



How Policymakers Can Boost Youth Employment



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INTRODUCTION



"Around the world, there is growing recognition of the need to strengthen policies and investments involving young people ... Youth can determine whether this era moves toward greater peril or more positive change. Let us support the young people of our world so they grow into adults who raise yet more generations of productive and powerful leaders."

Ban Ki-Moon, Secretary-General of the United Nations¹

The International Labor Organization (ILO) estimates that nearly 75 million young people are unemployed in the world today. This number has increased by more than 4 million since the financial crisis of 2008-9, and the outlook for the medium term is worsening. The global youth unemployment rate is 12.7% in 2012, and the ILO projects that it is likely to rise to 12.9% by 2017.²

The sheer magnitude of the youth employment challenge has gradually penetrated the public's awareness over the last decade, raising the profile of the issue before governments and policymakers. Increasingly there is a realization that the levels of youth unemployment are not simply a mirror of the business cycle, but a persistent structural issue that has distinct causes and requires distinct solutions that cut across fiscal, labor, social security, and education policies.

¹ Message for International Youth Day, August 12, 2012, <http://www.un.org/en/events/youthday/2012/sg.shtml>

² ILO (2012), Global Employment Outlook, downloadable at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_188810.pdf



The sources of structural change in the economy are well known: they are driven by advances in technology and communication, the globalization of production, inexpensive and easy access to information, and changes in the organization of work. What may be less well understood is the way these changes have transformed the sources of economic value – for enterprises and for individuals – in fundamental ways.

ManpowerGroup believes these accumulating changes represent a Human Age³ – in contrast to the Industrial, Space, or Information Ages – where the key sources of value for enterprises are the skills and talent embodied in the workforce. The ability to acquire, organize, and apply knowledge to solve business problems – human talent --has become more important than any other form of capital in ensuring economic success for both businesses and individuals.

The new talent-based economy presents tremendous opportunities for personal, enterprise, and national growth and development. But its more intensive and rapidly evolving skills requirements have raised the bar for new workers. Traditional school-to-work channels, skills training models, and career paths that build on access to entry-level work, no longer function as well as they used to in channeling young people toward sustainable careers. And the very efficiency of the new economy means not enough jobs will be created for all the young people who want to work.

The danger is that without aggressive, proactive job creation and youth employment strategies – the kind we haven't seen in the past -- we are looking at job scarcity, social tensions, and a lost generation of young people in both the developed and developing world.

ManpowerGroup is deeply concerned about the consequences of youth unemployment. The issue intersects our own business operations at three levels: in our efforts to provide recruitment solutions for our employer clients, to find jobs for our candidates, and to build employability and address skills shortages through workforce development initiatives. We believe that new and more aggressive strategies – supported by states but implemented through multi-stakeholder partnerships – are required to empower more young people to succeed in the new economy. Positive interventions should focus on several key areas:

Jobs: ensuring that enough good jobs exist for young people who seek them

- Pro-Growth policies to enable job creation
- Promotion of entrepreneurship

³ See: <http://www.manpowergroup.com/humanage/>



Skills: teaching young people how to identify opportunities, align their interests with market needs, and acquire relevant skills that will let them succeed in sustainable careers

- Information initiatives to improve skills market functioning
- Better career guidance and more flexible access to training
- More use of youth-friendly technology for information and service delivery

Experience: overcoming practical barriers to initial workforce entry by young people

- Apprenticeship programs, school-to-work programs, services for out of school youth
- Employer partnerships to ensure access to real jobs

Impact: identifying interventions that work, and scaling them up so that their impact matches the magnitude of the challenge, while their cost matches available funding

- Creating national youth development strategies
- Program documentation, monitoring and evaluation
- Establishing clear impact goals and providing a comprehensive range of services and solutions

Earlier this year, ManpowerGroup issued a paper on what businesses can do to help improve the employment outlook for young people.⁴ We urged employers to lean forward, to make more effort to tap the unique energy and perspective of young people, and to help create the skilled workforce that they will depend upon in the future. We encouraged businesses to partner more closely with educators and trainers to build real world experience into academic and vocational programs, and to take direct initiatives to hire, train, and mentor young people.

But businesses cannot do the job alone. In this paper, we address the broader enabling environment – policies and programs, financial and civil society resources – that will help improve the employment outlook for young people and enable more effective assistance to youth who are struggling. We want to address key actors, especially policymakers and educators, who can take a broad view of the youth employability challenge and exercise leadership in bringing successful approaches to scale.

ManpowerGroup based this paper not only on our direct business experience, but also on research and interviews engaging a wide range of experts in youth development, from the public, private, academic, NGO, and international organization sectors; we identify them individually in our Acknowledgements. We want to thank them for sharing their time and expertise in discussing a very extensive range of ideas, challenges, and innovative solutions.

⁴ ManpowerGroup (2012), “*Wanted: Energized, Career-Driven Youth*,” downloadable at: <http://www.manpowergroup.com/resources/releasedetail.cfm?ReleaseID=665045>

JOBS



According to Jim Clifton, Chairman of Gallup and author of “The Coming Jobs War,” there are only about 1.2 billion good jobs – steady, full-time, formal sector jobs -- in the entire global economy. Yet there are five billion people in the world over the age of 15, three billion of whom are trying to sustain themselves in the global labor force.⁵

Challenge: Creating Enough Jobs for All Young People Who Seek Employment

Job creation – on a massive scale – is the indispensable precondition for ensuring that young people around the world have access to economic opportunities. We cannot help young people find jobs unless those jobs exist. And increasingly, based on our experience, policymakers around the world are in agreement with labor market economists that promoting economic growth is the single most important driver for creating jobs.

Most governments take formal responsibility, as a matter of policy, for promoting full employment for their citizens. The U.S., for example, makes the promotion of full employment an explicit federal policy goal that has been written into law.⁶ But finding the right tools to maximize job creation is a significant policy challenge.

PUBLIC EMPLOYMENT STRATEGIES

Direct employment by the public sector, and direct subsidies for private employment, remain models that appeal to many governments because of their immediate and observable impacts; this sort of approach can, however, be prohibitively expensive, and there is controversy about its long-term effects:

⁵<http://businessjournal.gallup.com/content/149144/Coming-Jobs-War.aspx>

⁶<http://www.law.cornell.edu/uscode/text/15/3101>



- According to Professor Subramanian Rangan at INSEAD, the expense of public employment programs may undermine a government's fiscal position, while the actual labor market impact may be to simply divert job creation to favored areas rather than increasing overall employment for young people.⁷
- Wendy Cunningham, Labor Economist at the World Bank, also questions the impact of direct public sector employment programs. She suggests that the most important impacts of these programs might be secondary effects such as developing social and behavioral skills for the workplace and improving financial literacy.⁸
- In pursuit of effective program strategies, a study by Card, Kluve, and Weber reviewed nearly 200 program impacts from 1995-2007 and found that the strongest impacts on young people came from job search assistance programs, while training programs were more effective in the medium than in the short term.⁹ According to the World Bank's Youth Employment Inventory, an accumulating body of research suggests that such relatively cost-effective programs can have as great, if not greater impact on youth employment than much more expensive public employment or subsidized hiring programs.¹⁰

REGULATORY STRATEGIES

An alternative strategy, which is potentially attractive both for its impact and its fiscal efficiency, is for government to adopt policies that create a broadly enabling environment for job creation while focusing more strategic investments on improving individuals' ability to prepare for whatever jobs the economy creates.

- For example, according to Roland Michelitsch, Chief Evaluation Officer and Manager at the International Finance Corporation (IFC), Mexico has experienced a 2.8% increase in employment as a result of relatively inexpensive measures that have reduced red tape and taxes for businesses.¹¹ Moreover, access to reliable power can increase job creation in developing countries by 4-5%, and even more if this power comes from a reliable national grid rather than local generators.¹²
- According to Stefan Folster, Chief Economist for the Confederation of Swedish Enterprise,¹³ the most important single variable determining regional unemployment rates

⁷ S. Rangan, Interview, July 17, 2012

⁸ W. Cunningham, Interview, July 30, 2012. Also see 2004 Employment Guarantee Program in India at: <http://www.sacw.net/Labour/EGAprimer.html>

⁹ David, C., J. Kluve, and A. Weber (2009) "Active Labor Market Policy Evaluations: A Meta-Analysis," IZA Discussion Paper No. 4002 (Download at: <http://www.politiquessociales.net/IMG/pdf/dp4002.pdf>)

¹⁰ Ibid.

¹¹ R. Michelitsch, Interview, August 3, 2012 and also see: Bruhn, M. (2008), "License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico," Policy Research Working Paper 4538, World Bank, Washington, DC. Downloadable at http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2008/02/28/000158349_20080228163807/Rendered/PDF/wps4538.pdf

¹² World Bank Group Enterprise Surveys, 2006-10 (<http://www.enterprisesurveys.org/>)

¹³ http://www.svensktnaringsliv.se/english/about-us_16830.html



in Sweden is the business climate in each municipality, particularly with respect to the regulatory and tax environment.¹⁴ (See Box 1)

The International Finance Corporation (IFC) has undertaken a study of job creation in developing countries, to determine the most effective strategies for increasing private sector employment.¹⁵

- Using data from the World Bank Group Enterprise Surveys, the IFC documented the role of small businesses as the primary engine of job creation in developing countries: small businesses (employing 5 to 19 workers) have the highest employment growth rates among all sizes of firms, and have been increasing their share of total employment at the expense of larger firms. Their high performance extends across both the manufacturing and service sectors.
- The study also identified government initiatives that have the greatest impact on stimulating small business growth. In particular, regulatory initiatives that improve access to capital markets and reduce barriers to business formation, combined with strategic investment of scarce resources in physical infrastructure and workforce skills development, have been shown to have a substantial impact on accelerating the rate of economic growth and job creation.

