The Challenge of Global Youth Unemployment
JA Worldwide is one of the largest global NGOs dedicated to addressing fundamental social and economic challenges of young people by educating and empowering them to transform their future and own their economic success. Through the delivery of cutting-edge, experiential learning in financial literacy, work readiness and entrepreneurship, JA Worldwide effectively broadens the canvas of possibility for young people, and enriches their ability to both engage in their own economic development as well as contribute to the strength of their families, communities and economies. The 123 country JA Worldwide network is powered by more than 400,000 volunteers and mentors from all sectors of society, reaching over 10 million young people around the world.

For more information, please visit us at www.jaworldwide.org
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All sources referenced throughout the summary are cited in the Sources & Additional Resources section of the report.

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In October of 2011, the world’s seven billionth person was born in a government hospital in the Philippines. Weighing 2.5kg (5.5lb), Danica May Camacho was selected by the United Nations (UN) to be one of several children in different parts of the world symbolically representing this global population milestone.

Today, half of these seven billion people are under the age of 27 representing 3.5 billion individuals. It is the largest cohort of young people in the history of the world. Danica has arrived on our planet at an extraordinarily challenging time for young people. The International Labor Organization (ILO) estimates that 12.6 percent or 73.4 million young people are unemployed around the world. Add to that another 300 million who have abandoned their job search and are not actively participating in the job market. And then add to that total those groups who are informally and vulnerably employed (earning less than $2 per day) and the number of young people without meaningful employment reaches 600 million.

Six hundred million unemployed or underemployed individuals is a sobering number. However, when one considers that the UN definition of “youth” is people between the ages of 15 and 24, it means that half of these 1.2 billion young people do not have gainful employment. If these young people represented a country, it would be the third most populous nation in the world. And with another nearly 1.1 billion young people expected to enter the worldwide labor market by 2020, the level of youth unemployment is projected to increase over the coming five years. The consequences of inadequate action for the future of youth – and society – are alarming.

Without substantive intervention, young people like Danica will face a very cloudy future. Imagine, on the other hand, what it could mean for the world if these 600 million individuals were to join the productive workforce. The ILO sums it up well: “Young people bring energy, talent and creativity to economies that no-one can afford to squander. Around the world, young women and men are making important contributions as productive workers, entrepreneurs, consumers – as members of civil society and agents of change. What our young people do today will create the foundations for what our economies will do tomorrow.”

Although there is no single “silver bullet” for
the problem, we at JA Worldwide believe that significant inroads can be made to address the challenge before us. Fixing the youth unemployment crisis will require the concerted effort of corporations, governments, educators and NGOs over the coming years. Although some good work is already underway, the scale and magnitude of the problem demands a redoubling of the efforts of all involved. And while the problem is global, the solutions must be local.

This report, funded by the Citi Foundation, has been created to accomplish three primary objectives:

1. To provide an overview of the global youth unemployment challenge by drawing from a variety of sources and studies that have been conducted over the past several years.

2. To highlight some ways to address the problem.

3. To outline the key issues and JA Worldwide involvement in six regions around the world.

The 123 member countries of JA Worldwide are but one part of the overall solution. Real change will require close coordination between the public and private sectors in each country and region around the world. Creative solutions must be developed. Best practices must be shared. And concerted action must be taken.

This problem did not arise overnight. It has been slowly but systematically growing over the past decade. The required remedial work will have to take place between governments, corporations, academia and civil society over the years ahead. And it must continue over an extended period of time if lasting change is going to be achieved.

We welcome the opportunity to partner with these and other organizations throughout the world to tackle this critical global challenge.

Cordially,

Sean C. Rush  
President & CEO
JOB
WANTED!
It is easy to be overwhelmed by the sheer scale of the global youth unemployment crisis.

Nearly half the world’s population – roughly 3.5 billion people – are under the age of 27. Seventy-three million young people between 15 and 25 are officially classified as “unemployed” (available and looking for work). Closer to 300 million have simply given up looking for work. Add in those who are informally (and vulnerably) employed and/or part of the “working poor” earning less than $2/day, and the number of 15-24 year olds without productive employment reaches a staggering 600 million out of a total global population of 1.2 billion 15 to 24 year olds – one in every two.

The Economist newspaper has dubbed them: Generation Jobless.

Some of the highest youth unemployment rates can be found in North Africa (27 percent) and the Middle East (26 percent), though even in advanced economies, youth unemployment rates have climbed to startling levels, rising above 50 percent in countries like Spain and Greece. Even in such places as the United States, the United Kingdom and Canada, the youth unemployment rates are 16.2, 21.0 and 14.3 percent, respectively. And these numbers do not include those people who are chronically under-employed and those who have simply dropped out of the job search market altogether.

Beyond the obvious economic impact, high youth unemployment levels are a major force behind social unrest, as demonstrated by the Arab Spring, the Occupy movement and other recent uprisings that have instigated political turmoil. Of further concern are the ramifications of long-term unemployment on young people themselves: reduced life-time earnings, lower life expectancy, loss of motivation and erosion of confidence, vulnerability to criminal and insurgency activities, and higher rates of suicide.

Youth Unemployment: Facts and Figures

- Nearly 75 million youth – aged 15-24 – were unemployed in 2013, an increase of more than 700,000 over the previous year.
- The global youth unemployment rate reached 13.1 percent, almost three times as high as the adult unemployment rate.
- There were 37.1 million fewer young people in employment in 2013 than in 2007.
- The global youth labor force participation rate, at 47.4 percent in 2013, was more than two percentage points below pre-crisis level, as more young people dropped out of the labor market.
- The share of young people in the 15-29 age-group who are neither in employment, education or training (NEET) rose in 30 of the 40 countries for which data was available in 2013.
- In developing countries, six out of ten workers in the 15-29 age group lacked a stable employment contract, six out of ten had below average wages and eight out of ten were in informal employment in 2012.

Global Employment Trends 2014, ILO
Global Employment Trends for Youth 2013, ILO
If the data is not sufficiently convincing, a scan of headlines from journals around the world underscores the gravity of the current situation:
The World Economic Forum’s 10 most pressing issues for the world

The World Economic Forum (WEF), in its Outlook on the Global Agenda 2014, identified the ten most pressing issues for the world in the coming years by surveying more than 1,500 experts from business, government, academia and civil society. At least four of the ten can be easily connected to youth unemployment:

- **Rising societal tensions in the Middle East and North Africa (WEF rank: 1)**

  In the view of experts from around the world, the region is facing a time of great unpredictability with political uncertainty being its biggest challenge. When coupled with increasing levels of youth unemployment, rising tensions and competing ideological viewpoints, the future is less than clear.

- **Widening income disparities (WEF rank: 2)**

  As Helene Gayle, the President and CEO of CARE USA, writes in the report:

  “Unrest cloaked in a desire to change from one political leader to another is a manifestation of people’s concerns about their basic needs. And it’s the young who are most willing to take to the streets because they feel like they have nothing to lose. Many young adults with college degrees are unable to find jobs and some countries have more than 50 percent youth unemployment. Over the next decade, particularly in developing countries where much of the population is under 30, the lack of access to jobs will increase the risks of political and social strife.”

- **Persistent structural unemployment (WEF rank: 3)**

  As one of the WEF’s survey respondents said:

  “A generation that starts its career in complete hopelessness will be more prone to populist politics and will lack the fundamental skills that one develops early on in their career. This can undermine the future of European integration, as the countries with the highest youth unemployment rates are on the periphery.”

  In a similar vein, S.D. Shibulal, CEO of Infosys, comments:

  “The world has finally woken up to the problem of persistent structural unemployment. There is a growing consensus on that fact, unless we address chronic joblessness, we will see an escalation in social unrest. People, particularly, the youth, need to be productively employed, or we will witness rising crime rates, stagnating economies and the deterioration of our social fabric.

  Enterprises should take part in the fight against youth unemployment, by training and mentoring young people in roles that offer career opportunities and eventually by hiring some of them in a full-time role, or at least assisting with their placement in another company.”
The author of the report, John Lipsky, Distinguished Visiting Scholar at the School of Advanced International Studies, notes: “Younger people tend to be especially critical of today’s economic policies – the Survey found that respondents under 50 think this issue is more significant than respondents over 50 and it’s the 18-29 year-olds who ascribe the greatest significance. It makes sense that the boomers out there might not be quite so concerned personally – they stand to benefit from some very favourable government-supplied pensions and they’ve certainly done better than previous generations in terms of public healthcare and other welfare measures. My guess is they don’t really feel like those things are at risk, whereas many younger folks in places like the US will be wondering how long these systems will remain intact.”

Each of these four issues can be the result or cause of social problems created by disaffected unemployed young people. The longer the youth problem festers, the greater the risk associated with these global challenges.

Where did the youth unemployment problem come from? How did it emerge on to the global stage so suddenly?

There is considerable consensus that the roots of today’s youth unemployment crisis lie in a toxic mix of global economic trends: poor global macroeconomic performance; growing youth populations in developing regions; labor market structures and regulations; and the quality and relevance of education, resulting in a skills mismatch.
A macroeconomic and demographic collision: Fewer jobs meet an abundant and growing supply of job seekers

Two of the most important factors are the effects of the global economic recession and the pace of population growth in emerging economies.

Despite some signals of recovery from the great global recession, job creation was not one of them. Years of technological advances and globalization of capital flows have led to a steady decline in jobs in skilled manufacturing, increased and rapidly evolving demands in the knowledge and technology sectors and a rise in temporary contract work that is by nature insecure and seldom accompanied by adequate labor protections that provide for decent sustainable employment. These trends seem set to continue.

Simultaneously, demographic projections over the next decade portend a grave imbalance between the supply of young workers and the demand for their labor. High population growth rates, especially in Latin America, Middle East and North Africa (MENA), as well as Sub-Saharan Africa regions, have increased the number of youth entering the labor market creating an additional urgency for youth employment strategies and job creation.

Between 1970 and 2010, the population of the MENA countries nearly tripled and given the current projections, the region will be inhabited by some 600 million people in 2050. This translates into a need for the creation of between 80 and 100 million jobs by 2020 simply to maintain current unemployment rates, let alone make a significant dent in the problem.

Consider:

Africa
The ILO projects that by 2015, youth in Africa will make up 75 percent of its population, and additionally by 2025, sub-Saharan Africa will be home to 25 percent of the entire world’s youth population. Without integration into global value chains, most of these young people will be locked into low-productivity self-employment or no jobs at all.

Latin America
The estimated total youth population in the region is 106 million. This is 18 percent of the total population and is growing fast. The region is expected to have the largest number of young people in its history by 2020.

Middle East/ North Africa
Between 80 and 100 million jobs must be created by 2020 just to maintain current unemployment rates. Governments, the main employers in the past, cannot absorb the growing numbers of job seekers, while the private sector is not expanding fast enough to keep pace with population growth.
The Great "Skills Mismatch"

The quality and relevance of education, both formal and informal, and its direct impact on the mismatch of skills between young job seekers and prospective employers play a huge role in the current global youth unemployment crisis. Improved education and training is a simple and familiar prescription. However, it is a remedy that needs to be applied in a targeted and innovative manner, and through a concerted effort by multiple actors.

Great progress has been made in increasing educational access for youth on a global scale, particularly at the primary and increasingly secondary level. At the same time, too few youth get the education they need to be competitive in today’s job market or start their own enterprises. That’s partly due to low postsecondary school completion rates stemming from a mix of factors: academically unprepared students, inadequate guidance and support services, and the high cost of postsecondary education, which saddles many young people with enormous debt and no guarantee of a job.

