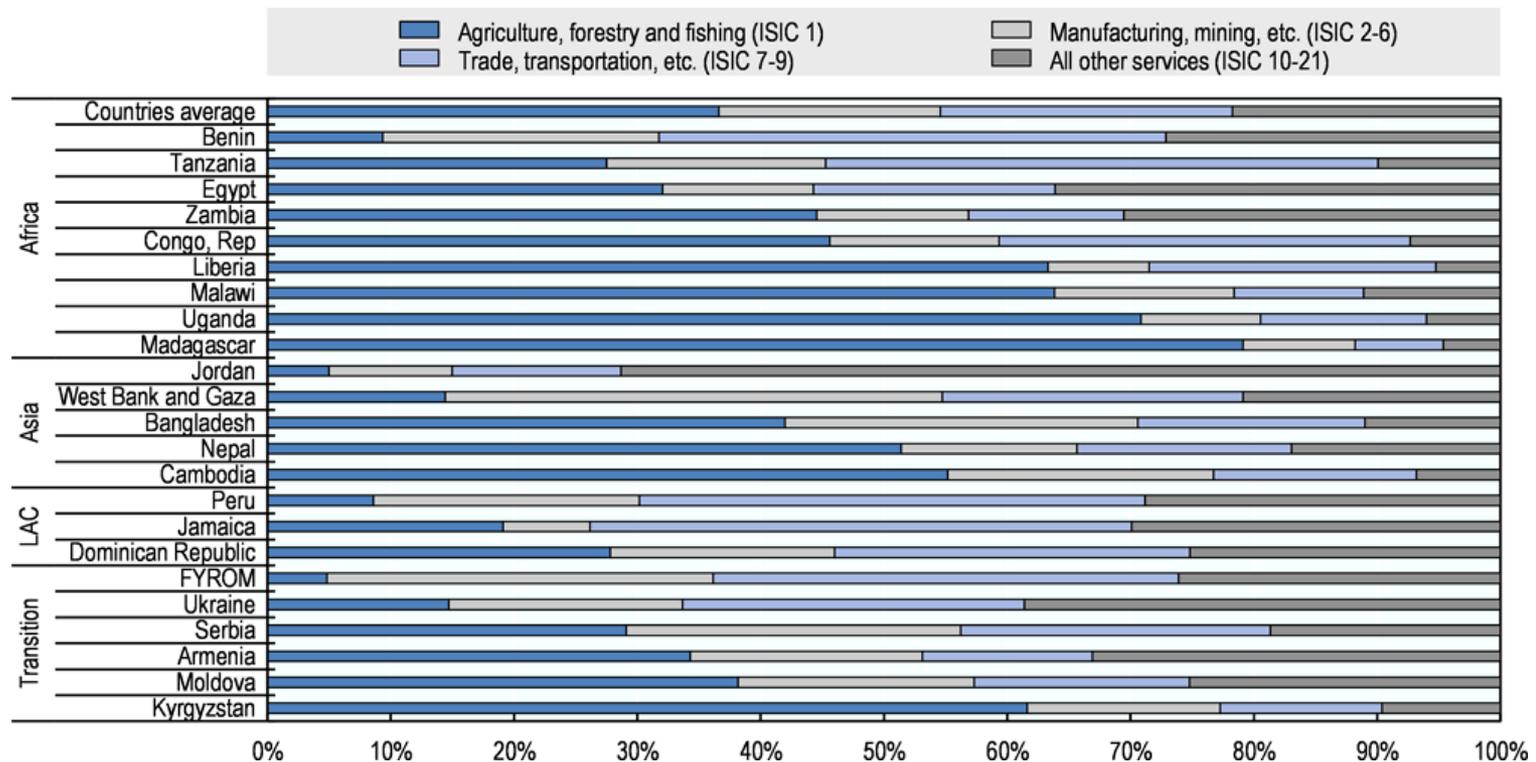
- As many as 600 million jobs will need to be created worldwide over the next 15 years to keep employment rates at their current level
- Demographic pressure, insufficient job creation, scarce formal wage employment opportunities and vulnerability in the workplace pose a major youth employment challenge.