LEADERSHIP STRATEGIES

According to Jeff Joerres, Chairman and CEO of ManpowerGroup, the lack of jobs for young people “creates a dangerous scenario where young people are being locked out of the learning curve and their ability to contribute to society is significantly diminished.” Because of the broad social and economic consequences of this scenario, Joerres maintains that “there is shared responsibility among all stakeholders to nurture a fresh generation of skilled talent where currently one does not exist.”

Joerres co-chaired the Employment Task Force at the B20 Summit in Los Cabos, Mexico. The B20 Summit encourages dialogue between governments and the global business community and prepares agenda items for the annual G20 summit of world leaders. The task force identified five areas where government leadership combined with multi-stakeholder collaboration is most urgently needed, in order to promote job creation:

- Provide greater access to labor markets for job seekers without undermining social protection and incentives for work
- Express and implement realistic, well-coordinated growth policies to support business, consumer and investor confidence while increasing demand and trust between sectors

¹⁴ S. Folster, Interview, August 17, 2012

¹⁵ www.ifc.org/jobcreation



- Encourage and support small- and medium-size enterprises and entrepreneurs as an engine of job creation
- Support short- and long-term interventions to enhance skills and employability, reducing the mismatch between the quality and skills needed by businesses and those offered by job seekers through a flexible system of lifelong learning
- Scale the number, quality and image of internships and apprenticeships for young people

BOX 1 IFC STUDY ON JOB CREATION

The International Finance Corporation (IFC) has launched a jobs study to better understand the interventions that spur job creation through private sector development. The study will be released in December 2012, and its findings will be applied to strategic decision making and program support by the IFC and the World Bank. But some preliminary findings have already emerged:

Based on the World Bank's Enterprise Surveys conducted across 106 developing countries from 2006 to 2010, small firms (5-19 workers) have the highest employment growth rates (18.6%), followed by medium-sized firms (20-99 workers) with a growth rate of 8.1%. Large firms have experienced a negative employment growth rate. The relative rates of employment growth among small, medium, and large firms are remarkably similar across regions and country income groups.

The share of total employment of small firms has increased by 3.7 percentage points in the developing countries, while medium-sized firms held their share with just a 0.2 percentage point increase. Large firms have decreased their employment share in developing countries. By contrast, large firms tend to have the highest employment shares in higher income countries.

The surveys found significantly higher employment growth (2-4.5%) in firms that have increased their labor productivity by offering training or use of technology and innovation.

The IFC Jobs Study described above will be closely aligned with the World Bank's 2013 World Development Report, currently in preparation. The focus of the 2013 WDR will be Jobs and Youth. The report will contribute to explaining the connection between jobs and various dimensions of economic and social development.

Sources: www.ifc.org/jobcreation and <http://econ.worldbank.org/external/default/main?noSURL=Y&theSitePK=8258025&piPK=8258028&pagePK=8261309&contentMDK=23044920>



ENTREPRENEURSHIP STRATEGIES

The promotion of entrepreneurship is increasingly recognized as an important strategy that can leverage the energy of individuals and civil society to expand the creation and supply of jobs. Such programs are relevant in both the developing and developed world:

- According to preliminary findings from a field research study by the Boston Consulting Group, in several African countries only one job exists for every six to seven potential applicants.¹⁶ There is an urgent need to encourage more business startups and more entrepreneurs in these communities.
- A recent article in *The Economist* identified a “risk-averse culture” as one of the primary reasons why Europe is not generating as many new, fast-growing companies as the U.S.¹⁷ Promoting entrepreneurial values, and providing concrete support for new entrepreneurs, could significantly boost job creation.

According to Dr. Shailendra Vyakarnam, Director of the Centre for Entrepreneurial Learning, University of Cambridge, support and training for young entrepreneurs can help improve the skills and success of individuals turning to “necessity entrepreneurship” in under-developed countries and communities, as well as in more developed countries where large-scale unemployment is a problem.¹⁸

- Anti-poverty strategies in regions with a limited employment marketplace can still promote self-employment based on local resources. For example, they can provide assistance to individuals in creating and operating crafts businesses, low-technology mobile phone repair, and similar small enterprises. On a community scale, initiatives such as the creation of agricultural and credit cooperatives, and fair trade branding and marketing programs, make it easier for small-scale local producers to access wider markets and realize opportunities for growth.

Entrepreneurship training, especially if embedded in school and college curricula, can promote a culture of innovation, risk taking, and business formation that enhances competitiveness, growth, and job creation in both developed and developing economies.

- University-level entrepreneurship programs can be oriented toward encouraging and incubating real startup businesses. The University of Miami, Florida’s Launch Pad Program¹⁹ emphasizes business plan assessment and mentoring/networking components for students who are potential new business starters; Ontario’s Conrad Entrepreneurship and Technology Centre at the University of Waterloo, Ontario combines business skills training with exposure to mentors who have practical business experience and

¹⁶ G. Boero, Interview, August 17, 2012

¹⁷ The Economist, “Les Miserables,” July 28, 2012, (<http://www.economist.com/node/21559618>)

¹⁸ World Economic Forum (2009), “*Educating the Next Wave of Entrepreneurs*.” Downloadable at: https://members.weforum.org/pdf/GEI/2009/Entrepreneurship_Education_Report.pdf

¹⁹ <http://www.thelaunchpad.org/>



connections, and who can help students learn how to see and evaluate opportunities, develop business plans, and engage potential funders, partners, and customers.²⁰

Entrepreneurship training can also support the personal development of young people, by teaching leadership and practical skills that promote personal success and social inclusion, whether or not they go on to start their own businesses.

- Peter Vogel, Founder of The Entrepreneurs' Ship, says that fostering entrepreneurship as a viable career option can have a transformative effect on young people's goals and motivations, especially in areas where "high levels of unemployment or difficult employment situations leave little room for individuals with high ambitions."²¹
- Steve Mariotti, Founder of the Network for Teaching Entrepreneurship (NFTE), says that successful entrepreneurship programs help young people build skills that are useful not only in the workforce, but for life, including: respect for one's own mental and physical health; empathy for and listening to others, (sales, and marketing), social skills (communication, team formation) and leadership (taking initiative, creativity, planning, project administration).²²

Enabling Entrepreneurship

According to Cunningham, the World Bank's experience in supporting entrepreneurship programs suggests that basic business skills training is not enough to help new entrepreneurs launch their own businesses; training must be supplemented with three additional forms of capital; knowledge capital, to help participants understand markets, resources, and government support opportunities; social capital, to provide connections to mentors, customers, and partners/contracting opportunities; and financial capital, including access to microfinance and other forms of credit for startup businesses.²³

Because of these diverse requirements, according to the World Economic Forum (WEF), "entrepreneurship thrives in ecosystems in which multiple stakeholders play key roles."²⁴ That means that governments have a powerful role to play in fostering collaborations with educators and businesses to promote a culture of entrepreneurship, and in making targeted regulatory and investment decisions that provide infrastructure and financial resources to support small business formation.

²⁰ <http://www.conrad.uwaterloo.ca/>

²¹ P. Vogel, Interview, July 27, 2012; see also: <http://www.entrepreneurship.org/>

²² S. Mariotti, Interview, July 31, 2012

²³ W. Cunningham, Interview, July 30, 2012

²⁴ World Economic Forum (2009), "Educating the Next Wave of Entrepreneurs." Download at: https://members.weforum.org/pdf/GEI/2009/Entrepreneurship_Education_Report.pdf



- According to Mariotti, governments and educators can promote an enabling environment for entrepreneurs by ensuring shelf space for entrepreneurship in national educational curricula, and by ensuring that educational institutions retain an entrepreneurial focus that includes not just curricula but partnerships with businesses and entrepreneurs. University-based programs should include technology-transfer and incubation resources to support new business startups.²⁵
- Junior Achievement²⁶ is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. Junior Achievement programs are delivered by volunteers who include business leaders in their local communities. In the US, Junior Achievement programs reach more than 4 million students per year in more than 176,000 classrooms, thanks to 178,000 volunteers.
- INJAZ-al-Arab,²⁷ the Arab-world affiliate of Junior Achievement, is taking an ecosystem approach to promoting entrepreneurship among young people in the Arab world. According to Senior Vice President Soraya Salti,²⁸ one component involves broad cultural promotion of entrepreneurial values through sponsorship of a television program focusing on entrepreneurial success stories among Arab youth. INJAZ is also working with PwC to develop recommended educational reforms, in versions suited toward higher-income and developing Arab countries, which will incorporate entrepreneurial training and support for startups into primary, secondary, and university education systems. And ManpowerGroup is working with INJAZ to create an Arab Youth Portal, an online site for electronic distribution of entrepreneurship training and contests, including social networking, mentoring services, and information on financial resources for young entrepreneurs.
- YouthTrade is an innovative project of the Youth Employment Summit²⁹: it is a platform for certifying, promoting, and distributing goods created by young entrepreneurs who would otherwise lack access to distribution networks. YouthTrade works with retailers directly to brand and place these products, and mobilizes interest based on a triple bottom line appeal (people, planet, profit). For example, YouthTrade has reached an agreement with Whole Foods Market's North Atlantic Region to place YouthTrade products in 28 stores. The program eliminates barriers that startup businesses would otherwise face due to lack of capital and contacts, and has the potential to help young entrepreneurs succeed and expand quickly.
- Thomas Kuratle, a young Swiss entrepreneur, praises the state- and civil-society based support network for encouraging new business startups in Switzerland (See Box 2 opposite). He thinks the system would work even better if it were more pro-active about encouraging young entrepreneurs at the very earliest stages of their decisions about creating a new business.³⁰

²⁵ S. Mariotti, Interview, July 31, 2012

²⁶ <http://www.ja.org>

²⁷ <http://www.injazalarab.org/en>

²⁸ S. Salti, Interview, August 2, 2012

²⁹ <http://www.yesweb.org> or <http://kelowna.directrouter.com/~yeswebor/index.php/en/>

³⁰ T. Kuratle, Interview, July 25, 2012



BOX 2 ENTREPRENEURSHIP IN SWITZERLAND

David Narr, Entrepreneurship Coach at the Swiss non-profit Genilem³¹, thinks that Switzerland provides a good illustration of government and civil-society efforts to encourage greater levels of entrepreneurship. The country is extremely prosperous and well-educated, ranking near the top of most Human Development Indices, but because of its commercial bias toward insurance and banking, it has developed a highly risk-averse business culture. According to Narr, “the culture needs to support more risk-takers.”³²

Recognizing the ever-increasing role of small and medium-size enterprises in innovation and job creation, the Swiss federal government has taken a number of positive steps to promote entrepreneurship in its economy, including e-Government and administrative reforms, improvement of access to financial capital and markets, and promotion of entrepreneurship education, training, and mentoring.