But even those who graduate find their academic training has not provided them with the qualifications in demand in the job market. That includes not just specific functional expertise, but the “soft” skills – problem solving, time management, teamwork, and communication – that are necessary for success in any workplace. It’s a paradox that despite the huge untapped pool of talent, there remains a critical skills shortage. Research has shown that it is not the nature of the education or the amount of time spent learning, but instead the content of the education, that is critical.

Skills mismatches within youth labor markets have become a persistent and growing trend. Gaps in essential skills are globally prevalent and appear to be getting worse. According to the World Bank Enterprise Survey, in MENA, 24 percent of firms reported a severe challenge related to skills gaps. Latin America, Europe and Central Asia, and Africa also reported major challenges at 20 percent, 19.7 percent and 18 percent respectively.

Factors contributing to the increasing global demand for skilled labor include dramatically expanding international trade, technological change, globalization that increases the importance of skills rather than resources, and evolving forms of work organization. In many countries, evidence points to an unmet quantitative demand for highly skilled workers, as well as firms facing qualitative internal skills deficiencies that limit performance.

What’s more, while youth often lack the skills needed for many jobs today, others are forced to accept work for which they are overqualified. Youth are not adequately prepared to take on the jobs that are available effectively and employers are not prepared to hire staff that do not possess or cannot demonstrate the core competencies required of the role. The degree of skills mismatch makes identifying and implementing sustainable remedies to the youth unemployment crisis more
difficult and time consuming. But, when many young people are overqualified for the jobs they hold, overall productivity growth is slower than it would be were these youth engaged in work that made the most of their skills. More and more graduates find themselves amongst the educated unemployed. In Tunisia, for example, 40 percent of university graduates are unemployed compared to the 24 percent of non-graduates. Girls and young women are disproportionately affected, largely due to persistent cultural stereotypes. Higher education for young women in some countries even leads to an increasingly vulnerable position.

For example, in Turkey the unemployment rate among university educated women is more than three times greater than that of university educated men; in Iran and the United Arab Emirates the rate is nearly three times greater and eight times greater in Saudi Arabia. At the same time, even higher education does not guarantee productive employment. That’s because curriculum often is not adequately tailored to the requirements of the labor market. As a result, firms are unable to find candidates with the skills they need. If the content of the education or training is not aligned with market needs, the employment outcomes remain grim.

In addition, across all education levels, youth lack the mentors, career guidance, job matching services, training opportunities and financial assistance that would help them find productive employment in the workforce or prepare them for enterprise creation. Part of the issue is the lack of effective information mechanisms regarding the job market and employment opportunities. Youth often miss out on the best jobs for their skills because they lack information on potential employers and job requirements.

Likewise, potential employers have a hard time getting information about the availability and skill levels of young employment prospects. At the same time, one in three employers around the world (surveyed by the Manpower Group) claim trouble in filling open positions with qualified candidates, evidence of a growing “skills mismatch.”
Here are some illustrations of how the mismatch plays out in different parts of the world:

**United States**
McKinsey predicts that by 2020, the U.S. will have a surplus of nearly 6 million unemployed individuals without high school degrees, and a shortage of 1.5 million workers with college and graduate degrees. Opportunities that were once readily available to young people—jobs at fast food restaurants for high school students, decent manufacturing jobs for high school graduates, entry level jobs for college graduates—are now scarce. Those most struggling to find employment, however, come from low-income families and are disproportionately black.

**Canada**
A report by the Certified General Accountants Association of Canada asserts that 24.6 percent of youth with a university degree who were continuously employed full-time during 2005 held jobs whose requirements did not call for post-secondary education.

**Middle East/ North Africa**
Despite equal levels of education, the unemployment rate among young women is nearly 28 percent, or twice that of young men. Women often face resistance from their families to their working, and have fewer “culturally appropriate” job options available to them than do young men. According to the Arab Human Capital Challenge, only 54 percent of interviewed CEOs across the region feel that the educational system provides graduates with adequate skills, while less than half say there are enough graduates with those skills to fill needed positions. In particular, these CEOs voice concerns about the weaknesses of graduates in regard to soft skills, such as communication, teamwork and leadership. They not only are more interested in skills enabling workers to be self-motivated, flexible and innovative in the workplace than in any particular basis of knowledge, but also stress that these are the areas in which the educational system is weakest.

**South - and Southeast Asia**
Despite significant progress in education levels, the transition to upper secondary school and beyond remains challenging for girls and young women. Typical barriers to such educational attainment include traditional mindsets about the value of education for girls, time-consuming household tasks, and long (and sometimes perilous) journeys to school.

**East Asia**
In recent years, more than 30 percent of recent college graduates in China have failed to find employment upon graduation. Many take jobs that only require a high school education.

**Africa**
The most difficult sectors in which to find qualified candidates include the extractive industries, logistics, the chemical and pharmaceutical industries, manufacturing and agri-business. Qualifying for these jobs will require not only a tertiary education, but a shift in mindsets (and higher education systems) that have traditionally devalued vocational occupations in favor of public sector or white collar jobs.
Latin America
Of lingering concern across the region is the poor secondary school graduation rate. Though many factors explain the high dropout rate, surveys suggest that many young people leave school because they’re not convinced of the value of their education. A recent study conducted by the Inter-American Development Bank in Argentina, Brazil and Chile found that employers value more socio-emotional skills than knowledge and specific skills; at the same time, these skills are the most difficult to find when they recruit employees.

Europe
The skills gap in the region is not just wide it is everywhere. It is inside businesses, inside schools and between generations. Employers from countries with the highest youth unemployment in Europe reported the greatest problems due to skills shortages and only 42 percent of young people surveyed believed that post-secondary education improved their employment opportunities according to a recent McKinsey report. In Greece where 55 percent of youth is unemployed 33 percent employers leave vacancies empty because they don’t find the skills they need. Unavoidably, the skills gap brings to the surface the weaknesses of the education systems in different European countries.

The European Commission focuses its efforts to ease youth unemployment by aligning education and training with the job skills required in today’s market. On top of this, as the OECD reports [Skills Outlook 2013], proficiency in many skills is closely related to age, reaching a peak at around 30 years of age and declining steadily, with the oldest age groups displaying lower levels of proficiency than the youngest.

In such a rapidly changing environment the most important skill for this generation, according to Accenture [Outlook no.3, 2013], is to learn how to learn; to have critical thinking, evolve and adapt constantly. The new wave of professionals will need to use their judgment and experience more than their knowledge. Entrepreneurship education across the region becomes one of the best responses to the crisis because of its emphasis on ideation, innovation, real world experiences, team work and problem solving.

Education is a driver of change and technology will make that change happen faster. According to the latest survey on Millennials by Telefonica that came out in May 2013, the young people of today live online: they are constantly connected and believe technology creates opportunities for all. With an impressive majority of 83 percent they agree that technology has made it easier to get a job. Still, it is not enough to be “born” a digital native. Infusing entrepreneurship education progressively over the course of a young person’s school career can fuel deep learning about how innovation takes place and help them pick up a strong aptitude for value creation.
Labor protections often become barriers to productive work

In emerging economies, population growth remains a significant challenge and appears to be fastest growing in countries, such as India and Egypt that have the additional burden of severely dysfunctional labor markets. India, for example, has over 200 laws focused just on work and pay rendering the market highly dysfunctional and in many ways paralyzed.

While labor regulation provides critical safeguards to uphold decent working conditions, such as child labor laws, minimum wage regulations, health and safety standards, it can also serve as a barrier to employment, particularly for the youth demographic. Rigid regulations connected to high employment taxes, minimum wage requirements, and employee seniority are a few of the culprits affecting youth employment opportunities.

Strict labor regulations are also a key reason why employed youth are disproportionately found in low-income jobs and within the informal economy, which robs them of opportunities for further study or training to boost their employability prospects. This is particularly the case for more marginalized youth, whose gender, ethnicity, disability, social status or geographic location isolates them from the economic and social mainstream. These regulations also contribute to the more than 300 million youth found among the working poor, living on less than $2 a day.

Laws designed to reward employee seniority can result in young workers being first to experience layoffs during down cycles, or simply not hired in the first place. Employers facing high minimum wage requirements and stringent hiring and firing policies are more likely to seek experienced workers, assuming higher levels of productivity and loyalty. In addition, young employees usually have lower job protection, are less likely to have gained job specific experience, and have had lower levels of company investment in their training. As a result, employers lose less when laying them off relative to an older experienced worker. The relationship between tenure and severance pay also contributes to the preference for laying off young workers to avoid significant payout packages.

Economic recession, population growth and labor market regulation, although central to tackling the youth unemployment challenge, cannot account for the entire global youth unemployment problem and its associated effects. Britain has a flexible regulation of its labor market, for example, yet maintains a high youth unemployment rate. There are also countries, such as Spain and Egypt, where the unemployment problem is severe; however, even in times of economic growth, their labor markets suffered from high youth unemployment. Strategies to reignite growth and labor market deregulation will only serve to address part of the problem.
Consider:

Europe
Strict employment protection regulations that favor experienced workers, particularly with regard to hiring and firing, significantly undermine the employment chances for young people. This is particularly the case in countries without a strong vocational component to their education and training system, leaving companies to complain that they cannot find qualified workers and don’t have the resources to train inexperienced employees.

Africa
Most young people in low income countries are working in some capacity, though primarily in vulnerable employment and/or jobs that keep them among the “working poor.” They work because they have no choice. They must support themselves and their families and cannot go without income while searching for better job opportunities.

Asia:
A majority of young people (particularly South and Southeast Asia) must work by necessity, and are often found working long hours under informal, insecure and intermittent work arrangements where they earn meager wages and have little or no social protection. Some migrate to other countries with the promise of secure, well-paying employment, though these opportunities can turn into nightmare scenarios of slave-like labor.

Latin America
About 60 percent of the region’s 50 million young workers are involved in the informal sector, with low productivity, low income, precarious working conditions, and few opportunities for joining the middle class. According to a 2007 ILO study, among young salaried workers in the 17 countries covered by the study, only 24 percent had a permanent contract, 13 percent had a temporary contract and 63 percent worked without a written contract. Temporary contracts make it easier for firms to hire and fire youth, but temporary contracts can become a permanent trap rather than a stepping stone into more permanent and better paid jobs.
Lack of Entrepreneurship Education: Creating employment for self and others

Given the economic and demographic projections (fewer jobs; more young job seekers) highlighted above, more youth need to be creating their own jobs, especially if these become small and medium scale enterprises (SMEs) that employ others. But that is not happening. Currently, according to the World Bank, only 0.6 percent of youth globally are “employers” of others (including 0.7 percent of the youth in OECD countries).

Despite the fact that SMEs are the primary drivers of economic growth in developing countries, young entrepreneurs face significant barriers in creating startups. They lack training and mentorship opportunities, financial support and sources of investment capital, a welcoming legal environment, and access to markets for their inputs, products and services. These are in short supply around the world. For example:

Latin America
According to household data gathered by the IADB for a sample of 14 Latin American countries covering 89 percent of the total population, only 12.8 percent of workers between the ages of 16 and 24 were entrepreneurs. The report revealed that most young entrepreneurs had only completed primary or early secondary education, and that their businesses were mostly necessity-driven and fragile.