Agriculture is the main provider of jobs for rural youth in developing countries

- 37% of rural youth are employed in agriculture, yet the sector is characterized by low productivity and earnings and poor working conditions

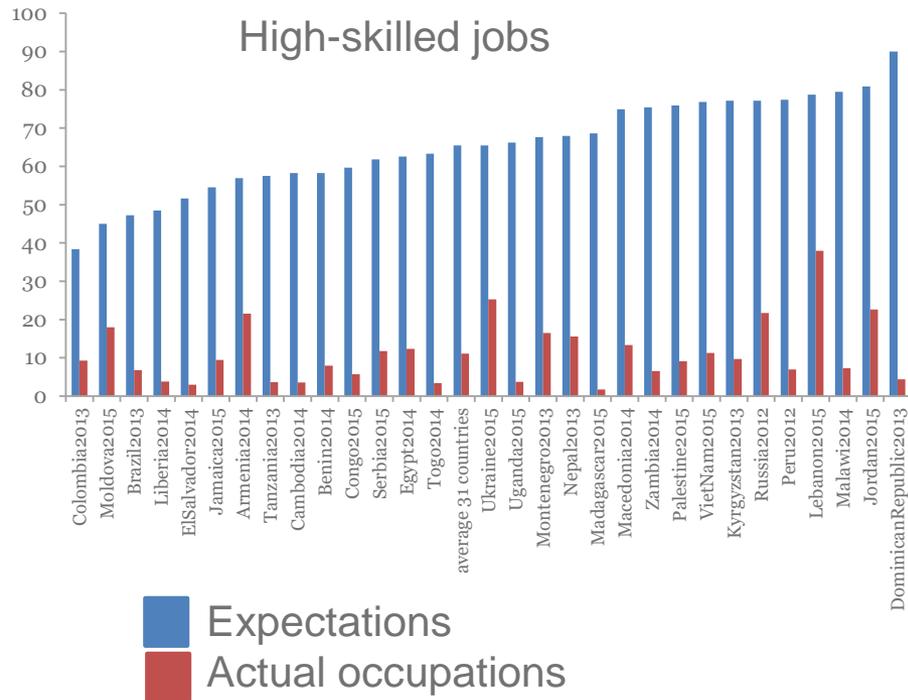




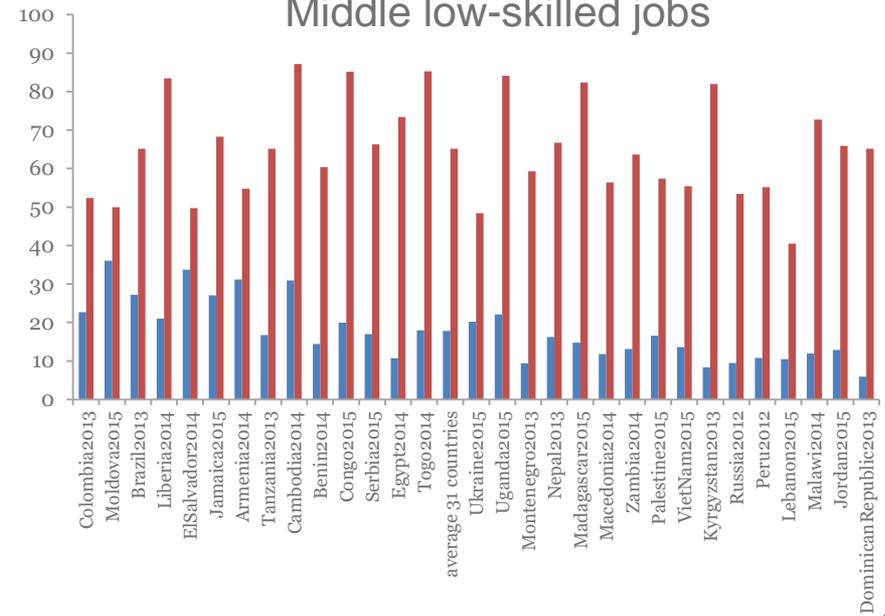
There is a large gap between youth career expectations and the reality of the labour market.

- Most young people want to work in the public sector and become professionals.
- Majority end up in middle low-skilled jobs
- 76% of rural youth aspire to work in high skilled occupations, versus 13% actually working

High-skilled jobs



Middle low-skilled jobs





Aspirations are not necessarily linked to salary incentives. Other factors matter more.