In order to catalyze innovative entrepreneurial activities, the Federal Office of Professional Education and Technology formed the Commission for Technology and Innovation (CTI), an agency that lends support to R&D projects, to promotion of entrepreneurship (through training, mentoring and financing) and to the development of startup companies. CTI has assisted more than 180 startups over the past 10 years and 85% of them are successfully operating commercially today.

The federal government encourages the flow of private capital to new business startups through loan guarantee programs (up to CHF 500,000, with 65% exposure assumed by the government) and tax breaks for venture capital firms that invest in Swiss startups.

Civil society organizations like Genilem (<http://www.genilem-suisse.ch/>) also contribute to a supportive ecosystem for new entrepreneurs. Genilem provides up to three years of training and mentoring support for young entrepreneurs and provides advice on developing viable long-term business models. According to Narr,³³ more than 300 entrepreneurs go through Genilem training program each year and more than 80% of the companies assisted by Genilem are growing successfully in the market.

Source: www.genilem-suisse.ch and <http://www.stistartup.ch/>

Controlling Costs and Maximizing Returns in Entrepreneurship Programs

Tax credits, loan guarantees, incubation facilities, and related support for small business startups represent a modest but significant fiscal investment. But not all young people are suited to a career as entrepreneurs. And not all forms of entrepreneurship have equal impacts on job creation. Programs to promote entrepreneurship can be aligned with national goals and

³¹ <http://www.genilem-suisse.ch/>

³² D. Narr, Interview, August 3, 2012

³³ Ibid.



resources if effective tools exist for focusing more intensive support on the most promising candidates.

- The municipality of Shanghai, China, has implemented a New Business Starters (NBS) program which provides entrepreneurial training to promising candidates, and then helps them actually launch their business by providing access to credit and tax incentives. Because of the fiscal investment required to sustain the program, Shanghai authorities wanted a better way to be sure that money was being spent on individuals most likely to benefit from the program. ManpowerGroup developed a New Business Starters assessment that measures biographical, personality, and cognitive traits to estimate individuals' likelihood of success in entrepreneurial training programs, and as actual entrepreneurs. Validation studies have shown that high scorers are two to four times more likely than low scorers to be successful in the NBS program. The assessment has been integrated with program enrollment and has been administered to more than 30,000 candidates in Shanghai.
- Dencker, Gruber, and Shah studied the secondary employment impacts of new business startup programs³⁴; they found that job creation was maximized by founders who had prior leadership experience, and that this experience factor had a greater impact on job creation than any other knowledge or experience that a founder brought to his new business. This suggests the importance of reinforcing leadership skills in new entrepreneurs.
- The study also found that job creation impacts varied by business sector, based on fairly straightforward patterns in labor requirements among different types of businesses (e.g. a restaurant requires more workers than a tax consultancy). It may be possible to maximize job creation by entrepreneurship programs by focusing on new entrepreneurs in sectors with high labor requirements.³⁵

RECOMMENDATIONS

To promote job creation and enterprise formation and development, governments can take three strategic approaches:

1. Create a favorable regulatory environment for private sector investment and expansion;
2. Focus government investment on infrastructure and skills training to boost the productive capacity of the economy and support strategic growth objectives;
3. Create an enabling ecosystem for entrepreneurship to promote the startup and expansion of new small and medium-sized businesses.

³⁴ Dencker, J.C., Gruber, M., and Shah, S. (2009), "Individual and Opportunity Factors Influencing Job Creation in New Firms," *Academy of Management Journal*, Vol. 52, No. 6, 1125-1147.

³⁵ Ibid.

SKILLS



Job creation is the indispensable foundation of employability programs. But Goran Hultin, CEO of Caden Corporation and former Executive Director of the ILO's Employment Sector, points out that the market by itself will not necessarily create jobs that precisely match the skills base of the workforce.³⁶

Programs that intervene on the supply or skills side of the equation – education, training, apprenticeships, school-to-work and other assisted job placement initiatives – are therefore essential for ensuring that young people are prepared for the actual job opportunities that are created by economic growth.³⁷ Government and the education system retain a central role in positive programs to help individuals access and succeed in the workforce.

Challenge: Aligning Young People's Skills with Job Opportunities

The disconnect between job creation and the skills supply is illustrated by a paradox of the current economy: persistent, high unemployment exists alongside severe skills shortages and unfilled positions in many enterprises.

- A 2012 Study by BusinessEurope indicated that there were 24.5 million unemployed persons in Europe at the same time that businesses were having difficulty filling million vacancies³⁸.
- In the U.S., on average 8 million jobs are posted online in any given month in 2011, while 13 million individuals are experiencing persistent month-to-month unemployment.³⁹

³⁶ G. Hultin, Interview, July 17, 2012

³⁷ Ibid.

³⁸ <http://www.busesseurope.eu/Content/default.asp?pageid=568&docid=30149>

³⁹ http://blogs.hbr.org/cs/2012/02/a_fix_for_the_dysfunctional_la.html



The problem is widely distributed across both developed and developing economies, and across a diverse range of occupations.

- According to a 2012 Talent Shortage Survey by ManpowerGroup⁴⁰, 81% of employers in Japan, 71% in Brazil, 50% in Australia, and 48% in India reported difficulty in filling key jobs.
- The top positions that employers had difficulty filling in 2012 were skilled trades occupations, but among the other top 10 positions cited were laborers, drivers, office support staff, IT staff, and engineers.
- Hultin argues that “mid-level skills shortages, especially in trades and technical occupations, are choking the global economy.”⁴¹

Tammy Johns, Senior Vice President of Innovation and Workforce Solutions for ManpowerGroup, emphasizes that the talent mismatch is a structural and long-term development issue, not a temporary or exceptional problem.⁴² It is a labor market failure that results, in part, from the accelerating rate of change in the global economy – making it harder for the skills supply system to keep up with rapidly changing demand. Signs of this market failure are evident on both the supply and demand sides:

- The education and training system continues to turn out graduates whose skills are not always a match for available opportunities: in China nearly 30% of university graduates have difficulty finding employment upon graduation; in the Middle East, university graduates are often unemployed for up to three years after graduation; in Spain, more than 50% of all young people lack work.⁴³
- Mr. Makarand Khataavkar, Managing Director and Head of Human Resources for Deutsche Bank Group in India, notes a widely-reported statistic that only about 25% of India’s 3.7 million college graduates each year are considered work ready for the country’s booming technology sector. His own company provides 140 hours of skills training, ranging from behavioral guidance to technical boot-camp, to incoming engineering and business-school graduates.⁴⁴
- But many employers are responding to the skills shortage with what Johns considers precisely the wrong approach: instead of creating more flexible job descriptions and relying more on in-house training, employers are multiplying their skills requirements for open positions, and seeking individuals who combine the skills for multiple potential jobs. This “exact experience needed” syndrome narrows rather than widens the range of qualified candidates, making it more difficult for even experienced candidates to take advantage of

⁴⁰<http://www.manpowergroup.com/investors/confirm.cfm?destination=/research/research.cfm&addFile=571882>

⁴¹ G. Hultin, Interview, July 17, 2012

⁴²http://blogs.hbr.org/cs/2012/02/a_fix_for_the_dysfunctional_la.html

⁴³ ILO 2012, “The Youth Employment Crisis: Highlights of the 2012 ILC Report,” downloadable at http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ed_emp_msu/documents/publication/wcms_181269.pdf

⁴⁴ M. Khataavkar, Interview, July 26, 2012



existing openings. It also creates significant barriers that shut out young people with little or no work experience.⁴⁵

The bottom line is that in the current labor market, many potential opportunities for business growth are not resulting in the hiring of individuals who want to work, and many individuals seeking work find themselves without qualifications for available jobs. Governments, educators, and businesses need to work together to provide young people with a stronger foundation of work relevant skills, and to improve the marketplace for job-specific skills training that can help align individuals with rapidly evolving business demand. Solving this problem calls for several, parallel strategies:

INFORMATION AND MARKET-MAKING SOLUTIONS

The U.S. Bureau of Labor Statistics (BLS) currently collects data from job boards and other online services as well as from employer surveys; Professor Harry Holzer at Georgetown University estimates that it may be possible to electronically capture information on as many as half of all the vacancies in the total economy. But some of this information is out of date; and in many cases its value is limited because of the different ways that employers define jobs, and even specific skills, in different regions and industries.⁴⁶

- For example, Barbara Walker, CISCO's Territory Account Manager for West Texas, is leading a project called Boots to Jobs that is intended to place veterans into IT positions in Texas. According to Walker, the project is meeting unexpected challenges because the standard skill descriptions used in the military are unintelligible to local employers, and vice versa. A lot of preliminary work is being done just to make sure that both sides speak the same language on skills and qualifications.⁴⁷

Anthony Carnevale, Director of Georgetown University's Center on Education and the Workforce, suggests that with more effort and better analysis, a resource could eventually be created that provides much deeper real-time information about patterns and trends in employment demand. Such a system could provide comprehensive support for skills matching, career counseling, and the rapid deployment of training resources that can help clear the labor market.⁴⁸

- In the U.S., the Hope Street Group⁴⁹ is bringing stakeholders together to develop a transparent, user-friendly online platform for job seekers, employers, trainers, and intermediaries. The goal is to provide "decision support resources" for young peoples'

⁴⁵ T. Johns, Interview, July 18, 2012

⁴⁶ H. Holzer, interview, July 24, 2012

⁴⁷ B. Walker, Interview, July 23, 2012

⁴⁸ A. Carnevale, Interview, August 3, 2012

⁴⁹ <http://www.hopestreetgroup.org/>



career and education choices, improve signaling and incentives for the development of training resources, and help match the supply and demand for skills in the labor market.⁵⁰

The CISCO and Hope Street projects point toward a potentially more comprehensive model for mitigating talent mismatches, through intermediation by what Johns calls “labor market makers.”⁵¹ Johns believes that as better information resources are being developed, expert intermediaries have a key role to play in helping to identify skills shortages, coordinate recruitment and training for potential candidates, and provide effective job matching channels.⁵²

CAREER GUIDANCE SOLUTIONS

According to Professor Holzer, there needs to be a much greater emphasis on career information programs at all levels of education and training, especially in high school and at key career decision points for youth.⁵³

Career choice is not a purely economic decision – young people must have the opportunity, in school, to discover what they enjoy doing, and identify their aptitudes for different kinds of careers. But one key area where new resources need to be developed is in helping young people measure the career impact, and the economic value, of acquiring specific education and training credentials.