Europe
Efforts are underway to embed a culture of entrepreneurship and innovation in European education systems and mindsets in order to stimulate job creation, economic growth, and greater comfort with risk-taking, and to get beyond long-established labor market rigidities. European universities, accustomed to educating students for specific and secure careers, are increasingly shifting their focus to preparing young people for work in a dynamic, rapidly changing, global environment. But without cultural and historical grounding in entrepreneurship, these efforts will take time to bear fruit: curriculum must be developed, entrepreneurship teachers trained, research conducted, and academic-business partnerships established.
Effects and Consequences

Significant, damaging consequences are already apparent, and will escalate if youth unemployment is not urgently and adequately addressed.

The Rise of the NEETs

The rising number of young people globally who are not in employment, education or training (NEET) is an especially troubling aspect of the youth unemployment challenge. While many unemployed youth are actively attempting to improve their employability prospects by attending school or enrolling in training opportunities, a growing number have become discouraged – and idle. This not only has economic costs for them and society, but also leads to social and political alienation. Reintegration into the economic and social mainstream becomes increasingly difficult, creating the potential for a more permanent alienated and unproductive segment of society.

Political Destabilization

The Arab Spring provides an immediate cautionary tale regarding the potent mix of jobless and frustrated youth – many of them classified as “NEET” – , governments and other institutions that have failed to create productive channels for sustainable livelihoods, and old and new means of channeling discontent; riots and uprisings are easily facilitated by social media. Some are seeing current parallel situations in countries like Greece, Spain and Portugal. Indeed, disaffected youth have been the downfall of many a regime since the French Revolution.

Social Disruption

Unemployed, idle and frustrated youth are also a recipe for increased violence and crime. Violent environments pose risks not only to youth themselves – who tend to be both perpetrators and victims – but to their broader communities. Furthermore, when young people are trapped in cycles of violence, it lessens their chances of finding good jobs. Increased violence and crime leads to higher incarceration rates, which increase costs to society.

A look at specific regions reveals some sobering numbers:

The United States

The Center for American Progress estimates that the nearly 1 million young Americans who experienced long-term unemployment during the worst of the recession will lose more than $20 billion in earnings over the next 10 years. This equates to about $22,000 per person.

Canada

The rise in youth unemployment during the recent recession will cost Canadian youth $23.1 billion in lost wages over the next 18 years, according to a report released in January 2013 by TD Economics.

Europe

A study of youth unemployment conducted by the European Union’s research agency, Eurofound, reports that young people who are not in employment, education or training (NEETs) are costing member states a total of €153bn (£124bn) a year in state welfare and lost production – 1.2 percent of the EU’s gross domestic product.

Middle East/ North Africa

The International Finance Corporation estimates that the economic cost of youth unemployment to the region exceeds US$40-50 billion annually.
Economic Deterioration
Unemployment is not only a drain on individual youth and their families, it also impacts the broader economy. A large number of unemployed youth means less consumer spending, decreased production of value-generating goods and services, and increased costs associated with social welfare benefits, higher crime rates, and deteriorating health standards. These factors lead to a vicious cycle: worsening economic conditions, decreased economic activity and more unemployment.

Increasing Urban Immigration
Increasingly, significant in-country migration from rural to urban areas is taking place in the developing world. Over the next 20 years, most of the developing regions of the world will see greater populations in urban areas than in rural areas. It is estimated that young people (under that age of 18) will comprise at least 60 percent of urban populations and will be over-represented among urban poor. As a 2012 UNESCO report pointed out: most urban youth, particularly youth migrants, live in unplanned settlement areas, often in squalid conditions and are vulnerable to high levels of unemployment. The paper concludes that: the low level of formal education achievement among poor urban youth is a major constraint to remunerative urban opportunities, but that the livelihood portfolios of urban youth require and develop entrepreneurial skill, and that informal education and learning is recognized within the informal sector. How countries and other organizations address the rising need for entrepreneurial skill development among urban youth is a critical component of any solutions that are devised.

Personal “Scarring”
Youth who have difficulty launching their careers lose confidence in themselves. Long-term unemployment erodes skills and long-term earning potential, and leads to depression, poor health, lower life expectancy, and higher rates of suicide. Likewise, the poverty associated with high unemployment is closely associated with a greater likelihood of poor diet, smoking and long-term health problems like obesity, according to a recent article in *The Independent*. In addition to the profound impact on the individuals affected, the social price of this personal scarring have been estimated to cost billions of dollars over the course of a generation’s lifetime. Moving from the challenging statistics and issues of youth unemployment to effective and lasting solutions will require the active engagement of numerous players around the world. It is our perspective at JA Worldwide that the global youth unemployment challenge can be addressed effectively and in a sustainable manner. With an enhanced and targeted approach that is long-term focused, coordinated and collaborative, the scale and magnitude of progress and will only grow and the positive effects will be both seen and felt.

The following section highlights some approaches to the problem and suggests the important steps that various organizations can take.
As the world’s largest youth-serving entrepreneurship, workforce readiness and financial literacy education NGO, we at JA Worldwide strongly believe that the world’s youth unemployment challenge can be alleviated over the coming years. It will not happen overnight nor will it happen without the active and coordinated involvement of multiple stakeholders:

**Governments** control policies, laws and resources that determine young people’s prospects for economic success.

**Employers**, whether in the public, private or civil society sector, provide the incentive for young people to complete their education and training, and the vehicle for ensuring a sustainable livelihood from decent work.

**Educational and training institutions** create a platform for acquiring the hard and soft skills necessary to secure and sustain decent employment.

**Civil society organizations** provide or supplement programs to educate, empower, and advocate for young people, and facilitate their entry into the job market.

**Families, communities and peer groups** project the cultural norms and expectations that help shape how a young person thinks about his or her role and potential in the job marketplace.

Separately, these stakeholders can take specific action steps that are likely to improve the prospects for decent, sustainable livelihoods for young people. More powerful interventions are those that involve coordinated action and include the participation of young people in determining most effective actions and evaluating results.

Additionally, particular attention must be paid to the rapidly growing numbers of out-of-school youth in many parts of the developing world.

However, regardless of where unemployed young people are located around the world, five basic strategies must be pursued:

- Boost job creation and labor demand
- Better prepare young people for the job market
- Illuminate the pathways to productive work
- Improve current and long-term financial well-being
- Foster entrepreneurship

In the following pages, we lay out our perspective on how each of the stakeholders can play an important role in executing these five basic strategies both individually but, more importantly, collectively.
Boost Job Creation and Labor Demand

At the most basic level, a critical component of addressing youth unemployment is creating the jobs in the first place, including fostering an enabling environment in which they can take root and thrive.

Governments can:
- Develop macroeconomic policies that promote job creation, such as regulatory and labor market reform and tax incentives;
- Broaden financing regulations so small companies can get loans and credit to grow their business and, as a result, employ more people;
- Develop national action plans targeting youth employment and assign resources to them;
- Provide incentives for employers to hire first-time job seekers (e.g. vouchers, wage subsidies), to train these workers and to increase retention;
- Develop and support public-private partnerships designed to employ more young people;
- Develop and support public works and infrastructure projects that hire and train young people in specific trade skills and transferable “soft” skills. This has an additional benefit of fostering conditions for the growth of thriving businesses, therefore creating more job opportunities.

Employers, especially in the private sector, which provides 90 percent of jobs worldwide, according to the International Finance Corporation, can:
- Create entry-level job opportunities for young people with specific qualifications or who demonstrate what Manpower calls a “teachable fit” and actively recruit candidates for these jobs;
- Create training-to-employment programs that provide apprenticeship, internship, or other on-the-job training experiences designed to give youth the skills and experience they need for job success;
- Support young entrepreneurs and SME growth through mentoring and incorporating youth-led SMEs into supply and value chains.
Better Prepare Young People for the Job Market

Young people need a quality educational foundation and vocational training opportunities that prepare them for decent and sustainable livelihoods.

Governments can:
• Make secondary school completion a requirement and provide supports that encourage attendance, such as subsidized or free transportation, materials, and meals;
• Provide financial assistance in terms of scholarships, loans, work-study programs, etc.;
• Create and enforce policies addressing barriers to education for youth who have been marginalized due to such factors as gender, disability, and ethnicity;
• Facilitate improvements for human and physical capital in teacher training, school buildings, and other areas;
• Incorporate non-traditional learning opportunities, including night school, girls-only programs and online coursework, for non-traditional/marginalized youth;
• Ensure full digital access both in and outside of classroom environments to enhance learning options;
• Make “postsecondary school career readiness” a goal for secondary schools.

Employers can:
• Work with educational institutions to communicate workplace skill needs to students and their families;
• Provide staff as faculty members and mentors in educational and training institutions;
• Implement school-to-work apprenticeship and on-the-job training programs;
• Underwrite scholarships for training in specific skill sets relevant to their industries.

Educational institutions can:
• Provide in-school guidance and support services – or outsource these functions to external providers – to ensure young people have support they need to graduate;
• Offer non-traditional learning opportunities, such as night school, girls-only programs and online coursework, for non-traditional/marginalized youth;
• Work with employers to ensure education meets workplace needs;
• Embrace e-learning platforms to enhance access to educational resources and develop ICT skills of young people;
• Incorporate “soft” skills training into curriculum and teacher training;
• Incorporate entrepreneurship education into curriculum and teacher training.
Civil society organizations can:
• Develop and deliver “soft” skill training programs for secondary school students;
• Develop and deliver entrepreneurship training programs;
• Develop and deliver workforce readiness training programs;
• Provide in-school guidance and support services to ensure young people have the support they need to graduate and move on to further education and/or work opportunities.
Illuminate the Pathways to Productive Work

Young people need information about, and access to, pathways directly linking them to decent employment, while employers require intelligence about the talent available to them.

Governments can:
- Require the presence of career-counselors at all secondary and postsecondary schools and financially support these positions at national schools;
- Promote transparent access to labor market information through enabling internet, mobile, and social networking technology;
- Provide incentives for proximate opportunities – job creation in areas with a high youth/low job rate – or for provision of outsourced ICT/web–based employment;
- Establish national frameworks for credentialing/qualifications for specific skills/trades;
- Develop public/private partnerships for curriculum design, focusing on competencies identified as both lacking and needed;
- Adopt policies that advance and promote vocational and trade positions;
- Provide government incentives for the employment sector to offer on-the-job (OTJ) training;
- Provide government incentives for the employment sector to offer volunteering and mentoring programs for young people;
- Directly establish enterprise incubation programs and provide incentives to educational institutions and private operators to establish such programs.

Employers can:
- Financially Support labor market information access providers and provide information on employment opportunities/requirements, including participation in job fairs, contributions to online job sites, and mobile “job trucks” in rural areas;
- Create employment opportunities that are in locations with high rates of young people, are geographically agnostic, and/or can be performed virtually;
- Send staff members to volunteer in classrooms and discuss workplace opportunities and requirements;
- Dedicate staff members as mentors to young people seeking employment in their industry;
- Partner with educational institutions and vocational training programs to design curriculum and training relevant to job market needs;
- Create OTJ/internship/apprenticeship programs that have a specific line item and budget attached;
• Create opportunities for young people to volunteer at the company, “job shadow” staff, and receive mentoring;

• Provide information on current and anticipated job opportunities and attendant qualifications, such as hard and soft skills and experience, to career guidance offices; send recruiters to talk to prospective employees; and provide funding, advice and staff as faculty to these programs.