- In several developing countries, some of the least popular jobs among youth (e.g. low-skilled and medium low-skilled) in fact pay more than the average monthly salary.
- Self-employment brings higher satisfaction than wage employment, when it is by choice. Self-employment by default does not bring job satisfaction as most end up in informal sector and in subsistence activities.
- Job security and matching qualification are key determinants of satisfaction for wage employees.
- Large gaps between aspirations and actual jobs create frustration and bring down productivity.



In response to the youth employment challenge, entrepreneurship has gained importance in global and national policy agendas

- Yet, only a tiny portion of youth entrepreneurs in developing countries succeed and the vast majority are confined to subsistence activities.
- Top performing entrepreneurs have distinct profiles:
 - possess business and managerial skills
 - have higher level of education (tertiary)
 - are in favourable physical operating conditions (dedicated premises, basic infrastructure services, and ICT)
 - have access to finance and social networks
 - operate formally (as registered businesses) and are better integrated in the market (greater and more diverse connections with buyers and suppliers)



There is a need to reconsider the role of youth entrepreneurship in strategies to promote decent work for youth.

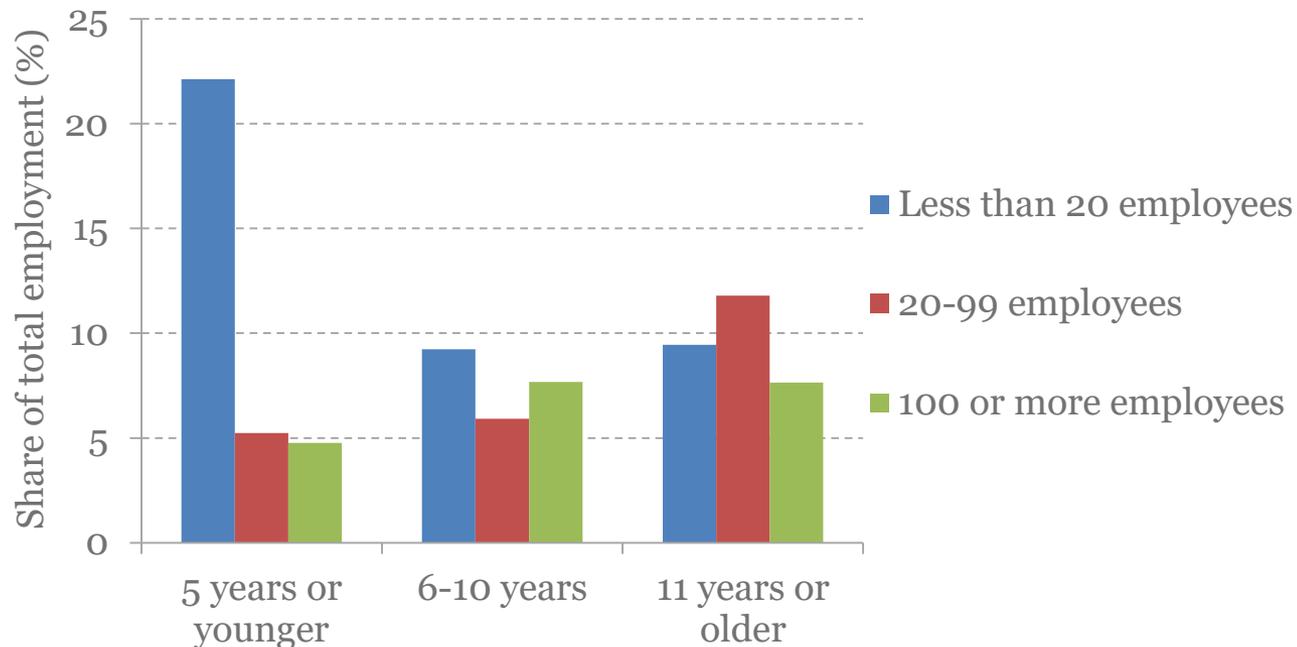
- Few young entrepreneurs in developing countries succeed. Unlocking their potential is possible but complex and will unlikely be a scalable solution that could address the massive employment and poverty challenges facing current and future youth.
- The vast majority of youth entrepreneurs are low-educated (early school dropouts) and low-skilled, and engaged in subsistence activities. They have little chance of becoming successful entrepreneurs.
- Entrepreneurship programmes should target those with the highest potential.
- Business development services as well as a package of training and access to finance have proven to work best.