- According to Holzer, Carnevale, and others, new initiatives combining data from educational enrollments and the unemployment insurance system are providing innovative ways to estimate the economic returns from specific degrees, certificates, and other vocational credentials in the job market. For example, a study by Carnevale, Rose, and Hansen suggested that holders of vocational certificates (typically requiring a year or less of study, and significantly cheaper than Associates’ or Bachelors’ Degrees) may earn as much as the typical holder of a bachelors’ degree if they are certified, and work in, certain high demand fields like IT or electronics.⁵⁴
- A further stage in improving information on educational investment would be to take the analysis beyond the degree level, to the level of discrete work-relevant skills. This could help students make highly specific decisions about individual courses and training elements. However, substantial challenges remain both in defining relevant skills categories and in acquiring relevant data.⁵⁵

⁵⁰ C. Haynes, R. Burke, and J.J. Raynor, Interview, August 2, 2012

⁵¹ http://blogs.hbr.org/cs/2012/02/a_fix_for_the_dysfunctional_la.html

⁵² T. Johns, Interview, July 18, 2012

⁵³ H. Holzer, Interview, July 24, 2012

⁵⁴ <http://cew.georgetown.edu/certificates/>

⁵⁵ A. Carnevale, Interview, August 3, 2012



OUTCOME-BASED TRAINING SOLUTIONS

According to Professor Holzer, the training interventions proven to have the greatest impact on employment outcomes consist of sectoral micro-training tailored to the requirements of specific jobs. This sort of training is also well-aligned with the rapid evolution of job requirements.⁵⁶

However, according to David Arkless, President of Global Corporate and Government Affairs for ManpowerGroup, this sort of just-in-time micro-training is most helpful to individuals when it is “based on the enhancement of basic competencies.”⁵⁷ In other words, job candidates need a foundation of basic skills and possibly an intermediate level of broadly-relevant vocational or professional skills, while micro-training can provide the finishing touches to prepare them for specific available jobs.

- According to an article by Bill Berezowitz of GE Healthcare and Tim Sheehy of the Metropolitan Milwaukee Association of Commerce, 46 out of 50 U.S. states have come together to explore the implementation of core K-12 education standards designed to provide a foundation for economic success. The process involves both narrowing and deepening the curriculum available to students based on international best practices.⁵⁸ The State of Wisconsin, in partnership with ManpowerGroup and other firms, is also systematically evaluating the availability of vocational training resources based on medium and long-term projections of skills demand in the state.⁵⁹
- Foundational and general vocational skills training is increasingly available from non-traditional and flexible sources as well. For example, Harvard, MIT, and other leading universities have made part of their academic course content freely available online.⁶⁰ Johns notes that many employers are still more focused on candidates’ degree credentials than on their actual knowledge, but hopes that changes in employer attitudes or possibly new skills credentialing systems could help make this sort of information more directly valuable in the employment marketplace.⁶¹

TECHNOLOGY SOLUTIONS

New information technology can help not only in assembling relevant labor market information, but in making actionable data more readily available to young people and to the programs serving them.

⁵⁶ H. Holzer, Interview, July 24, 2012

⁵⁷ D. Arkless, Interview, July 10, 2012

⁵⁸ <http://www.jsonline.com/news/opinion/all-kids-need-a-great-education-3o68ipg-164079606.html>

⁵⁹ <http://manpowergroup.com/investors/releasedetail.cfm?ReleaseID=692867>

⁶⁰ MIT OpenCourseWare at <http://ocw.mit.edu/index.htm>

⁶¹ T. Johns, Interview, July 18, 2012



- In Egypt, Microsoft Corporation launched an online employability portal called MASRworks in collaboration with Silatech, a regional social enterprise focusing on youth employment.⁶² MASRworks includes modules on career guidance, employability, and entrepreneurship, and also provides job and internship listings to help young Egyptians gain easier access to the world of work. Jeffrey Avina, Citizenship and Public Affairs Director for Microsoft Middle East and Africa, sees MASRworks as an innovative employment model for Arab youth that respects their role in creating new forms of society in the wake of the Arab Spring.

Telecommunications technology is also supporting the development of new, youth-friendly labor market information sources, such as mobile phone and text-based job listing and matching services. This technology is cheap enough to become widely used even among disadvantaged youth or youth in developing countries. It is therefore potentially a tremendous resource in overcoming information and social-connection deficits among disadvantaged young people.

- Jacob Korenblum, CEO and Co-Founder of Souktel⁶³ points out, for example, that the West Bank has recently been experiencing significant economic growth but that a major constraint has been letting potential employees know about new job opportunities: local resources for information and social connection are poor and this circumstance was making it difficult both for employers to recruit new hires and for individuals to find jobs. Souktel saw an opportunity to provide an inexpensive solution through a mobile phone-based job connection service. (See Box 3)

BOX 3 SOUKTEL: THE MIDDLE EAST'S FIRST MOBILE PHONE JOB INFO SERVICE

Tapping into the potential of mobile technology, Souktel has brought an innovative solution to address the need for better access to labor market information in low income countries that lack internet infrastructure.

Souktel is a cell-phone service that uses SMS and voice-menu technology to link young people with jobs. Since 2006 Souktel has been providing inexpensive mobile job-find services in 12 regional markets in the Middle East and East Africa.

Souktel's JobMatch service connects thousands of job-seekers with employers who are looking for new hires. Souktel's services have also had broader social impacts in terms of saving time, money, creating social networks, and empowering women. Since 2006, more than 19,000 job-seekers and 700 employers have registered on Souktel's JobMatch systems. More than 5,000 job-seekers are matched with work or training. In Palestine, 84% of surveyed job-seekers reported that time spent on looking for work decreased from 12 weeks to 1 week; 64% of job-seekers reported a 50% increase in mean monthly wages, from \$500 per month to \$750 per month.

Source: <http://souktel.org/>

⁶²<http://masrworks.com/>

⁶³J. Korenblum, Interview, August 3, 2012



RECOMMENDATIONS

To better align skills supply and demand in the labor market, governments can take five strategic approaches:

1. Facilitate the creation of comprehensive, real-time labor market information systems that can help market participants and market makers balance the supply and demand for skills.
2. Convene employers and educators to create a shared, pragmatic language of skills specifications that is job-relevant and that can help coordinate training resources; create a more extensive credentialing system that recognizes job-relevant skills acquired from both formal and informal channels.
3. Improve career guidance resources for young people at all stages of the education process, and at key decision points in and out of school.
4. Improve young people's access to training that is clearly related to employment outcomes; help young people evaluate the economic returns on degree and certificate programs; ensure appropriate support systems to help young people complete their programs.
5. Support new, youth-friendly technology platforms, such as mobile phones and texting, for the delivery of information and services to youth.

EXPERIENCE



Specific practical skills – even when closely job-related – are only part of what employers are looking for in new hires. Increasingly, employers are also looking for young people with work experience. They want to be certain, before making a hiring offer, that young people know how to function in the workplace and know how to apply their skills to concrete business tasks.

Traditionally, young people acquired these experience credentials in entry-level jobs with minimal or no prior experience requirements. However, a number of factors are contributing to the disappearance of these jobs, making it harder for many young people to get started in the workplace and to acquire foundational experience for their future job searches.

- According to Arnold Cherry, Manager of ManpowerGroup's Washington, DC office, telephone receptionist jobs are quickly disappearing because of a combination of technical and management factors. For example, it is cheaper to install inexpensive voice-recognition software than to hire lower-skilled workers to answer phones. It is more efficient to combine receptionist duties, when they are absolutely essential, with higher-level clerical and administrative roles, which require more polished and experienced individuals.⁶⁴
- Diana Furchtgott-Roth, Senior Fellow at the Manhattan Institute for Policy Research, suggests that in developed countries especially, the unintended consequences of minimum wage and benefit increases include pricing inexperienced workers out of the labor market; she believes that increased costs for entry level positions are driving some of the technical and management innovations by employers that are reducing the numbers of these jobs.⁶⁵

As the complexity and skills requirements of even entry-level jobs increases in the new economy, more and more young people are shut out of first jobs with career potential; those jobs that remain available to them risk leaving them in a low-wage trap.

Challenge: Launching Successful Careers

⁶⁴A. Cherry, Interview, July 10, 2012

⁶⁵D. Furchtgott-Roth, Interview, July 26, 2012



If policymakers want to improve young people's participation in the workforce, and enable them to launch successful careers, then they must help young people overcome this experience-needed syndrome. Employability programs need to recognize the importance of experience credentials alongside hard skills credentials, and to recognize that each element requires a distinct strategy within a comprehensive program of support.