**Educational institutions can:**

• Create and staff career guidance offices; and work with employers to keep information relevant;

• Promote job listing services and platforms that connect employers with job-seekers, including career fairs and on-line job matching services;

• Develop publicity materials, such as websites, with job market information. Secondary and postsecondary institutions can collaborate on postsecondary “fairs” and information sessions for secondary students and parents;

• Provide guidance regarding financial aid sources, work-study opportunities, and postsecondary affordability;

• Incorporate/develop on-line learning and credentialing programs as a way of increasing access/affordability;

• Incorporate structured programs of study that directly link to job market opportunities;

• Develop technical/vocational programs in collaboration with education ministries and the private sector that prepare young people for technical/vocational job market opportunities;

• Collaborate with employers to help structure volunteer and mentoring opportunities, publicize them and help match students to opportunities.

**Civil society organizations can:**

• Provide college and career counseling for secondary school students, either by contracting with schools or establishing programs outside of schools, including via the internet;

• Provide postsecondary financial aid counseling to students and parents;

• Help educate students and would-be job seekers about the job market and workplace expectations;

• Develop job listing services and platforms that connect employers with job-seekers, including career fairs and on-line job matching services.
Improve Current and Long-term Financial Well-being

Young people must be equipped to make informed choices and take action to improve their current and long-term financial well-being.

Governments can:
- Incorporate financial literacy skills into national education curricula;
- Incentivize/require financial institutions to make checking, savings and investment opportunities available to young people.

Employers can:
- Incorporate financial literacy training into new employee training programs;
- Provide employer-supported savings and investments plans to employees, accompanied by financial advisory services.

Educational institutions can:
- Work with external financial literacy training providers to incorporate financial literacy training into life skills/soft skills/business skills classes.

Civil society organizations and financial institutions can:
- Provide financial literacy and money management training directly or through educational institutions, workforce development programs, financial institutions, and other programs, particularly those aimed at low-income/marginalized youth;
- Financial institutions in particular can make checking, savings and investment vehicles available to young people.
Foster Entrepreneurship

Young people need training and supportive environments in which to develop entrepreneurial skills and mindsets and start job-creating enterprises.

Governments can:
- Re-design educational curriculum and pedagogical approaches to promote entrepreneurship education and foster entrepreneurial thinking;
- Recruit and support teachers through higher salaries, training, provision of materials and technology, enabling them to instill entrepreneurial education into school settings;
- Provide subsidized lines of credit to banks/ MFIs offering microloans to youth enterprises;
- Provide tax breaks for youth-run enterprises;
- Provide incentives, such as tax breaks and contracts, to companies/organizations that offer mentoring and advice to youth-owned enterprises;
- Commit to purchasing a certain percent of goods and services from youth-owned enterprises.

Employers can:
- Provide staff as volunteer mentors/trainers to entrepreneurship training programs and entrepreneurial ventures begun by young people;
- Incorporate youth-run enterprises into supply chains.

Educational institutions can:
- Embed “entrepreneurship education” throughout curriculum, especially in pedagogical philosophy focused on critical thinking and project-based learning;
- Involve volunteers from private, public and civil society sectors to enhance students’ knowledge of the “real world” and coach/mentor students on entrepreneurial thinking;
- Incorporate use of web, mobile and other digital tools to enhance access to knowledge, networking, and collaboration.

Civil society organizations and financial institutions can:
- Provide support services – business planning, marketing, bookkeeping – to young entrepreneurs;
- Facilitate access to startup capital;
- Establish platforms to facilitate connections between youth enterprises and the marketplace.

As the preceding sections of this report have indicated, different parts of the world face similar but more often unique challenges. In the next section, we provide a high level overview of six major regions of the world along with highlights of some of JA Worldwide’s work in those geographic areas.
Regional Perspectives

This section of the report is designed to provide a high-level overview of the youth unemployment situation in each of the regions in which JA Worldwide operates. While many of the essential causes and consequences of youth unemployment are common among the regions, there are important distinguishing characteristics between – and even within – regions that call for tailored approaches to addressing the challenge. Given the enormous variation even within individual countries, these profiles can only serve as basic snapshots.

Our programs in these regions reach 10+ million students annually through nearly 450,000 volunteer teachers and mentors who provide experiential learning to young people between the ages of 5 and 25. In short, JA students learn by doing. They create businesses, model global trade, learn basic economics, prepare themselves for the workplace and much more. Additionally, some 3,000 JA employees around the world work closely with educators, policy-makers and corporate executives to design programs and experiences for young people in their countries. All of this work is designed to provide young people with educational experiences in entrepreneurship, financial literacy and workplace readiness.

JA Worldwide operates in six regions and more than 120 countries around the world.

- Africa (sub-Saharan)
- The Americas (Latin America, the Caribbean and Canada)
- Asia-Pacific
- Europe
- Middle East & North Africa (MENA)
- The United States
In this part of the report, you will see a number of different JA programs being deployed to address different challenges in each of our operating regions. The most frequently mentioned program is the JA Company Program. Foremost among JA curricula is the JA Company Program, our oldest and signature program. Through the JA Company Program 1 million+ students spend approximately 5 to 6 months each year working with the guidance of JA Volunteers to build a business that includes:

- Market research.
- Executive team design and development.
- Business model design.
- Business plan development and presentation.
- Product design, development, production and pricing.
- Annual report development.
- Capital formation (involving real money) through the issuance of bonds or common stock.
- Marketing, promotion and sales/distribution.
- Financial and accounting record keeping.
- Liquidation planning and execution.

The students create a “real” business involving real money, actual products, and cash transactions. For some, the program concludes with liquidation of the company, but there are numerous instances around the world where these companies continue on to the benefit of local families, communities, and local economies.

- Microenterprises have been created in slums and other developing parts of the world.
- Women in Latin America and the Caribbean have been successful in creating small businesses to support their families.
- The program along with other JA curricula and community partnerships has been helpful in reducing the US high school drop-out rate.

As noted above, each region has its unique challenges and considerable variations exist between and within countries. JA works to adjust its programs to meet the challenges and needs of young people “where they are.” This section highlights a few of those approaches, as well as some alumni of JA programs around the world.
Africa is a continent with a majority population of youth. The ILO projects that by 2015, young people in Africa will make up 75 percent of the population, and by 2025, sub-Saharan Africa will be home to 25 percent of the world’s youth. Of this group, an astounding number are not attending school: In 2007, the region accounted for approximately 45 percent of the world’s out-of-school population. To compound the situation, every year approximately 7 to 10 million young people in the region enter into a weak labor market, where high unemployment, low productivity, and poverty-level incomes are common. While the next decade will be a time for transformative change on the continent, much work clearly needs to be done to help Africa’s young people take their place in the global economy.

At the same time, low-income and higher-income countries across the region face different challenges. Most young people in low-income nations are working in some capacity, though primarily in vulnerable employment and/or jobs that keep them among the working poor, and live in rural areas. For these young people, training in basic skills, such as literacy and numeracy, and in entrepreneurship may offer the best hope for improving their own economic status and generating jobs that will help their communities thrive over the coming decades.

In higher-income countries, greater numbers of educated young people are unemployed or
NEET (not in education, employment or training). In some cases, they’ve been unable to find jobs in government, where employment has been significantly cut back; on the other hand, while the private sector has been growing, the expansion has not been enough to absorb the large and growing cohort of educated youth. In addition, even those private sector employers who do have open positions say they have difficulty finding qualified applicants, a sign of a widening mismatch between the skills that are in demand and those young people can offer. In fact, those who attend school throughout the region are poorly served by the education they receive. Although literacy rates and primary school enrollment have risen across the continent, Africa’s education systems largely promote “rote learning.” Students are taught how to pass exams instead of how to succeed in a world where self-initiative, self-reliance and entrepreneurship are required. Consequently, many young people, whether they drop out of school at an early age or go on to graduate, are woefully unprepared for the job market.

Preparing young people for employment will entail not only a tertiary education, but an overhaul of higher education systems that have traditionally devalued vocational occupations in favor of public sector or white collar jobs. It will also require concerted efforts by the private sector to engage with government and educational systems to retool outmoded curriculum and pedagogy, and to provide on-the-job training programs, so as to equip young people with occupational and “soft” skill competencies that will make them competitive in the job market.

The biggest barrier to youth employment in Africa, however, is simply a lack of formal jobs, now and in the foreseeable future. Governments bear the brunt of the responsibility to boost the job climate overall and in particular for young people. This will entail measures such as improving infrastructure, especially electricity, loosening restrictions on business, improving access to finance, and developing youth entrepreneurship programs and business start-up schemes, such as those already in place in South Africa, Kenya, and Tanzania.

Countries can also implement public works programs that provide unskilled young people with short-term employment likely to provide critical work experience in fields like road construction, soil conservation and urban sanitation. Such programs are currently underway in Senegal, Ghana, South Africa and Nigeria. In the meantime, as the public and private sectors improve their efforts to boost the overall jobs climate, young people will continue to provide the key source of employment for themselves and others through entrepreneurial ventures.

JA Africa

Teaching entrepreneurship to marginalized youth, and especially those out of school, is not necessarily new to Africa; however, the gap to be filled is enormous. Little in the way of effective program models or material is available and even less is well-adapted to the local context. JA Africa is addressing these challenges through the development of the innovative ITS TYME (Immersion Training Strategy: Targeting Young Marginalized Entrepreneurs) initiative.

JA ITS TYME takes entrepreneurship training out of the classroom and into the African marketplace, motor parks, slums, sports arenas and other centers of youth activity with a mission to equip young people with the practical, strategic and tactical tools they need to become financially self-sufficient and active contributors to the social, economic and political life of their communities.

Through this initiative, JA Africa in partnership with corporate sponsors such as Barclays
Bank, Bechtel, Citibank, government agencies, and other local and international NGOs and individual philanthropists are transferring tangible, marketable and sustainable skills to the rapidly increasing cohort of idle, unemployed and underemployed youth in Africa. JA Africa has already impacted the lives of over 2,000 young entrepreneurs in Gabon, Kenya, Nigeria, South Africa, Tanzania and Zambia over the past two years and is targeting an additional 4,000 youth in the next two years. These young people are improving the profitability and social impact of their businesses through this program and also serving as conduits for extending the training and mentoring they have received to other youth while creating employment opportunities in their communities.

Since JA Africa’s regional operating center was established in 2011, it has deliberately focused on and collaborated with sponsors to invest funds into out-of-school youth, especially those on the fringes of society. This investment has already started to yield a return. In 2013, the ITS TYME program facilitated over 500 startup businesses and 300 new mentoring relationships, with 250 youth consistently saving and notable improvement in incomes across four project communities. As Damary Ambrose Okode, a young ITS TYME entrepreneur in Tanzania, proudly states, “ITS TYME has changed every aspect of my life because JA Tanzania has trained me to be an entrepreneur and to seize opportunities that are within our society. Through ITS TYME I can now manage my own products and have quality I have now plenty of orders from private schools and mini-supermarkets – and enough income to sustain me and my family just like those who are employed with a salary.”
JA Africa is providing life skills, business education and opportunities for practical hands-on apprenticeship and mentorship to thousands of young marginalized entrepreneurs in sub-Saharan Africa through the JA ITS TYME (Immersion Training Strategy: Targeting Young Marginalized Entrepreneurs) program.