Policy support to local private sector development will create jobs

- In Africa, SMEs create the most jobs.
- Their main constraint to growth is lack of skilled workers, poor business clusters and low access to finance.

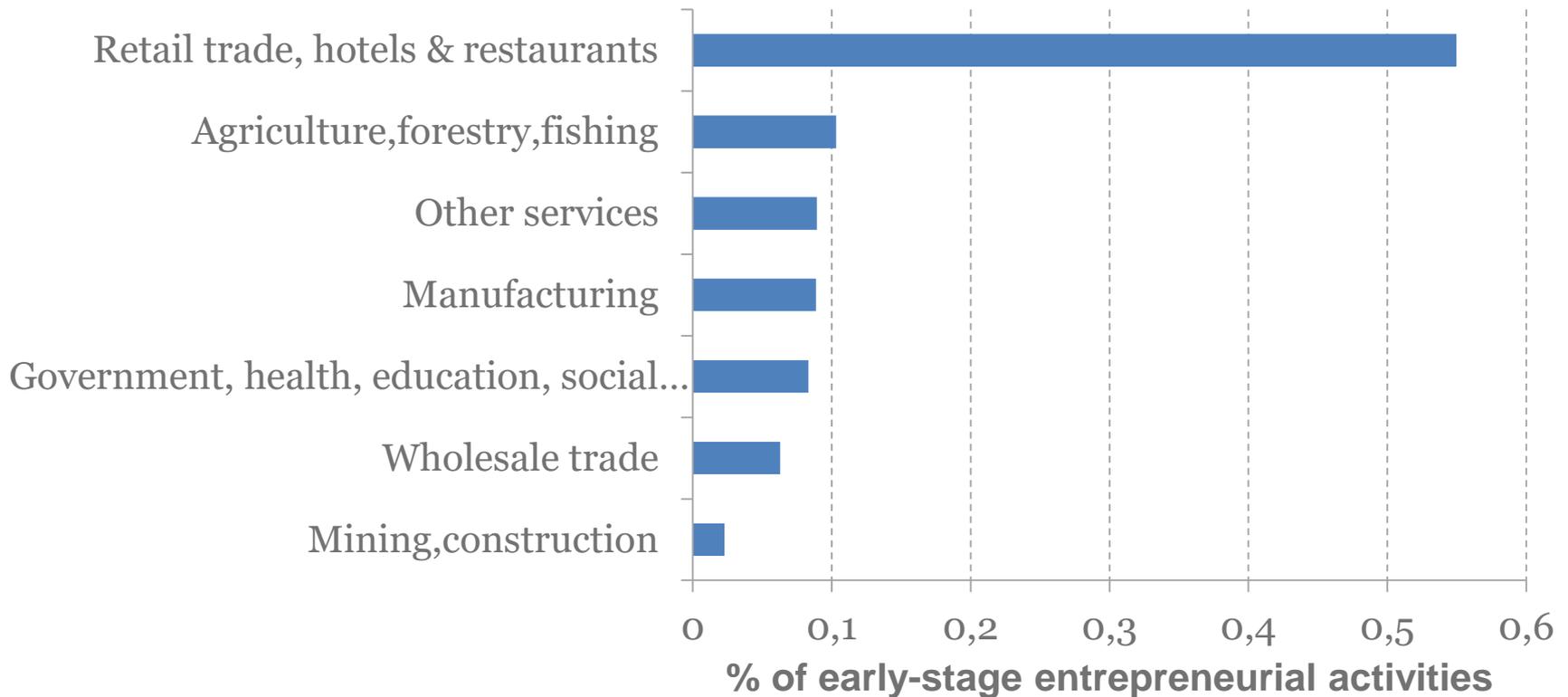
Sizes and ages of formal enterprises in 38 African countries





Africa has the world's highest ratio of new entrepreneurs, but mostly in non-tradable services