- Furchtgott-Roth points out that traditional entry-level jobs provide important lessons in teamwork, communication, leadership, and task planning that are important for functioning well in any workplace. That is why employers often use experience requirements as shorthand for expectations about the soft skills (workplace competencies) and life skills that young people bring – or fail to bring – to the workplace.⁶⁶
- Experience programs must strike a careful balance between short- and long-term goals. It is important to help young people acquire an initial portfolio of foundational work experiences whether or not these jobs, in themselves, represent career-track positions. But it is also essential for programs to help individuals move beyond the entry level once their credentials give them credibility in the labor market, so that they are not trapped in low-level positions.
- Experience programs also have a key role to play in promoting social inclusion. Policymakers can ensure program access for women who might otherwise be restricted, by cultural tradition, to more limited employment options, or for persons subject to other forms of discrimination. Inclusive work experience programs help these individuals gain access to a wider range of workplaces and employment options, reducing occupational segregation and discrimination.

Broadly speaking, there are three main ways to incorporate experience elements into youth employability programs:

- By combining classroom education with workplace-based training, and providing direct channels from school into vocations, via formal apprenticeship systems.
- By creating school-to-work programs that put a broad emphasis on work experience, combining career counseling, work-readiness training, and opportunities for career exploration via practical, paid internships.
- By strengthening intermediaries that can provide longer-term career support, including access to jobs and training, for individuals who are out of school – either already in the workforce, or disengaged from the workforce.

⁶⁶D. Furchtgott-Roth, Interview, July 26, 2012



APPRENTICESHIP PROGRAMS

Apprenticeship programs are the foundation of highly successful systems in Germany, Switzerland, and elsewhere in Europe to provide a clear path for young people from school into sustainable skilled trades careers. They combine classroom training with work experience on a split-week schedule, so that training content and work tasks directly reinforce each other. Many young people will be directly hired by the companies where they trained; others will graduate from the program with skills and experience programs that are valued by employers and that help them in their search for sustainable jobs.

- The record of success for these programs is unambiguous: a handful of European countries with highly developed apprenticeship systems have essentially avoided the global youth employment gap, with youth unemployment rates no higher than adult rates. At 7.8%, Germany's youth unemployment rate in 2011 was the lowest in Europe.⁶⁷

Unfortunately, these programs are hard to reproduce in other countries. The German, Swiss, and Austrian models depend on a highly evolved employment ecosystem with strong and well-defined roles for government, labor unions, and businesses. They require significant investments by both government and employers, enforced by a social bargain between relatively strong labor unions and employer associations.

But if countries cannot fully reproduce the German apprenticeship model, it may still be possible to implement key elements of that model in a way that respects fiscal and institutional limitations. Professor Robert Lerman at American University believes that countries can build more focused programs around employer alliances with vocational trainers and (in the U.S.) community colleges.

- The key to creating efficient apprenticeship programs is to view government's role as a knowledge-broker rather than primarily as a funder. He notes that in several U.S. states, relatively modest government funding has been used to create expert offices at the state level that can catalyze the creation of apprenticeship programs. Large scale subsidies are not generally necessary to drive program participation, though tax credits to participating employers may help. But it takes specialized expertise to market the program to a critical mass of businesses and to develop appropriate program content.⁶⁸
- Professor Lerman believes that a significant number of large employers would be willing to set up and fund sector-based apprenticeship programs if they had the expertise to do so: since 2007, when South Carolina created a state board to promote the creation of apprenticeship programs, an average of one new employer-sponsored program per week has been created in the state.

⁶⁷<http://www.npr.org/2012/04/04/149927290/the-secret-to-germanys-low-youth-unemployment>

⁶⁸ R. Lerman, Interview, August 15, 2012



Employer-driven apprenticeship programs will not provide a universal solution, but they can potentially reach many more young people than they are currently engaging.

- Professor Lerman points out that in the U.S., about 400,000 people participate in apprenticeship programs, often sponsored by labor unions, while there are probably 1.5 million jobs that could potentially be aligned with an apprenticeship model for training and hiring.⁶⁹
- The benefits for apprentices can be dramatic: six years after starting an apprenticeship program, the earnings of participants average 1.4 times the earnings of nonparticipants with a similar prior work history.⁷⁰

SCHOOL TO WORK PROGRAMS

Incorporating work experience elements into high school and college education programs represents a second strategy for helping young people build initial career credentials.

For young people who will not immediately continue with higher education, highschool-based programs should expand their resources for vocational preparation. Unfortunately, in many countries high-school-based vocational tracks are stigmatized, underfunded, and poorly connected to actual job opportunities in the workplace.

- To counter this trend, an emerging model of high-school based vocational training in the U.S. is the Career Academy. Under this model, “smaller learning communities” are created within high schools that combine academic rigor with preparation for specific careers, and offer mentoring and other connections between students and adults. In Career Academy programs, students have an opportunity to directly see the relevance of their day-to-day schoolwork, and strong vocational elements can be integrated without “stigma” or diversion from an academic path.⁷¹

Internships have a key role to play at both the secondary and higher education levels; for college students, internships can be scheduled around the regular semester and summer schedule, in coordination with a student’s formal education program.

- Professor Rangan suggests that there should be “a universal goal aiming at providing all youth aged 16-20 with work experience through paid internships.” A combination of classroom teaching and paid work experience would “help them develop social capital, accountability, and entrepreneurial spirit and instill a sense of appreciation of the world of work in the young minds.”⁷² Nancy Donaldson, Director of ILO’s Washington, DC office,

⁶⁹ Lerman, R. (2012), “Expanding Apprenticeship in the United States: Barriers and Opportunities,” forthcoming.

⁷⁰ Ibid

⁷¹ American Youth Policy Forum: “High School Career Academies: A 40-Year Proven Model for Improving College and Career Readiness,” See: <http://www.aypf.org/documents/092409CareerAcademiesPolicyPaper.pdf>

⁷² S. Rangan, Interview, July 17, 2012



concurs and emphasizes that for maximum benefit, internships should be paid and employers must be committed to making them real work experiences.⁷³

School-based soft skills training programs have not been rigorously evaluated for their employment impacts, but the approach is intuitively reasonable and popular with employers.

- According to Laura Ripani, Senior Economist at the IDB, there is also some favorable program data: in a study of Latin American program outcomes by the IDB,⁷⁴ 97% of the young people involved in Dominican Republic's Juventud y Empleo had a positive opinion of the soft skills training module, while 99% of participants in the Procajoven program considered that the training received in soft skills was useful or very useful.

Finally, according to Professor Holzer, vocational programs at both the high-school and college level should have a strong career education component, so that students fully understand the choices available to them and the value of the credentials they are pursuing.⁷⁵

WORK EXPERIENCE PROGRAMS FOR OUT OF SCHOOL YOUTH

For young people outside the school environment, finding access to effective career guidance can be a challenge. As they explore their career options, young people who are already in the workforce may alternate periods of work with the pursuit of higher education and training credentials, either by deliberate choice or in response to periods of involuntary unemployment. Ideally, this process will allow them over time to accumulate skills and experience that give them access to better-paying jobs. Often, however, this process is unstructured and results in some years of drifting rather than career progress.

According to Furchtgott-Roth, some notable institutional resources that may benefit young people in these circumstances have been developed by labor unions whose members typically experience intermittent work.

- She cited as an example maritime unions such as the Seafarer's International Union, which offer programs to help mariners upgrade their skills between voyages so that they can advance in their careers over time.

⁷³ N. Donaldson, Interview, August 27, 2012

⁷⁴ L. Ripani, Interview, July 10, 2012. See also: IDB, May 2012, "How Can Job Opportunities for Young People in Latin America be Improved?" Not yet downloadable from IDB for non-partners but viewable at:

<https://docs.google.com/viewer?a=v&q=cache:4UriBQahlr8J:www.iadb.org/document.cfm?id%3D36976184+www.iadb.org/document.cfm?id%3D36976184&hl=en&gl=us&pid=bl&srcid=ADGEEShZBoJM3zp9ZbqUaKkosKY834-X IGRiV2J03teAuzmKGxN7aii4mbpkVtVHsVonMvFhUndiAv7jTn-IQ5az6XFQmgehZMgBD-bXK7y1VaqnC5sT0VSauFFC8V7HgmBu4mCWDJb&sig=AHIEtbTqhYa6QV8uJLL90InejO bmxU38g>

⁷⁵ H. Holzer, Interview, July 24, 2012



- She also cited unions in the hospitality sector, which provide training for individuals building careers in the tourism industry.⁷⁶

Embedding stronger career counseling and training resources in the workforce investment system, or in intermediaries like private employment agencies, could provide similar support for an even wider range of young people seeking to balance education and work during their early career stages. A well-defined strategy would allow young people to refine their career goals and obtain progressively more challenging jobs over time, as they accumulate work experience and increase the level of their skills.

A Role for Private Employment Services

Private employment services are currently a significant resource for youth entering the workforce.

- A study by Ciett and BCG⁷⁷ estimates that out of 10 million agency workers globally in 2010, 57% were under 30 years old, and in Europe, 35% were under 25 years old. (See Box 4)
- The private employment service model has also been shown to be effective in helping unemployed persons re-integrate into the workforce. A main reason is that the agency employment model reduces legal and hiring risks for employers, who are more willing to take a chance on unproven candidates vouched for by the service.
- The French public employment service (ANPE) has been working with private employment agencies since 1994. 86% of vacancies referred to the private employment sector are filled within three months.⁷⁸

Temporary work can help build confidence and resilience in dealing with a flexible job marketplace, because it provides young people with a powerful experience of ready access to jobs, routine transitions between jobs, and quick rebounds from intervals of unemployment.