These young people, who are between the ages of 15 and 35, have very limited options for making an adequate livelihood. A baseline assessment conducted in four of the pilot countries at the beginning of the program in 2013, revealed that more than 80 percent of the youth surveyed were unemployed and did not participate in any form of structured income generating activity. It also highlighted the fact that less than 10 percent of these youth are able to get access to financing from banks, microfinance organisations or group saving schemes and about 79 percent had saved less than US$ 1 in the past year.

In Tanzania, as in several of the other project countries, JA is working with “channel partners” to ensure a holistic approach to meeting the varied needs of these youth. Many of our channel partners provide technical/vocational training as well as seed capital to these youth, while JA teaches and mentors them to turn their newly found technical skills into profitable businesses. Examples of these partners in Tanzania are Asylum Access and UNHCR/Tanzania, two organizations focused on addressing the needs of individuals and families in refugee communities. Through this partnership, for example, a group of young urban refugees, under the business name Access Development, raised capital to set up a poultry production company. The initial capital of $82 was raised over a period of just four months – a major feat for young people whose average daily income is less than 35 cents.

In addition to poultry rearing, one of the group members, Ngoyi Njanga Joshua, identified another entrepreneurship opportunity in soap making. After going through the initial ITS TYME Business Education training sessions, Joshua teamed up with his uncle, Esale Walupebwe, to expand their family soap business. The company, Ade Poile Ciol Paidera, which specializes in medicinal soaps, has since expanded production and increased revenue from $100 to $200 per month. With his newly acquired business skills, Joshua has also added two new products – hair oil and body lotion – to their inventory. He credits the ITS TYME program for inspiring him to follow good business practices and be innovative and courageous. “I am no longer just waiting for my uncle to bring customers, I now have the confidence to approach customers and keep them.”
LATIN AMERICA AND THE CARIBBEAN
Compared to other regions, Latin America is a relative bright spot for youth employment. Labor market indicators for young people are improving, a trend the World Bank attributes to a better educated and more competent work force. More than 35 million jobs were created over the past decade, coinciding with a steady rise in women’s share of the labor force and a lengthening of average school attendance from five to eight years, according to a report released by the World Bank in 2012. While the informal economy is still a significant source of employment, its share appears to be on the decline as large firms have expanded in the region.

The fact that the global recession has not had the same devastating effect on youth employment in this region as it has in other areas suggests lessons to be learned. The ILO points to several positive developments in recent years:

- Laws to improve working conditions and access to the labor market for young people have been enacted in Colombia, Costa Rica, Honduras, Nicaragua, Peru and Uruguay.

- Conditional cash transfer programs that incentivize young people to stay in school by helping families meet educational expenses and manage without their children’s income have been successful in many countries.

- A number of countries, including Argentina, Costa Rica, Honduras, Peru and Uruguay, have enhanced public employment programs tailored to the needs of young people. These programs include job search guidance, connections to training, and business start-up support.

- National youth employment action plans aimed at consolidating policies and strategies to boost youth employment rates have been created in Costa Rica, El Salvador, Honduras, Jamaica, Nicaragua, Paraguay and Peru.

- Chile and El Salvador are experimenting with dual track education/apprenticeship programs, akin to the German model, for a limited number of young people.

There are also a growing number of women who are participating in the labor force and managing their own businesses in Latin America. The female labor force in most countries now exceeds 50 percent, according to the Inter-American Development Bank.

Women in Latin America also are more likely to be entrepreneurs than anywhere else in the world, although they tend to own smaller firms than their male counterparts, as well as being overrepresented in informal and low-productivity employment.

Despite these advances, however, unemployment and drop-out rates among young people
throughout the world in both developed and developing countries, such as the U.S., Greece, Egypt and Tunisia, and has extended to Chile, Brazil and other countries within LAC.

**CANADA**

Like Latin America, Canada's young workforce has fared comparatively well during the global recession, with the youth unemployment rate ranking eleventh lowest among the 34 OECD countries. According to a report published by the Certified General Accountants Association of Canada (CGA) in October 2012, the majority of young people become unemployed as they make the transition from school to work, rather than through involuntary layoffs, with nearly half finding a position within four weeks of starting the job search.

The biggest challenge to young workers in Canada appears to be underemployment. The CGA report asserts that 24.6 percent of youth with a university degree who were continuously employed full-time during 2005 held jobs with requirements that did not call for post-secondary education. Young people are also disproportionately found in part-time employment.

Still, more than two years into the recovery, the unemployment rate for youth remains elevated at 14.7 percent, about twice the national average. This rise in youth unemployment will cost Canadian young people $23.1 billion in lost wages over the next 18 years, according to a report released in January 2013 by TD Economics. This estimate does not factor in the value that would have been generated by the production of goods and services if those without jobs had been working, or the costs stemming from the increase in crime and the deterioration of health standards caused by higher unemployment. Findings from another study conducted in England predict that unemployment lasting seven to 12 months for this age group can cause a 10.9 percent wage loss by the age of 33 and a pronounced impact over the course of a lifetime.

In addition, educational attainment across Latin America still lags behind most other regions of the world, with the exception of Africa. Of particular concern across the region is the low secondary school graduation rate. Though many factors explain the high dropout level, surveys suggest that many young people leave school because they’re not convinced of the value of their education. The rising number of unemployed youth is particularly worrisome in light of the political unrest, increased security risks, and disruption to social cohesion that has erupted throughout the world in both developed and developing countries, such as the U.S., Greece, Egypt and Tunisia, and has extended to Chile, Brazil and other countries within LAC.
Addressing the problems of both unemployment and underemployment is a priority and requires decisive action. In a report released in March 2013 by the C.D. Howe Institute, author Philippe Bergevin calls for “better education and skills training programs, as well as looser entry restrictions into skilled trades,” to supplement what Canada’s primary and secondary education system currently offers.

Various public and private initiatives across Canada are working with youth on developing skills, self-confidence, financial savvy and ambition. Of these, the JA model offers a practical, dynamic and effective program.

**JA Americas**

JA Americas (JAA) is comprised of 31 member countries from Latin America, the Caribbean and North America. Across this diverse group of members, JAA serves students through a mix of 31 distinct programs. Thematically organized around workforce readiness, financial literacy, and entrepreneurship, the programs cover a wide spectrum of youth, from elementary and middle school to high school and post-secondary. The activities are supported by sponsors ranging from HSBC, Mastercard, and FedEx to AT&T, Baxter and Scotiabank, among others. JA Americas has also designed customized and innovative programs in partnership with sponsors that leverage their capabilities and are aligned with their areas of interest, such as USAID’s “JA Program for Eastern Caribbean Region” and Citi Foundation’s “Women for Development.” Building on its long history working in the region and collaborations with corporate sponsors, JA Americas has produced strong results. In 2013, the organization delivered 36,425 programs involving 10,863 schools that impacted the lives of 1.2 million youth. These results were made possible through the generous support of 3,397 companies.

Recognizing that youth unemployment is a growing problem in the region, JA Americas is now placing a strong emphasis on programs addressing the challenges facing youth in transitioning to work. Additionally, there are plans to integrate technological advances, such as digital content, into its curricula, reflecting the current learning environment for youth, and to seek opportunities to establish new partnerships in the community and with sponsors to extend the organization’s reach, deepen its impact, and enhance its programs. Underlying these initiatives is a strong commitment to expanding JA Americas’ monitoring and evaluation capabilities to ensure that program staff achieve their desired outcomes and learn from each activity.
‘Mujeres Emprendedoras’ or Women for Development Program

‘Mujeres Emprendedoras’ or Women for Development is an enterprise development initiative co-developed by JA Americas and the Citi Foundation specifically for women, launched in Latin America and the Caribbean. The program links entrepreneurship education and access to finance through local microfinance institution partnerships, to improve the ability of participating women to bolster their financial situation and, in turn, strengthen their communities. Since 2011, more than 5,000 women have benefited from their participation in the initiative.

An impact evaluation conducted by CID Gallup in 2013 found that participants were more optimistic about the future of their family’s economic prospects, with 78 percent believing their economic situation would improve within three months.

Here are the experiences of three such women:

**Mery Mercedes**

Mercedes, who lives in the Dominican Republic, was unemployed when she learned about the Women for Development Program and decided to join it, rather than look for a job. By the program’s completion she was ready to start her own business selling perishable materials. A year and a half later, the business has had steady growth and Mercedes has added a variety of products, such as stationary and underwear. What’s more, while she started the business with her own money, she more recently has been able to get a bank loan.

Thanks to the program, Mercedes not only has financial freedom but she’s been able to fulfil a dream: having a flexible schedule and more time for her children. “I learned how to handle my finances, do a monthly inventory, treat the clients,” she says. “In short, the program has been a blessing.”
Laritssa Nuñez

For Nunez, the program provided critical business skills. “Before the course, I didn’t keep any records of payments to be made or received. After taking the course, I learned how to determine the fixed costs and the variables for each one of my products,” she says. Thanks to the lessons learned, she also no longer sells products below cost. And she keeps a record of earnings, current inventory and profits, something she hadn’t done systematically before. But Nunez has benefitted in other ways, as well. “It has helped my business and emotional development,” she says. “Prior to the course, I had very little experience, organization or enthusiasm.”

María Cristina Corrales

“I consider myself a fighter. I don’t give up,” says 27-year-old Corrales, who is a mother of three in Paraguay. “Before, I only lived, I settled. Now I’m happy doing what I do.” Before starting the program, Corrales struggled to supplement the income of her husband, a mason. She knew that a lot was at stake: Her income was crucial to keeping her children in school – and, under no circumstance was she going to let them drop out. But while Corrales wanted to start her own business, she wasn’t able to get a loan from a bank or financial company. Then, one afternoon she learned about Junior Achievement Paraguay and the Women for Development program. She contacted the group immediately and organized her women’s committee, where she is the treasurer and she began to realize she could accomplish her goals. As soon as Corrales launched her committee, she started to receive entrepreneurial training and credit to help start her own business. Now she’s able to generate her own income. And, drawing on the concepts she learned during the program, she hopes to keep growing the business and pay her credit.
In 2011, the Boston Consulting Group (BCG), a global management consulting firm and a leading advisor on business strategy, completed a year-long study to assess the impact of JA Canada’s programs.

The study was an extensive research project in which more than 500 “Achievers” shared their perceptions of the impact that JA made on their lives, careers and abilities. Additionally more than 5,000 Canadians who did not have a JA experience answered similar questions to create a statistically significant baseline. The survey was designed not just to assess correlated impact but to make a case for causal value. To accomplish this, the survey asked both about outcomes (“Do you own your own business?”) and the events that led to that result (“Was JA critical in developing your ability and desire to open your own business?”).

The study results proved that JA has had a substantial impact on Canada’s economy and on its students:

- JA in Canada creates an annual return to society of $45 for every one dollar spent.
- Each year, $425 million can be attributed directly to the entrepreneurial activity of JA Canada Alumni.
- Over 65 percent of JA Canada’s alumni indicate that participation in JA programs had a significant impact on staying in school and enrolling in post-secondary education.
- 70 percent of alumni say that participation in a JA program had a significant impact on their desire to be an entrepreneur or own their own business.
- Achievers earn 50 percent more, on average, than those who do not participate in JA programs.
- JA Canada alumni are three times less likely to spend more than they earn and are far less likely to be unemployed or rely on social assistance.
- JA Canada alumni are 50 percent more likely to open their own business.
- Over 70 percent of alumni credit JA with having a positive impact on financial literacy capability, budgeting, and communications skills.
- Over 80 percent of alumni credit JA with having a positive impact on self confidence and decision making skills, as well as developing analytical capabilities and common business sense.