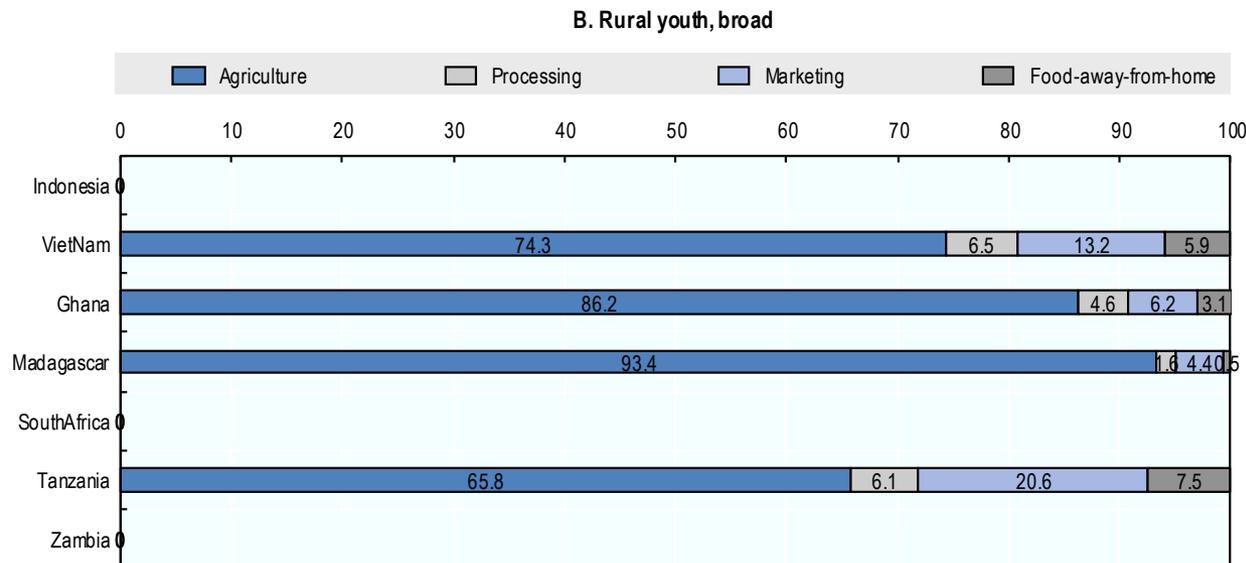
Sectoral composition of early-stage entrepreneurship in Africa, 2012-16





There is room to create new jobs in the agriculture sector.

- Agriculture is currently the biggest employer in most developing countries and the sector has the space to create more jobs for youth, both as entrepreneurs and wage workers.
- Building capabilities of rural youth to integrate agro-food industries remains largely underexploited.





Agro-food industries can create jobs in rural areas as well as ensure food security in the regions

- Food processing is particularly relevant for job creation because agro-industries are more likely than other sectors to locate in small towns and rural areas.
- In addition, it creates strong forward and backward linkages with other food and non-food system activities, implying potentially large wage employment effects in local economies. Furthermore, the sector tends to employ low-skilled labour, providing job opportunities for the current large number of low-educated rural youth in developing countries.



First steps first

- The agricultural sector must first be transformed, starting with better incomes for farmers and incorporation of innovative technologies to improve agriculture practices.
- Rural and market infrastructures need to be improved.
- Access to education, vocational training, inputs, markets, technology (including ICT) and finance in rural areas remains a challenge.



SMEs and youth entrepreneurs need to be better integrated in local and global value chains

- A growing middle class offers opportunity to create new products and services for domestic demand, while improving local food security.
- Smallholders can take advantage of this growing demand if they increase their productivity and can access local and national markets in particular through farmer organizations and out-grower schemes.
- The development of local agro-processing businesses can create employment for low and medium skilled jobs while it can also attract educated young entrepreneurs to invest and/or manage these enterprises.



An employment lens needs to be applied to analyse local value chains to identify potential employment opportunities for youth

- Agriculture and rural development-related programmes are mostly youth-blind in their design and analysis, and seldom integrate an employment lens. There is a general lack of data on youth participation in agriculture value chains.
- Based on the needs of local and national markets and consumers, policies and programmes can support the strengthening of smallholders and small and medium agro businesses and create specific incentives for youth, for example by supporting youth cooperatives and providing financial and/or technical support to businesses that hire young people.
- Directing investments to secondary towns can create new markets for commercial family farming/local productions, contributing to the creation of farm and off-farm employment for youth in rural and semi-rural areas.



THANK YOU!