Because private employment services often maintain a relationship with a young person over the course of several jobs, they can also be the foundation for more ambitious workforce-entry programs. Hultin has proposed an integrated model of youth employability services that can be operated by private employment intermediaries, in partnership with employers, government, and educators.⁷⁹

- Under Hultin's model, the intermediary takes long-term responsibility for helping a young person advance the first few steps up the career ladder. The agency can offer career counseling, and facilitate access to training opportunities that are well-aligned with the

⁷⁶ D. Furchtgott-Roth

⁷⁷ CIETT, BCG (2012): "Adapting to change: How private employment services facilitate adaptation to change, better labour markets and decent work." Downloadable at: http://www.ciett.org/fileadmin/templates/ciett/docs/Stats/Adapting_to_Change/CIETT_Adapting_to_Change.pdf

⁷⁸ source: http://www.eurociett.eu/fileadmin/templates/eurociett/docs/position_papers/Leaflet_ALMP_final_version.pdf

⁷⁹ G. Hultin, Interview, July 17, 2012



individual's career goals. Because the service can provide a series of short-term employment experiences, training can be integrated with progressively more challenging assignments as part of an individualized career-launch plan that may extend over several years.

BOX 4 PRIVATE EMPLOYMENT SERVICES AND ACCESS TO JOBS

Labor market intermediaries like private employment services are playing an important role in matching the supply and demand for labor. These services provide solutions that enable employers to manage fluctuations in demand for their product or services and adapt their workforce accordingly. A study by Ciett and Boston Consulting Group estimates that between 2009 and mid-2011, private employment services filled 401,000 new temporary positions in the US and 900,000 in Europe, on top of the 3 million agency workers that remained employed throughout the downturn.

The Ciett-BCG study also finds that private employment services create jobs without substituting permanent contracts: 62% of surveyed employers indicated that even if they had not had access to temporary workers, they would not have been prepared to hire permanent workers.

This sector also increases opportunities for marginalized groups such as youth to participate in the formal labor market. According to the Ciett-BCG study, after Italy introduced agency work in 1997, the share of illegal work dropped from 27% to 22% over the next ten years, while the unemployment rate fell from 11% to 7%.

Source: BCG and Ciett (2012), *Adapting to Change: How private employment services facilitate adaptation to change, better labor markets and decent work*. Downloadable at:
http://www.ciett.org/fileadmin/templates/ciett/docs/Stats/Adapting_to_Change/CIETT_Adapting_to_Change.pdf

RECOMMENDATIONS

To support career-oriented workforce entry by youth, governments can undertake three strategies:

1. Facilitate the creation of employer-sponsored apprenticeship programs;
2. Support and invest in paid internship programs that provide real work experience for all young people aged 16-20;
3. Leverage the roles of labor market intermediaries by creating a favorable regulatory environment for their operation, and helping them provide career guidance and training as well as access to jobs.

IMPACT



Employability programs providing direct assistance to youth are generally designed to address specific gaps or deficits in the resources that young people bring to the world of work. Program elements focus on providing young people with information, social networks, counseling, skills development, job connection, mentoring, and other forms of support. The multiple, complex, and diverse needs of youth mean that the most effective employability programs will provide highly individualized services. They must be able to assess the particular needs and circumstances of individual young people and then draw on relevant support services from a comprehensive range of options.

Solutions will also take different forms based on the diverse economic environments in which young people find themselves around the globe. In a poor village in Africa or South Asia, programs may focus on helping young people become self-employed.

In the developed world, programs might focus on helping unemployed young people re-connect with training resources and the workforce. Varying levels of local economic development will also affect, for example, the content of programs aimed at helping university students make the right preparations for available professional careers.

Many of the best and most promising practices for increasing youth employability have been developed in relatively small, community based projects and are tailored to distinct groups of young people or to locally specific economic circumstances. But to impact young people in numbers proportionate to the existing global challenge, we need to find ways to scale up these interventions dramatically – to effectively identify, replicate, and mainstream best practices for the whole range of challenges facing youth, and to integrate support from multiple partners and stakeholders, within aggressive national youth policies.

Challenge: Scaling Up Programs for Broad Impact on Youth



The most basic challenge in scaling and mainstreaming best practices is simply identifying and assembling information about successful programs. Until recently, there has been no central repository of information, and organizations like the World Bank, IDB, and ILO, as well as USAID,⁸⁰ are currently engaged in building global inventories of youth employment projects undertaken by their own and other institutions.⁸¹

Even those projects that have been documented have rarely been formally and scientifically evaluated. In preparing its recent Youth Employment Inventory, the World Bank determined that only a small minority of projects had actually included a measurement and evaluation component. Moreover, evaluation methods were not consistent and were rarely designed to capture long term impacts.⁸² And even when exemplary programs and best practices are identified, it is difficult to reproduce their formulas for success and to deliver those best practices uniformly to the millions of young people in need of assistance.

Part of the challenge is inherent in the way projects are structured and organized. The partnership model among multiple stakeholders (sponsors, case managers, trainers, social service providers, employers, policy-makers, etc.) is widely considered to be a best practice in the delivery of employability services, and in fact partnerships are indispensable because no single organization is likely to have the expertise and resources to address the program's entire mission by itself.

But the partnership model itself presents obstacles to scaling and mainstreaming: partnerships can be hard to build, and partners with different operating styles and cultures may take a long time to learn how to work together effectively. The lessons learned locally may not be applicable to a different set of partners in a different location.⁸³ And even the most effective partnerships may not be scalable, or even sustainable, without public or donor financing.⁸⁴

In developing higher-impact strategies for youth, it is therefore important to draw lessons not only from exemplary programs, but from exemplary approaches to replicating and scaling partnership structures.

REPLICATION STRATEGIES

Organizations like SIFE,⁸⁵ which teaches college students how to apply business thinking to solving social programs, successfully grew from a small set of clubs in the Southern U.S. to a global presence in 39 countries. They identified key elements of their model that energized student engagement (recruitment techniques, competitions, the right type of faculty mentors) and made them

⁸⁰ USAID. Briefing Paper: Examining the Evidence In Youth Workforce Development, Draft paper dated June 2012

⁸¹ K. Hempel, Interview, August 2, 2012; see: www.youth-employment-inventory.org

⁸² Ibid.

⁸³ IDB, internal memorandum re: New Employment Opportunities for Youth program (<http://www.iadb.org/en/news/news-releases/2012-04-13/neo-youth-employment-initiative,9942.html>)

⁸⁴ R. Blum, Interview, August 22, 2012

⁸⁵ <http://www.sife.org/Pages/Default.aspx>



the basis of an aggressive replication strategy, while building national management teams and encouraging local flexibility in finding specific projects that were important to participants.⁸⁶

Other successful replicators have found different ways to combine core knowledge insights with flexible implementation:

- The Education for Employment Foundation⁸⁷ has developed a franchise model for replicating programs, management, and outreach strategies on a country-by-country basis in the MENA region. (See Box 5)

BOX 5 EDUCATION FOR EMPLOYMENT FOUNDATION (EFE)

EFE is a network of locally-run affiliated non-profits that create economic opportunity for youth in the Middle East and North Africa through demand-driven training and job placement programs. EFE's global headquarters are in the United States, and it has affiliates in Egypt, Jordan, Palestine, Morocco, Tunisia, Yemen. EFE has a sister European foundation based in Spain.

A distinctive feature of EFE's programs is their close partnership with employers. EFE works with small, medium, and large companies to identify the skills they need in their entry level employees and then tailors its training programs to fit those needs. EFE secures pre-commitments from employers to hire the students they train.

EFE programs are also distinguished by their emphasis on post-hire follow-up with graduates through a robust monitoring and evaluation system. According to Jamie McAuliffe, EFE's President and CEO, post-hire "support and retention" elements such as focus groups, peer networks, and individual follow up counseling and mentoring are essential for young people adjusting to the workplace, often for the first time, and are often neglected in youth employability programs.⁸⁸

EFE's work has been achieving significant impact and is growing exponentially. From its inception through June 2012, and under difficult circumstances in a region with significant unrest, almost 6,000 young people have been trained and 69% of them have been placed in jobs. 77% of youth placed in jobs have retained their job. 48% of EFE graduates were young women.

The EFE model is proving to be sustainable because it is built on local leadership and networks. Each affiliate is a locally registered non-profit organization with professional local staff leadership, and boards of directors that include prominent local business and civic leaders. Through more than 850 partnerships with employers, universities and other institutions, EFE has established training, operational, and financial frameworks that can be sustained, scaled up and replicated.

Source: <http://www.efefoundation.org/index.php>

⁸⁶ S. John, Interview, August 17, 2012

⁸⁷ <http://efefoundation.org/>

⁸⁸ J. McAuliffe, Interview, August 2, 2012



- The International Youth Foundation⁸⁹ focuses by contrast on a knowledge-sharing strategy: developing a comprehensive range of tools and strategies for youth, and working with promising local NGOs to help them build out and expand their offerings.⁹⁰ (See Box 6)

BOX 6 INTERNATIONAL YOUTH FOUNDATION

Founded in 1990, IYF builds and maintains a worldwide community of businesses, governments, and civil society organizations — now spanning 73 countries — committed to empowering youth. As an intermediary among NGOs, businesses, and governments, IYF identifies what works and brings successful models to scale. IYF programs help young people obtain a quality education and gain employability skills. In all programs, IYF incorporates life-skills training, including critical thinking, conflict resolution, effective communications, health decision-making, and teamwork.

In the past twenty years, IYF has mobilized 54 public and private sector donors to invest US\$174 million in youth development. In all, 332 organizations in 86 countries have received grants from IYF aimed at increasing the scale, securing the sustainability, and improving the effectiveness of their youth-focused programs.

IYF's approach to scale up is to identify institutions, either governments or NGOs, which are already providing one or more elements of job training and placement services for youth, and engage them in incorporating additional elements that will improve or scale up their capacity and outcomes.

Sustainability of IYF models is built into programs around issues of quality training, effective policy dialogue and adoption of best practices by municipal, local, and national governments.

Looking into the future, IYF joined the Multilateral Investment Fund of the IADB and top five employers in Latin America to commit to the NEO initiative (See Box 9) and it has built a new partnership with Hilton Worldwide that will improve the lives of young people through employee-led, community-based projects.

Source: <http://www.iyfnet.org/>

- Making Cents International⁹¹ focuses on knowledge management services, including conferences, publications, and training support, that help other NGOs identify and apply best practices in the field. Their technical and advisory services include tools, models, and knowledge resources designed to be easily adapted by other NGOs, and their information services include case studies, podcasts, video interviews, and print publications.⁹² (See Box 7).