Bridging the Transition from School to Work

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- Over 80 percent of alumni credit JA with having a positive impact on self confidence and decision making skills, as well as developing analytical capabilities and common business sense.
Perhaps the most compelling statistic is that “Achievers” are three times more likely to be senior or middle managers than their peers, strongly suggesting a predictive link between JA participation and business leadership potential.

Other findings show that JA produces graduates who save more, borrow less and go bankrupt less often. Eighty percent of alumni credit the organization as being the driving force behind their developing skills, such as leadership and problem-solving skills, thereby ensuring better workforce preparation, accelerated career tracks, and more skilled employees. Many cite their participation in JA programs as the transformational event that gave them increased confidence, altered their ambitions, and opened a door into the entrepreneurial world.

Donors, governments, citizens and volunteers are all looking for ways to maximize impact in light of scarce resources. The BCG study found a total annual impact on the Canadian economy of CDN $425 million, a figure that reflects an increased annual earning power resulting from a higher level of education inspired by JA. It translates to $45 for Canada’s economy for every dollar spent on the program.
Asia is a continent that is staggering in its size, complexity and diversity. India, Indonesia and China represent 40 percent of the world’s population. China, India and Japan represent more than 25 percent of the world’s GDP and, together, more than the GDP of the United States. Likewise, any one country presents a broad range of challenges and cultures, making the region not easily conducive to broad generalizations.

Asia also is a study in contrasts when it comes to youth unemployment. The region accounts for almost half the world’s unemployed youth, yet young people are more likely to be employed than their peers anywhere else in the world. Child labor – work performed by those legally too young to do so – continues to plague the continent, but there is a deficit of well-paying work opportunities for young people of legal working age.

While there are significant sub-regional variations in the nature and characteristics of youth unemployment, common themes emerge as obstacles to employment. Despite significant progress in levels of educational attainment, the transition to upper secondary school and enrollment in tertiary education remains challenging, particularly for girls and young women. Typical barriers to girls’ educational completion include traditional mindsets about the value of education for females, time-consuming household tasks, and long – and sometimes perilous – journeys to school.

Even for those who have attained a high level of schooling, the transition to employment is a problem throughout the region for youth. As in other parts of the world, a major complaint of employers is that many young people are “unemployable.” Available jobs often go unfilled because many youth lack the relevant qualifications and skills. And in some cases, those who do have such qualifications take them to other regions, like the United States, where jobs are better paying and more plentiful.

For the most part, though, young people in Asia-Pacific do not have the opportunity to emigrate for stable, well-paying jobs. Many are forced to “trade down” to positions beneath their training level, or to sit idly on the sidelines until well-matched opportunities arise. But even this is a luxury for the majority of young people, who must work by necessity, and have to labor for long hours under informal, insecure and intermittent work arrangements where they earn meager wages and have little or no social protection. Some migrate to other countries with the promise of secure, well-paying employment, though these opportunities can turn into nightmare scenarios of slave-like labor. In this, the most populated region of the world, creating promising employment opportunities for young people will require adapting all aspects of education to changing labor market requirements. Such moves can build on positive efforts already underway to make education accessible for all young people, including females and other marginalized populations. Further, measures must be taken to replace rote memorization with critical thinking.
and other soft skill training in primary school, refocus secondary and tertiary education to incorporate technical and vocational training that responds to the demands of such regional growth industries as manufacturing, agriculture, energy, and the technology sector, and promote entrepreneurship as a desirable and respectable alternative to formal employment.

**JA Asia Pacific**

JA Asia Pacific is dedicated to enabling and empowering youth to be work-ready, to benefit from the region’s economic development and prosperity, and to create a positive impact in their lives and communities. Along with their private and public sector support and on the ground delivery through its 20 JA operations across the region, JA Asia Pacific envisions a future where the young not only dream big, but are able to reach their goals, and as a group drive productive social and economic change.

The JA programs in the Asia Pacific region are focused on two major areas: acquiring skills that are essential to the workplace, and having the opportunity to experience being a part of a real working environment. In terms of skills, JA programs bridge the gap between textbook learning and real life situations, with business volunteers sharing career advice about such matters as how to translate interests into a particular profession, develop personal career preparation and strategy, and make correct decisions when facing ethical dilemmas at work.

Through their support for JA programs, corporations help student participants to gain experience within their organization in the form of job shadowing and internships. Talks and seminars are arranged to equip students with first-hand understanding of specific industries and jobs. These programs provide students with insights they would not be able to gain from their regular school curriculum.

By engaging young people with JA programs at an early age, JA Asia Pacific creates a new conversation with youth about the urgency of making themselves employable and contributing to a strong and capable workforce in the region.
Company Program Drives Alumni Leadership in Indonesia Work

Meru Arumdalu is currently the Vice President, Investment Research, Advisory and Consumer as well as Treasury Head of Citibank Indonesia. During her undergraduate study at Atma Jaya University in Jakarta, she joined the Company Program organized by Prestasi Junior Indonesia and was the president director of JEJAK Student Company. It was an invaluable experience, helping her understand more about the real world—specifically, that the knowledge she learned in school had to be complemented by soft skills such as communication, leadership, and the ability to think strategically. For example, in order to be elected as the president director, she had to strengthen her public speaking skills. She then needed to work with the vice presidents of various departments in leading the company to bring value to their shareholders. They also had to come up with creative, out of the box strategies that would help to achieve company goals. These skills and experiences played a major role in Arumdalu’s career, allowing her to strengthen her self-confidence, English language skills, strategic thinking and global perspective.

JA Mini Factory Model in India

India presents unique challenges. In five years, one in every four new global workers will be Indian, as the rapidly growing economy becomes less farm-based and more industrialized. At the same time, secondary school graduation rates are low, functional illiteracy levels are high and employers find it difficult to hire employees with adequate skills. With these problems in mind, for the past eight years, JA India, drawing on its deep understanding of the local educational system, has developed a platform to work readiness programs. Its aim is to give students a structured approach with which they can develop a greater understanding of the world
of work, thereby empowering and enabling them to take actionable steps needed to seize control of their careers. The programs begin with “JA Mini Factory Model,” which focuses on an introduction to production and supply chain issues for Grade V and VI students. Before they leave for secondary school in Grade VII, “JA World of Work” allows students to experience firsthand interactions with people in a work environment, grasp a better understanding of what work could be in addition to places where people go to accomplish work. Starting in secondary school, the program equips students to translate their interests into professions. With “JA Careers with a Purpose” in Grade IX, young people examine in more depth the jobs, roles, and functions that they might want to assume in the future. “JA Job Shadow” in Grade X offers the opportunity to shadow professionals working in roles students are interested in performing in their own careers. Finally the JA Company Program enables students to test their abilities to perform as a professional in a simulated work environment. This series of JA Work Readiness programs tries to guide young people through the educational steps they need to take before becoming work ready. Ultimately, the goal is to help students make better decisions when choosing a profession, pursuing work that matches their potential and interests, thereby allowing them to succeed and, in turn, contribute more to the local and global economy.

Marketing Program Partnerships Support Graduates in the Philippines

In the Philippines, about 500,000 students graduate from business school every year, many of whom look for marketing related positions in companies. However, industry reports show that job applicants generally lack the required competencies and skills. To address this critical gap, Junior Achievement of the Philippines (JAPI) has worked with member universities to provide appropriate training for university students. In 2011, JAPI launched the JA Marketing Program, which gives students supplementary lessons to help them harness marketing skills. It combines online and face-to-face training and workshops aimed at developing critical thinking and problem solving abilities as applied to business and marketing. Other training in such skills as resume preparation, personality development and interview skills is also included. Marketing executives are invited to act as mentors and lecturers. JAPI also recently partnered with the Chartered Association of Marketing Professionals (CAMBP), Pearson Education and McGraw Hill Higher Education to launch an assessment for measuring the readiness of graduates to handle marketing related jobs. The result was the Registered Marketing Professional (RMP) Certification Program. The organization also hopes to help schools understand what skills are in demand in the field and make necessary changes to their curriculum. A total of 243 students completed the training and assessment, with almost 90 percent finding employment in different corporations.
Concerns of a “lost generation” are echoing throughout Europe as unemployment among the young steadily climbs, rising well above 50 percent in some countries. A study of youth joblessness conducted by the European Union’s research agency, Eurofound, reports that young people who are not in employment, education or training (known as NEETs) are costing member states a total of €153bn a year in state welfare and lost production – 1.2 percent of the EU’s gross domestic product. The costs of youth unemployment go beyond declining GDPs. They represent both a huge untapped resource that Europe cannot afford to lose and a social crisis the region cannot allow to persist. Ultimately, youth unemployment has a profound impact on individuals as well as on society and the economy. An overriding reason for young people being held back, however, is lack of skills relevant to the workplace. In fact, despite the numbers of currently unemployed youth, there are over 2 million unfilled vacancies in the EU. This is not only true for countries with the highest rates of youth unemployment, like Greece and Spain, but also for Sweden and Germany, where the jobless level is much lower. This is particularly the case in countries without a strong vocational component to their education system, leaving companies to complain that they cannot find qualified workers and don’t have the resources to train inexperienced employees. Under current trends there will be not enough professionals with the right education to fill the jobs that have yet to be created.

A bright spot in this otherwise grim scenario is Germany, which has the lowest youth unemployment rate on the European continent at 7.7 percent. Many observers credit Germany’s “dual track” vocational training system, which combines classroom education with apprenticeships to train 1.5 million people annually in a range of trades, from carpentry to car mechanics. According to German government figures, about 90 percent of apprentices successfully complete their training, which lasts between two and three and-a-half years, and about half of the apprentices stay on in the company that trained them. But while the approach works well in economies with a large number of major companies able to bear the weight of this system, it’s a far less feasible solution in countries where there is a preponderance of small and medium-sized businesses. What is perhaps most important about this system is that it ensures the vocational content stays relevant. As a result, in countries where the links with industry are poorer, these schools fall behind. Aiming to battle youth unemployment and boost growth in Europe, the European Union is putting in place the Entrepreneurship Action Plan, a blueprint for decisive action to unleash the region’s entrepreneurial potential, and implementing the Youth Guarantee program from 2014 to support related initiatives. The aim is to ensure that all those under 25 who become unemployed will receive an offer of employment or training within four months. On top of this, the European Commission has pledged €8 billion through the “Youth Employment Initiative”. Efforts are also underway to enhance a culture of entrepreneurship and innovation in European
education systems and mindsets in order to stimulate job creation, economic growth, and greater comfort with risk-taking, as well as to get beyond long-established labor market rigidities. To ease young people’s transition into employment, policy makers are urging that stronger links between education and the world of work must become the norm rather than the exception. What’s more, in its 2020 Action Plan, the European Commission emphasized the importance of giving every young person a practical entrepreneurial experience before they leave school. That’s because, even if they don’t found a business, such learning can help develop essential skills and attitudes including creativity, initiative, tenacity, teamwork, understanding of risk and a sense of responsibility. Other studies confirm the importance of entrepreneurial experience in school. According to a survey recently conducted by the World Economic Forum in collaboration with JA-YE Europe among alumni, 57 percent think it is very important to tailor the education curricula in schools and universities to focus on the skills that entrepreneurs require.

Although an important shift has taken place during the past decade, there is still a long way to go: curriculum must be developed, entrepreneurship teachers trained, research conducted, and academic-business partnerships established. While these systemic changes are underway, however, much can be done to inculcate an entrepreneurial mindset among Europe’s youth, so they become drivers of change both in developing their own economic self-sufficiency and in creating new jobs and growth opportunities throughout Europe.

**JA-YE Europe**

JA in Europe is the largest provider of entrepreneurship education programs. Its network of 39 countries reached 3.2 million students in 2013. With an extensive alumni network and the largest number of students in the Company Program globally, the Program is recognized by the European Commission’s Directorate-General for Enterprise and Industry as a ‘Best Practice in Entrepreneurship Education’. JA members in Europe have produced important impact research into the effectiveness of its programs going back as many as 30 to 50 years. Findings from these studies in different countries repeatedly show how much more entrepreneurial potential can be tapped through experiences like the Company Program. The research also points to other benefits, such as increased employability and better earnings over time.

Consider the findings of a Young Enterprise UK study done by the Kingston University Business School in 2012. It learned that alumni tend to be serial entrepreneurs and their businesses highly
diverse and innovative. What’s more, while the typical small firm nationally is in construction, with no or few employees and a modest turnover, the sample of companies studied are likely to be digital businesses, consultancies or in engineering and technology design, among other sectors, and to have more employees and have on average a higher turnover. For example, 12 percent of Young Enterprise businesses have a turnover of greater than £500,000 compared with 3 percent of companies in a control group. In fact, 3 percent of Young Enterprise businesses have a turnover of more than £1m versus. none in the control group. At the lower end of the scale 50 percent of Young Enterprise businesses have a turnover of less than £99,000k compared with 83 percent of firms in the control group.

Entrepreneurship education is one of the most important places where the education and business communities are coming together to address youth unemployment and foster enterprising mindsets. With that in mind, the organization is putting extra effort into support for teachers and teacher training programs, so that more young people have opportunities, while they are still in school, to learn and challenge themselves in a real-world context.

In many countries technical schools, which offer some of the most important and valuable professional qualifications, have too little interaction with industry. The automotive sector is a typical example of how wide the gap can be: while modern cars are high-tech and full of software, many students in automotive schools may not have even seen what one of these vehicles looks like under the hood. In partnership with Hyundai Motors Europe, JA was able to bring the 21st century car industry into 125 vocational schools in eight countries, giving 3,000 students a taste of their future career prospects. The combination of STEM (science, technology, engineering and mathematics) skills and entrepreneurial competence will likely give these students a significant advantage when they look for work.

Today’s marketplace is highly global and, as a result, international business acumen and an entrepreneurial mindset are essential if young people want to work in or do business with a large multi-national company. But these organizations depend on intrapreneurship (entrepreneurship inside existing businesses) as much as a dynamic network of competitive suppliers. Enterprise without Borders, supported by FedEx, MetLife and TMF Group, encourages young people to explore the cross-border potential of their mini-companies and develop partnerships with students in other countries anywhere in the world: 7,200 students, 26 countries, hundreds of mini-joint ventures.

The European Round Table of Industrialists, made up of member companies that represent 50 of Europe’s largest companies, is deeply concerned about young people’s awareness of globalization, its challenges and opportunities. So far, together with 800 volunteers from these companies, 40,000 young people have participated in the Global Enterprise Project with its unique sector-based case studies and innovation camps. It is a new way to reach out to the next generation before they make important education and career choices.

JA-YE also has been partnering with Hewlett Packard in the Social Innovation Relay, which is a global effort challenging young people to develop their entrepreneurial acumen around social issues. Online collaboration has allowed 43,681 students from 19 countries to interact and create ideas together with the support of e-mentors from all over the world. With Intel and FERD, the organization is helping students to develop real social enterprises, an area attracting the interest of an increasing number of young people.
Inspiring Digital Natives

In an increasingly digital world, young people need to learn about skills required to do business in a high-tech era. Take 18-year-old Riku Korhonen. During 2012-2013, he spent a year at JA-YE, combining his video game passion, experience in logistics and business studies. To that end, he created his own game design company. Thanks to JA’s learning-by-doing approach, he gained business, teamwork, leadership and financial skills. And his success participating in JA-YE events and competitions gave him invaluable experience and confidence as a young entrepreneur. After his JA experience and success, Korhonen turned his business, which he named RikuCo, into a real going concern, legally registering it in spring of 2013. More recently, he launched MTRJ Services Ltd, a second company, in a completely different sector.

“I am very positive about my future,” Korhonen says.

Building further opportunities

Entrepreneurial Skills Pass

The Entrepreneurial Skills Pass (ESP) is a new international qualification that certifies students (aged 15-19) have gained the necessary knowledge, skills and competences to start a business or to be successfully employed. In order to receive their ESP, students must have completed the Company Program and passed an online exam testing their economic and business knowledge. The ESP is part of the European Business Campaign on Skills for Jobs, an initiative promoted by JA-YE Europe and CSR Europe, a grouping of more than 4,000 member companies dedicated to corporate social responsibility (CSR). These companies are concerned about the business risks related to such factors as an ageing workforce, a growing skills gap and stagnating socioeconomic development. The ESP is designed to be a PASS to further opportunities that is recognized by small and large businesses, top higher education institutions and international organizations. The ESP platform will be a place where young people can go to find avenues for pursuing their business ideas and their career development, as well as training and education possibilities.
The Middle East/North Africa region serves as a glaring example of the tumultuous consequences of youth unemployment—and, at the same time, as a beacon of hope for the role young people can play as drivers of social change.

The Arab Spring of 2011, with its epicenters in Tunisia and Egypt, shook the world into the realization that a growth at the expense of employment for young people and by exacerbating inequality can lead to political and social upheaval. And yet the factors at play in Egypt and Tunisia continue to plague the region. Top among these is an unprecedented “youth bulge.” In most MENA countries, nearly one in three people is between 15 and 29, a trend that is not expected to crest for several more years, and is severely straining education, health and employment systems. This demographic pressure is colliding with outmoded education systems that are not preparing young people for the realities of the labor market, unrealistic employment expectations among young people and their families, and decades of social policies excluding young people from active participation in political and social decisions affecting them.

The result: One in four young people is unemployed, with dim prospects for changing that status under current conditions. The MENA region, in fact, has the highest youth unemployment in the world. The economic cost of youth unemployment to the region is high: more than US$40-50 billion annually, according to the IFC. Political and social costs are higher, as smoldering frustrations have ignited into violent uprisings that continue to threaten the region.

Governments have much at stake in addressing the underlying structural causes of youth unemployment in the Middle East and North Africa. Of foremost concern for most regimes is their own stability and legitimacy among an increasingly youthful populace. The imperative is clear: They need to create more employment via support of private sector job creation and enterprise start-ups, and they must ensure young people have the right education and skills for the work being created. With tens of millions of young people expected to enter the region’s workforce over the next ten years, there is no time to waste.

Confronting this challenge requires an all-out effort involving a range of players, especially young people themselves. Education systems must be retooled to focus on training for the realities of the job market, with an emphasis on occupational and “soft” skills, such as communication, negotiation and teamwork. According to the Arab Human Capital Challenge, only 54 percent of CEOs interviewed across the region feel that the current education system provides graduates with adequate skills to succeed in the workforce, while less than half say there are enough graduates with the skills needed to fill empty positions. The private sector can play several roles here: communicating about the skill sets for which their industries will be recruiting, guiding curriculum and training design to boost those skills, providing mentoring and career development opportunities, and working with education systems to ensure that the skills in demand by the labor market are being taught and emphasized.
guidance to students, offering apprenticeships and other on-the-job training opportunities, and – ultimately – hiring more young people for steady, well-paying work. Youth-serving civil society organizations can continue to train young people on the soft skills that help them succeed in a range of workplaces and situations.

Perhaps most urgently, all actors must invest in efforts to promote entrepreneurship – by infusing entrepreneurship education into primary through tertiary school curriculum, by developing enterprise incubators that support and train start-ups, and by providing financial backing for entrepreneurs – so that young people become the engines of job creation the region so desperately needs.

These actions will also require a shift in cultural mindsets to recognize that guaranteed public sector employment is a thing of the past, relevant skills trump “wasta” (influential connections) in securing stable work, young women have as much to contribute to workplace success as their male counterparts, and critical thinking and self-motivation are traits to be nurtured rather than stifled. With the need to create new jobs and competitive skill sets at an all-time high in the region, these changes are now more essential than ever.

**JA in MENA**

INJAZ Al-Arab (INJAZ) is the regional operating center in the Middle East and North Africa for JA Worldwide and is an organization that promotes education and training in entrepreneurial skills in the Arab World. It teaches programs aimed at developing basic business skills, financial literacy and soft skills that equip young people to start and run their own businesses and find employment. Partnering with over 9,304 corporate volunteers has enabled INJAZ to reach over 350,000 students annually in more than 1,500 schools and over 1.6 million students in total since its inception in 2004. These young people have participated in a wide spectrum of INJAZ entrepreneurial training programs, like Company Program, Start Up and Ripples of Happiness, to name a few.

Currently, INJAZ Al-Arab is developing a unique program to solidify the link between youth and employment. The goal: to identify key sectors that are growing and lack youth applicants, and empower young people to seize the opportunities that are available to them. To that end, the program will promote these industries through a vast array of media and networks, such as air time on popular TV channels, social media, and INJAZ curriculum. And it will culminate in an internship program, which will bridge youth to the world of employment.

Start Up works through private sector partnerships with such companies as Boeing, and is aimed at harnessing young people’s entrepreneurial talent into creating registered, viable ventures. It entails an intense six-month period combining funding, training, mentoring and business operations. Ultimately, INJAZ Al-Arab hopes to launch the program in every country where the organization operates: UAE, Qatar, Kuwait, Saudi Arabia, Bahrain, Oman, Palestine, Pakistan, Egypt, Algeria, Tunisia,
INJAZ Egypt has been piloting and enhancing the Start Up program since 2012 by focusing on university students graduating from the INJAZ Company Program. By November 2013, a total of 30 enterprises were created in Egypt. The program’s success during Egypt’s most challenging political and economic climate of the 21st century serves as testimony to the dynamic and committed INJAZ team, as well as the nascent innovation and entrepreneurial talent among the region’s youth.

“The INJAZ Start Up program is evidence that if you help support young people through training, mentorship, seed funding and investment, the sky is their limit,” says Dina El-Mofti, executive director of INJAZ Egypt. One team demonstrated this potential clearly when members stated, “We are engineers by training and identity, and because of the INJAZ Start Up program, clients are now easily convinced that we are also professional businessmen and consultants.”

Another successful partnership with Coca-Cola has enabled INJAZ Al-Arab to create a program called Ripples of Happiness. It promotes social entrepreneurship by supporting university students’ initiatives to serve the communities they live in. In this rigorous six week program, students first come together as a team and design, plan and launch a community service project, competing against groups in six other countries. The winning teams receive extra funding from the Coca-Cola Foundation to further develop their projects, making them sustainable.

These efforts seem to be working. With the help of over 1,000 youth in nine countries throughout the region, two studies were recently conducted to better understand the impact of the INJAZ Company Program. Among the highlights:

- Over 74 percent of the students feel more empowered to take a leadership role in the workforce in the future.
- Over 70 percent say they’re more confident about their ability to compete successfully in the workforce.
- Over 63 percent feel they now know more about entrepreneurship, and over 60 percent say they are more interested in starting their own business.
- Most students say they gained more initiative and self-motivation, which are critical factors in both the job search and entrepreneurial process in the Arab world.
RecycloBekia from Start Up Program

RecycloBekia started as the idea of several Tanta University students who wanted to launch a company in an industry that did not even exist in Egypt. A year later, this Arab recycling company has 23 employees, a strategic partner in Hong Kong, its own factory in Egypt, two angel investors and is worth $400,000.