⁸⁹ <http://www.iyfnet.org/>

⁹⁰ A. Sufi and P. Shiras, Interview, July 25, 2012; L. Vignoles, Interview, August 15, 2012

⁹¹ <http://www.makingcents.com/>

⁹² F. Macaulay, Interview, August 20, 2012



BOX 7 MAKING CENTS INTERNATIONAL

Since 1999, Making Cents International, a dynamic social enterprise based in Washington, D.C., has provided specialized technical assistance and curricula in over 50 countries in Africa, Asia, the Americas and Caribbean, Europe, and the Middle East. Our training, technical assistance, and knowledge management activities consistently improve the ability of target populations - especially youth, women, smallholder farmers, and vulnerable populations - to begin and grow businesses, participate in profitable value chains, access finance, and obtain meaningful work.

Making Cents is known for its source of high quality technical services, and a thought leader in the youth economic opportunities field. Its knowledge exchange and partnerships work focuses on the sharing, adoption, and application of best practices to improve economic opportunities for youth, women, and vulnerable populations. Making Cents also captures and disseminates these best practices and tested models into tools, training materials, and resources to build the capacity of local organizations looking to replicate and scale these approaches.

Making Cents' knowledge exchange and partnerships work includes capturing and disseminating promising practices, and developing innovative information platforms through three main channels:

1. Making Cents' [Global Youth Economic Opportunities Conference](#), the leading annual global learning event on increasing and improving economic opportunities for young people. Each year, the conference brings together over 400 participants from 60 countries around five learning tracks: Workforce Development; Adolescent Girls and Young Women; Financial Services and Financial Capabilities; Monitoring, Evaluation and Impact Assessment; and Youth Enterprise Development. After each conference, Making Cents synthesizes the learning shared at the event to develop a practical "[State of the Field in Youth Economic Opportunities](#)" publication, which is available for free in print, to download, or in an "e-book" format online. Over 130 presenters from 50 countries contribute to this learning publication annually.
2. [YouthEconomicOpportunities.org](#), the new go-to portal that is for and by the youth economic opportunities community. This portal will include an online resource library of print and video presentations as well as training materials. It will also host blogs contributed by invited experts from the field.
3. Technical and advisory capacity building services. Making Cents empowers local organizations, such as business service providers, NGOs, and training organizations, to improve their delivery of technical assistance and training to youth, women, and vulnerable populations to ensure target populations have the knowledge, skills, and attitudes to establish and grow enterprises, integrate into productive value chains, and access financial services. Making Cents' approach is characterized by a co-creation methodology that emphasizes the participation of target groups in designing the interventions that affect their lives.

Source: www.makingcents.com



NATIONAL YOUTH STRATEGIES TO SUPPORT SCALING

The complexity of the youth employability challenge, the need to integrate a diverse range of stakeholders, and the urgent need to scale up interventions, are issues that call for stronger leadership by national governments in creating national youth strategies. Governments have a key role to play in convening stakeholders and sponsoring the creation of comprehensive, consultative national skills strategies for youth.

Strategies must be built on a foundation of better labor market information. The consultative process should identify and remedy information gaps for planning, and resource gaps for action.

- For example, ManpowerGroup's Tammy Johns recommends that governments develop detailed, strategic skills projections, ideally with a five-year outlook, to allow time for aggressive coordination of educational and training inputs to match those projected requirements, and to allow time for individuals to make major professional or vocational choices in response to market signals. She argues that only a few OECD countries, such as Germany, have conducted and followed through on planning initiatives at this level of specificity.⁹³

Strategies must also reflect a consensus on goals, should be realistically adapted to available fiscal resources, and should incorporate a "scientific" alignment of means with ends: they should build on proven lessons from past practices, and require ongoing monitoring, evaluation, and documentation of program results:

- Strategies should require programs to define intended long-term impacts on youth, articulate the theory of change that underpins them, and document actual outcomes. For example, according to Rachel Blum, Technical Specialist for Youth and Workforce Development at USAID, USAID youth employment programs must be aligned with USAID impact-oriented outcomes such as poverty reduction, political stabilization, or economic growth.⁹⁴
- Strategies should make use of increasingly-available evidence-based benchmarking systems for evaluating program design. For example, the World Bank's Systems Approach for Better Education Results (SABER) draws on global best practices in linking skills supply and demand to evaluate how well specific approaches to workforce development generate the skills demanded by employers.⁹⁵
- Strategies and programs should require consistent, formal program monitoring and evaluation. Mattias Lundberg, Senior Economist at the World Bank's Human Development Network, and

⁹³ T. Johns, Interview, July 18, 2012

⁹⁴ R. Blum, Interview, August 22, 2012

⁹⁵ <http://www.ilo.org/public/english/employment/yen/whatwedo/projects/benchmark.htm>



David Robalino, the Bank's Labor Markets and Youth Team Leader, both emphasized the importance of this element and its absence from many past initiatives.⁹⁶

- In this context, Hempel stresses the importance of M&E (Monitoring and Evaluation) capacity development, for example within communities of practice, in order to help practitioners learn from their own and other projects.⁹⁷ Hempel is the lead author of "Measuring Success of Youth Livelihood Interventions: A Practical Guide To Monitoring And Evaluation," a user-friendly introduction to the topic of monitoring and evaluation and to its practical application in the youth livelihood field.
- Outcome monitoring should explicitly measure returns on investment. Carmen Pages-Serra at the IDB points out that both donors and public authorities are increasingly requiring evidence that the programs they fund actually achieve their intended outcomes and impacts, and do so in a resource-efficient way. Effort-to-outcome analysis is therefore a key to unlocking sustainable funding resources that are essential for replicating and scaling successful initiatives.⁹⁸

The strategy itself must draw on resources from businesses, educators, youth-oriented NGOs, and funding sources, and must do so in a way that coordinates the specific capacities of each stakeholder, that respects limited budgets, and that generates tangible results that benefit all participants.

- Charlotte Petri Gornitzka, Director General of the Swedish Development Agency (SIDA) and co-Chair of the World Economic Forum's Global Agenda Council on Youth Unemployment, advises that strategies should have a clear focus on, and clear incentives for, direct partnerships with the business community on the part of governments and educators.⁹⁹ This is essential in defining skills needs, developing job linkages, and assessing program performance.
- One exemplary youth strategy has been created by the Republic of Serbia, with the goal of promoting social inclusion and economic growth in the wake of its violent transition from socialism. Serbia implemented a very broad national consultative process to develop a National Youth Strategy in 2008.¹⁰⁰ The process and the Strategy it produced have been cited as a model for emulation by the Council of Europe.¹⁰¹ (See Box 8)
- The Serbian experience demonstrates the tremendous contribution that youth themselves can make in the consultative process. National strategies should also encourage the use of peer networks and youth friendly technology in designing specific programs, and in managing, tracking, and evaluating programs. By engaging youth themselves, strategies and programs are more likely to give voice directly to women, minorities, and other disadvantaged persons and to ensure that initiatives for youth promote maximum social inclusion.

⁹⁶ M. Lundberg, Interview, July 26, 2012; D. Robalino, Interview, July 27, 2012

⁹⁷ K. Hempel, Interview, August 2, 2012

⁹⁸ C. Pages-Serra, Interview, August 1, 2012

⁹⁹ C. Gornitzka, Interview, August 13, 2012

¹⁰⁰ http://planipolis.iiep.unesco.org/upload/Youth/Serbia/Serbia_National_Youth_Strategy.pdf

¹⁰¹ http://youth-partnership-eu.coe.int/youth-partnership/documents/EKCYP/Youth_Policy/docs/YP_strategies/Research/YP_Manual_pub.pdf



BOX 8 THE REPUBLIC OF SERBIA'S NATIONAL YOUTH STRATEGY

Addressing the need for creating better opportunities for young people, the Government of the Republic of Serbia adopted a comprehensive National Youth Strategy (NYS) in 2008. The process, led by the Ministry of Youth and Sport, involved the cooperation with 16 ministries, 47 civil society organizations, numerous other organizations, experts and more than 16,000 young people in a total of 167 round tables, representing a very broad consultative process. Issues of employment, youth entrepreneurship, lifelong learning, and crime reduction are recognized, among others, as priorities within the NYS and the Action Plan for its implementation.

Youth development through volunteerism is a major emphasis in the strategy. Under the Youth in Action program, 178 voluntary youth actions were financed and conducted in 91 municipalities all over Serbia.

To implement the goals of the Strategy, the Ministry of Youth and Sport granted more than 73 million RSD to fund 59 projects related to job creation, training, and entrepreneurship. Furthermore, the Ministry organized trainings and workshops in collaboration with British, German, US, and Norwegian education and business cooperation agencies.

Under the National Action Plan for Employment in 2011, the Ministry of Economy and Regional Development financially supported youth employment through public works program and wage subsidies to employers and self-employed persons. The results of these programs have been promising: from 2008-2011, nearly 2,500 young people were employed with the subvention to the employer; more than 900 young people were employed with the subvention for self-employment; and public works employed more than 1,500 young people. In addition, the National Employment Service organized training programs for more than 20,000 inexperienced young people.

In September, 2009, the Youth Policy Manual published by the Council of Europe and European Commission was largely based on the process and experience from Serbia.

Source: http://planipolis.iiep.unesco.org/upload/Youth/Serbia/Serbia_National_Youth_Strategy.pdf

A strategic process can also be initiated by focusing on specific, urgent challenges; institutions for cooperation and planning can then remain in place to deal with future issues in an open-ended way. Charlotte Petri Gornitzka, Director General of the Swedish Development Agency (SIDA) and co-Chair of the World Economic Forum's Global Agenda Council on Youth Unemployment, cites efforts in Tunisia and Cambodia to build public-private partnerships that can sustain effective action plans:¹⁰²

- In Tunisia, the Global Agenda Council is building on the IFC's e4e (Education for Employment) Initiative for Arab youth. Tunisia's youth unemployment rate was 31% in 2011 and the rate is particularly high among relatively educated youth. The goal of the

¹⁰² C. Gornitzka, Interview, August 13, 2012



program is to create public-private partnerships between educators and employers to better align young peoples' skills with available opportunities in potentially high demand industries (IT offshoring, electronics, construction, real estate, tourism). The initiative involves reinforcing educational channels aligned with these industries, expanding private vocational training institutions, improving work-relevant certification systems, and improving work readiness training. Measures to improve the investment climate and promote job creation are also under discussion.¹⁰³

- In Cambodia, SIDA is providing support and advice to a government initiative to create a National Multi-Stakeholder Task Force that can direct ongoing, multi-sector initiatives to align the education system with growth opportunities. A major early focus is on improving technical and vocational education (TVET) resources, most of which are currently delivered in a fragmented way and within individual enterprises. The goal is to create a more robust TVET system that helps channel young people into current high-growth sectors such as tourism, light industry, and IT, and that can rapidly evolve in response to emerging economic opportunities.¹⁰⁴

ManpowerGroup's David Arkless advises that consultative processes should be owned at a sufficiently high level within government itself to ensure that ministries of education, labor, and finance work together rather than in fragmentation.¹⁰⁵ Jean Geran, Founder and President of each, inc.¹⁰⁶ and a former member of the policy and planning staff at the U.S. State Department, warns of the danger of siloing initiatives within government offices that are too narrowly focused.¹⁰⁷

- The U.S. government has created an Office of Global Youth Issues to ensure that the needs of young people are consistently addressed in U.S. diplomatic and aid initiatives. The Office oversees an historic effort to empower young people as economic and civic actors through U.S. programs, to use U.S. diplomacy to encourage governments to respond to youth as economic and political actors, and to directly engage young people around the world in U.S. policy processes and through U.S. public diplomacy.¹⁰⁸

Finally, the process of creating National Youth Strategies is itself an area where "best practices" should be studied and replicated.

- The Inter-American Development Bank (IDB), with IYF as its operating partner and in cooperation with private sector employer-partners, is funding a major initiative in Latin America and the Caribbean which will, in part, address this issue. The New Employment Opportunities for Youth (NEO) program will make \$37 million available in 10 countries, but will require grant applicants to develop strategic partnerships between government,

¹⁰³ http://www3.weforum.org/docs/WEF_GAC_YouthUnemployment_Tunisia_2012.pdf

¹⁰⁴ http://www3.weforum.org/docs/WEF_GAC_YouthUnemployment_Cambodia_2012.pdf

¹⁰⁵ D. Arkless, Interview, July 10, 2012

¹⁰⁶ <http://www.eachinc.org/>

¹⁰⁷ J. Geran, Interview, August 24, 2012

¹⁰⁸ Z. Rahman, Interview, July 25, 2012 and also see <http://www.state.gov/j/gvi>



businesses, and educators that can plan and manage large-scale program implementations. Gaining knowledge about how diverse institutions learn to work together on a substantial scale is an explicit goal of the program.¹⁰⁹ (See Box 9)

BOX 9 NEW EMPLOYMENT OPPORTUNITIES FOR YOUTH (NEO)

The Latin American population is one of the youngest in the world: nearly one-third of the region's people will be age 15-34 in 2015. Yet with 20% of its youth – 32 million people – neither working nor in school, the region's demographic dividend is turning into a potentially overwhelming economic burden. Youth unemployment stands at nearly three times that of adults, while at the same time employers struggle to fill open job positions. Many youth lack the skills to make them competitive in the job market. The challenge is to find job training models which are relatively low cost, scalable, and effective.

An innovative new regional partnership, called New Employment Opportunities for Youth (NEO), will address these urgent issues by scaling up the most effective training and job placement models for youth. NEO is led by the Inter-American Development Bank's Multilateral Investment Fund and the International Youth Foundation. It will foster alliances among governments, civil society organizations, and the largest private sector companies in Latin America, with the goal of integrating 1 million disadvantaged and unemployed youth into the economy.

NEO's founding partners have made an initial commitment of \$37 million in cash and in-kind resources to fund training, internship, and job placement programs. The NEO partnership is projected to include up to 1,000 companies with presence in the region, from multinational corporations to regional and local businesses. ManpowerGroup will serve on the Advisory Committee for NEO, sharing knowledge from its business experience and facilitating engagement with regional employers in its client base.

Source: <http://www.iadb.org/en/news/news-releases/2012-04-13/fact-sheet-new-employment-opportunities-initiative,9943.html> and www.neo.fomin.org

¹⁰⁹ <http://www.iadb.org/en/news/news-releases/2012-04-13/neo-youth-employment-initiative,9942.html>



RECOMMENDATIONS

To ensure the scaling and mainstreaming of effective programs for youth employability, governments should convene and lead the development of comprehensive National Youth Strategies. These strategies:

1. Should be based on a broad consultative process; involvement by employers, and by young people themselves, is essential.
2. Should be informed by research into existing best practices for delivering high-impact services and scaling programs.
3. Should elevate the youth employment issue and provide leadership from a dedicated office with its own budget and organizational resources.
4. Should support public investment in high-impact programs based on partnerships for the delivery of services, with a strong emphasis on partnerships with employers.
5. Should raise standards for monitoring, evaluation, and documentation of project impacts.

CONCLUSION



“It is easy, in the midst of our deliberations over policy, to lose sight of the sheer magnitude, and imminent urgency, of the youth employment challenge. This issue is going to shape the economic well-being of the entire world for the next 50 years and we have a very short time window for gaining traction on it.

The one thing that can’t come from debate, but has to come from a more fundamental place, is a sense of hunger to tackle this problem: to overcome institutional inertia, push past barriers between organizations, look for chances to lead and take responsibility, and insist on outcomes with high impacts.”

*David Arkless, President of Global Corporate and Government Affairs,
ManpowerGroup*

This paper is motivated by a sense of great urgency about solving the youth employment challenge. In our everyday business operations, ManpowerGroup works with businesses threatened by emerging skills shortages and with young people desperate to get a foot in the workplace. We work with governments determined to harness the energy of youth for pressing development goals and concerned about the social tensions caused by large numbers of disengaged youth. We work with partners, practitioners, and experts who are deeply involved with youth and strongly committed to their economic success.

All of us ultimately depend, for our livelihood and well-being, on a global economy that generates expanding wealth and employment, and that offers realistic hope for the future even where it does not yet deliver on its full promise. All of us have a stake in the economic integration of young people into this economy, to keep the engines of development running strong through our lifetimes and those of the next generation.

All of us, therefore, have a responsibility to make sure that young people succeed, and we must work together to make that happen.



In a previous paper, ManpowerGroup talked about the role of business, and what individual businesses could do to help improve the employment prospects for young people. We encouraged employers to work more pro-actively with educators and trainers to make sure that young people had the hard and soft skills needed for success in the workplace. We encouraged them to invest in new channels for young people moving from school to work, including apprenticeship and work experience programs. We encouraged them to invest more in mentoring and developing their own young new hires. And we encouraged them to cooperate with youth-owned business startups, both through mentoring of young entrepreneurs and by making room in their supply chains for youth-owned businesses.

In this paper, we have expanded the scope of our review and recommendations to take in a wider range of stakeholders, especially including governments and educators, who can do the most to create an enabling environment for youth employability initiatives.

Our review of new developments has suggested some clear lessons for the wider community:

1. Without economic growth, there will never be enough jobs for young people. Governments have an indispensable role to play in ensuring a positive environment for job creation and an enabling environment for employability programs.
2. Entrepreneurship education offers a path to employment for some young people, but can enhance the motivation and work-related skills of nearly all young people. Entrepreneurship education combined with an ecosystem of effective support for new entrepreneurs can boost job creation and innovation in an economy.
3. Leadership initiatives are needed to improve the functioning of the skills marketplace, and the alignment of the skills supply with employment demand. These include measures to create better labor market information and planning resources, and movement toward a more robust, tiered system of foundational, vocational/professional, and micro/occupational skills training and credentialing. The system should provide more flexible time, delivery and cost options for students.
4. Programs should be designed to help young people themselves become much more market-savvy: better users of real-time labor market information, more knowledgeable about career paths, better decision-makers about short- and long-term skills acquisition, and more socially competent navigators of the job search and hiring process. To make this happen, policymakers and educators must ensure that young people have access to far more substantial career guidance resources, in and out of school, than they do today.



5. Programs for youth are likely to increasingly rely on new and inexpensive technology for the delivery of information, such as mobile and text messaging services. Programs should be embedded in youth culture and take appropriate account of peer networks and social networking media.
6. Partnerships among government, educators, and businesses are needed in order to create more channels for young people to move from school to work. Work experience programs, including apprenticeship programs, have some of the greatest demonstrated success rates in reducing youth unemployment. Private employment services can also be effective in helping young people get access to jobs and build their skills and experience credentials.
7. In fact, public-private partnerships are essential in all youth programs, because of the critical need to link programs with real jobs, and because the need for comprehensive services requires contributions from multiple stakeholders.
8. Governments have a key role in creating national youth development strategies, convening multi-stakeholder discussions and ensuring that educators, businesses, and young people themselves play an appropriate role in creating a skilled and dynamic workforce.
9. Strategies and programs should be firmly based on research into best practices, should be aimed at specific outcomes and document their achievement, and should include strong monitoring and evaluation components.
10. Overall strategies should provide for youth services that are comprehensive, inclusive, and aligned with clear goals for overall impacts on the youth population; strategies should foster the creation of a repertoire of interventions that are replicable, scalable, and sustainable.

It has been a great satisfaction, in the course of preparing this report, to speak with many practitioners and experts who are passionate about youth and their economic success. We look forward to turning that passion into coordinated action that matches the urgency of the youth employment challenge. We look forward to further discussions and opportunities for collaboration with governments, educators, and businesses to create ambitious, innovative, and high-impact solutions for young people.



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