The company started with $1,000, and sent all of its materials – used electronics, CDs and other tech waste - to a factory in China to be recycled. Then USAID connected RecycloBekia to two angel investors, Dr. Khaled Ismail, Intel managing director, CEO of SysDsoft and one of the board directors at Orascom Telecom, and Hussien Elsheikh, a founder of Proceed Advisory LTD. The angel investors signed 1 million EGP to RecycloBekia, and in return received 40 percent of the company’s shares. If the company’s target goals are reached after three years, 10 percent of the shares will be returned to RecycloBekia free of charge.

Yet this quick rise has not been without challenges. Mostafa Hemdan, CEO of RecycloBekia, says that working with such a young team – all students – with no business experience (including himself) was the biggest hurdle the startup had to overcome. Hemdan says the only way he and his team were able to move beyond this challenge was for them collectively to “think like entrepreneurs”. What’s more, they were told by many that, while starting a new business in the aftermath of the Egyptian Revolution was difficult, attempting to launch a new industry was impossible. Unable to find any local experts, the RecycloBekia team worked without mentors and role models.

What drove the team, however, was the will to not simply create a project in the INJAZ Company Program, but to launch a real company. Hemdan and his colleagues display this same drive as they continue to lead RecycloBekia. To this day, all of the company’s managers remain students still enrolled in university, united by a common attitude that Hemdan captures in his mantra – “We all think we want to work for someone, but we need to think that we can work for ourselves.”

Like their entrepreneurial peers in other INJAZ programs, the RecycloBekia team proves that not only can young students become entrepreneurs, but they can also take ownership over their own economic futures.
Green Target from Company Program

What if you could get rid of your trash at home, school or work for free by picking up the phone? In 2008, a group of high school students from Kuwait won the 2nd annual INJAZ Al-Arab Young Entrepreneurs Competition for doing just that. Their startup offered to go to any local location to pick up trash for recycling. In their first attempt they collected 44 tons of recyclable material. The company received $17,500 from Gulf Bank, and later $350,000 from investors, to scale up the operation.

The business now collects paper, plastic and aluminum from 3,000 households and 30 corporations. It then delivers the trash to Kuwaiti companies specializing in creating eco-friendly items from recycled materials that pay Green Target for the service. With 11 full-time office employees and many part-time collectors, it’s also worth $250,000. Green Target now also sells additives to plastic factories to make their products biodegradable. Chairman Othman Boodai says the company wants to learn how to recycle the refuse themselves and manufacture fashionable bags, stationery and solar products from it.

Mommy Made from Ripples of Happiness

This enterprise is the brainchild of American University of Beirut students who participated in the 2012 Ripples of Happiness program. They turned heads with their multi-faceted idea of recruiting mothers to become caterers, while turning a profit for themselves. The woman-empowering social business won them UN sponsorship and $20,000 to expand.

The group located the underprivileged mothers through the non-governmental organization (NGO), St. Vincent De Paul, found professional chefs to train them and organized a catering service for events and dinners to help the women support their families. What’s more, the initiative tackles other social issues as well. Not only does it provide affordable food for poverty-stricken families and inspire customers to eat healthy, but the St. Vincent De Paul School, which donated its basement for the project, lets their children come to school for free.
The United States is experiencing significant unemployment among youths ages 16-24. Opportunities that were once readily available to young people—entry-level jobs at fast food restaurants, for example, or well-paying manufacturing jobs—are now scarce. According to the U.S. Bureau of Labor Statistics, as of April 2014, the unemployment rate among U.S. 16-24 year olds was nearly 12 percent, double that of the civilian labor force as a whole. Even college graduates are having difficulties finding work. Those most struggling to secure employment, however, come from low-income families and are disproportionately black. Given the unemployment rate among youth, financial stability and employment prospects remain uncertain.

Addressing youth unemployment is a problem of huge proportions—a challenge that John Raidt, foundation scholar at the U.S. Chamber of Commerce Foundation in an article in Business Horizon Quarterly recently called the “mission of our time.”

Without employment income, young people cannot pay off the staggering U.S. student debt, help sustain deeply strapped Social Security and Medicare systems, or contribute to their own retirement savings that rely on early-year contributions to accrue returns. Moreover, the mix of high debt and joblessness fans disillusionment and frustration with political and economic system, making the American dream seem more like an illusion and imposing huge societal costs.

What’s more, while recent data from the National Center for Education Statistics reveal that the U.S. public high school graduation rate is at 80 percent—its highest ever—and graduation among Latino and African-American populations has increased as well, college completion rates are low. That stems from a mix of academically unprepared students, inadequate guidance and support services, and the high cost of post-secondary education, which saddles many young people with enormous debt and no guarantee of a job.

Even those who do graduate are finding that their academic training has not prepared them with the qualifications currently in demand on the job market. The McKinsey Global Institute reports that 30 percent of U.S. companies had open positions in 2012 they could not fill due to a shortage of qualified candidates. By 2020, McKinsey predicts the country will have a surplus of nearly 6 million unemployed individuals without high school degrees, and a shortage of 1.5 million workers with college and graduate degrees.

The skills gap has received considerable attention from policymakers concerned that the U.S. will no longer be able to compete effectively in the global marketplace and will require workers from other countries to help meet the needs of employers. To address the problem, President Obama has set a goal for the country to lead the world in postsecondary educational attainment by the end of the decade—an objective that will require graduating eight million more students than have historically completed college.
Junior Achievement USA
JA USA is focused on empowering young people to own their economic success. The experiential programs around work readiness, entrepreneurship and financial literacy reach more than 4.4 million students annually in kindergarten through high school and help students see the relevance of education and the value of staying in school. In addition, in response to the youth unemployment crisis, the organization is stepping up its efforts to ensure that the future workforce is adequately prepared with the knowledge and skills needed to meet the demands of employers and the opportunities presented by entrepreneurial enterprises.

Findings from Junior Achievement’s 2010 Alumni Retrospective Survey reveal a significant record of success:

- 88 percent of respondents are confident in their ability to manage their personal finances effectively, in comparison to 71 percent of those who did not have the benefit of the JA experience.

- 20 percent indicated that they own their own business, as opposed to 7 percent of the comparison group and 10 percent of the general population.

- 96 percent report that JA made them confident about how to work effectively in a team environment.

- 88 percent say JA helped them hone their decision-making skills, and 85 percent indicate they have strengthened their interpersonal communication skills through JA.
JA Student Begins to Live the American Dream

Josuel Plasencia was raised by a single mother. But during summers, he would visit his father in the Dominican Republic. To the boy’s father, baseball was the ticket out of hardship. But this was not Josuel’s dream. He wanted to start his own business. Opportunity knocked when Josuel was in ninth grade. He participated in JA Job Shadow™, in which students receive in-class instruction and experience the world of work during an on-site visit to a local business. Access to business role models and networking opportunities made the difference for Josuel. He was named Junior Achievement of New York’s 2012 Student of the Year and interned with Fortune 500 companies. The first in his family to graduate from high school, he is attending Babson College studying accounting and entrepreneurship.

“JA has been the key to success for me. It really opened the doors of opportunity and encouraged me to look beyond the present to the possibilities of the future,” he says. “I hope my story inspires and gives hope to kids who don’t know how to navigate their way to success.”

Recently, Josuel and one of his former teachers were featured on a PBS national broadcast about nonprofit organizations working to increase U.S. high school graduation rates.

Impact of the Job Shadow Program

The results of the JA Job Shadow program, as illustrated through third-party evaluations, demonstrate it makes a positive difference to the students it serves:

- Nine out of 10 participating students claimed the program, as well as their job site visit, was either “valuable” or “very valuable.”

- The topics most often cited in response to a question about “the most important thing [students] learned” included communication, interview skills, and teamwork. Additional themes encompassed the need to work hard to achieve their goals and the importance of education for future success.

- After their experience, students showed a statistically significant increase in their perception that what they are learning in schools is “important to [their] future.”
Final Thoughts

As we have noted throughout this report, the challenge of youth unemployment has a number of characteristics that make single “silver bullet” solutions impossible:

- It is at once a global and local problem. But, its causes and effects are varied in different parts of the world requiring unique solutions depending on the location.

- Multiple actors (governments, corporations, educational institutions and civil society) will need to coordinate their efforts to address the problem in the years ahead effectively.

- The risk of not addressing the problem is high. It can lead to higher social costs now and in the future, social turmoil, political disruption, and long-term psychological damage to an entire generation of young people.

- Among the several basic interventions that must be taken are the following:
  - Boost job creation and labor demand
  - Better prepare young people for the job market
  - Illuminate the pathways to productive work
  - Improve current and long-term financial well-being
  - Foster entrepreneurship

We encourage you to deepen your understanding of the global youth challenge we face. The appendix to this document lists a variety of reports, articles and other publications that explore the many facets of the problem. And this is only a partial listing. JA Worldwide welcomes the opportunity to work with organizations throughout the world to address this profoundly urgent challenge. The future of our global economy hangs in the balance.
Sources & Additional Resources


The Independent: UK Warned that Youth Unemployment is ‘Public Health Time Bomb Waiting to Explode’ October 30, 2013. https://www.google.com/#q=UK+Warned+that+Youth+Unemployment+Is%27+a+Public+Health+Time+Bomb+Waiting+to+Explode+%26%238211%3B+The+Independent%2C+October+30%2C+2013.


International Labor Organization/ Asia Pacific Youth Employment Network: http://www.apyouthnet.ilo.org


JA Worldwide Contacts

JA Worldwide

Sean C. Rush
President & CEO
Margie M. Wang
Chief Operating Officer & CFO
Ammara Khan
Chief Marketing Officer

177 Milk Street, Suite 100
Boston, MA 02109, USA
Tel: +1 617 315 8563
info@jaworldwide.org
www.jaworldwide.org

JA Africa

Chinwe A. Effiong
President
P.O. Box CT 11239
Cantonment
Accra, Ghana
Tel: +233 248 156 375
chinwe.effiong@ja.org
www.jainafrica.org

JA Americas

Leonardo Martellotto
President
Cuidad de Cordoba
Cordoba, Argentina
CP: 5009
Tel: +54 9351 3028466
leo.martellotto@ja.org
www.jaamericas.org

JA Asia Pacific

Vivian Lau
President
Unit 102, 1/F,
Beautiful Group Tower
74-77 Connaught Road Central
Central, Hong Kong
Tel: +852 3426 3146
vivian.lau@jahk.org
www.ja-ap.org

JA YE Europe

Caroline Jenner
CEO
Rue Victor Oudart 7
B-1030 Bruxelles (Schaerbeek)
Belgium
Tel: +32 2 735 9720
caroline.jenner@ja-ye.org
www.ja-ye.org

INJAZ Al Arab

Soraya Salti
President
Shmesani Ma’roof Al-Rasafi
St. #36 2nd floor, P.O. 941033
Amman, 11194, Jordan
Tel: +962 6 568 1147
soraya@injaz-arabia.org
www.injazalarab.org

Junior Achievement USA

Jack Kosakowski
President & CEO
One Education Way
Colorado Springs, CO 80906
Tel: +719 540 6245
jkosakowski@ja.org
www.ja.org