



## CHAPTER

# 2

## CHAPTER 2

# YOUTH DEVELOPMENT AND PARTICIPATION

### INTRODUCTION

The 2030 Agenda for Sustainable Development incorporates 17 Sustainable Development Goals and 169 associated targets, and 232 indicators have been created to track progress towards their realization.<sup>8</sup> The 2030 Agenda identifies the areas in which urgent action is needed to ensure sustainable progress in human development. Among these, the employment of youth (defined as individuals between the ages of 15 and 24) represents a priority area that is attracting growing attention.

As shown in **table 1**, the global youth population is expected to total 1.20 billion in 2020, 1.29 billion in 2030, and almost 1.34 billion in 2050, accounting for a gradually declining share of the overall population (15.5, 15.1 and 13.8 per cent, respectively) (United Nations, 2019c). Projections suggest that the youth cohort in sub-Saharan Africa will continue to grow and will likely represent almost 30 per cent of the world's youth by 2050, up from 18 per cent in 2020 and almost 22 per cent in 2030. Northern Africa and Western Asia are also likely to see

<sup>8</sup> See the global indicator framework adopted by the General Assembly (A/RES/71/313), including annual refinements contained in E/CN.3/2018/2 (annex II) and E/CN.3/2019/2 (annex II), available at <https://unstats.un.org/sdgs/indicators/indicators-list/>.



their youth populations expand over the next three decades. However, the share of youth in the total population is expected to decline in all regions between 2020 and 2050.

Recently published data indicate that “the rate of population growth remains especially high in the group of 47 countries designated by the United Nations as least developed, including 32 countries in sub-Saharan Africa

[that also have the youngest age distribution in global terms]. With an average growth of 2.3 per cent annually from 2015 to 2020, the total population of the least developed countries ... is growing 2.5 times faster than the total population of the rest of the world” (United Nations, 2019b, p. 10). Projections for this group of countries show that the number of young people aged 15 to 24 is likely to rise from 207 million in 2019 to 336 million in 2050 (ibid., p. 37).

**TABLE 1. PROJECTED POPULATION OF YOUTH AGED 15 TO 24 YEARS IN 2020, 2030 AND 2050**

REGION	2020		2030		2050	
	YOUTH POPULATION (THOUSANDS)	PERCENTAGE OF REGIONAL POPULATION	YOUTH POPULATION (THOUSANDS)	PERCENTAGE OF REGIONAL POPULATION	YOUTH POPULATION (THOUSANDS)	PERCENTAGE OF REGIONAL POPULATION
Sub-Saharan Africa	217,653	19.9	282,939	20.2	398,921	18.8
Northern Africa and Western Asia	86,427	16.4	102,436	16.8	110,096	14.6
Central and Southern Asia	362,697	18.0	365,152	16.4	347,206	13.9
Eastern and South-eastern Asia	304,385	13.0	303,162	12.5	261,429	10.8
Latin America and the Caribbean	107,583	16.5	103,483	14.7	93,853	12.3
Australia and New Zealand	3,742	12.3	4,230	12.7	4,467	11.6
Oceania (excluding Australia and New Zealand)	2,354	19.1	2,689	18.5	3,198	16.9
Europe and Northern America	124,742	11.2	129,786	11.5	119,327	10.5
<b>TOTAL (WORLD)</b>	<b>1,209,584</b>	<b>15.5</b>	<b>1,293,877</b>	<b>15.1</b>	<b>1,338,497</b>	<b>13.8</b>

Source: United Nations (2019c).



Most young people, particularly those in developing countries, are facing social and economic challenges that can be quite serious, and yet youth are regularly excluded from policy decisions that affect them now and have implications for their future. The socioeconomic issues they deal with vary widely and are often deep-rooted. For example, generational inequalities reduce political opportunities for young people, effectively preventing them from using their ideas and energy to address complex issues affecting society at large. Inequalities among youth, reflected in indicators such as lower access to post-secondary education for young women than for young men, also widen gaps in access to opportunities, often over the course of their entire adult lives.

Young people constitute a heterogeneous group with multiple elements of identity that inform widely different experiences. Certain groups – such as youth with disabilities, young people from minority groups, young women and indigenous youth – face intersectional discrimination. Promoting the inclusion of young people across the entire youth spectrum is a daunting challenge, as it requires removing multiple types of barriers – including obstructive laws, policies, behaviours, values and beliefs – and taking steps to ensure that systems, institutions and sociocultural practices are reformed so that these barriers do not reappear.

Young people are often excluded from traditional political engagement platforms, are sometimes distrustful of existing government institutions, and may eschew conventional social development forums and paths. They have begun to create alternative avenues to express their views and effect change in society and regularly advance new approaches to tackling inequalities.

Young people see contributing to community or national growth as empowering. If social development opportunities can also generate employment and income, young people will be more likely to consider youth social

entrepreneurship as a viable path. Young people may see social enterprise as a business model that allows them to contribute to social change and sustainable development.

The present generation of youth has the potential to create a paradigm shift in sustainable development. Although young people face barriers to their own development and inclusion, they are poised to help foster a community in which all persons – not only youth – are included and have equal opportunities. Steps must be taken to remove obstacles to youth engagement so that young people have the opportunity to contribute to the advancement of society. The meaningful participation of young people in reducing inequality can be highly transformational, as the efforts of this cohort reverberate across all social groups and generations.

Many youth have challenged the barriers limiting their engagement and are already contributing to the above-mentioned paradigm shift. Across sectors, large numbers of young people are involved in development initiatives aimed at improving the lives of youth and other members of society. Examples of work being carried out by youth in three different areas are highlighted below.

In many cases, young people are leveraging frontier technologies and digital connectivity to promote social development, including among those who are marginalized. As an example, a young technology entrepreneur from Egypt created a smart glove and a smart bracelet to help individuals who are deaf and blind communicate with teachers who are not necessarily trained to teach deaf-blind people. This technology facilitates access to education programmes for persons with certain types of disabilities. The goal of the Esmaany team – *esmaani* means “hear me” in Arabic – is to reduce communication inequality and build partnerships among persons with disabilities and a wide range of institutions.

It is now widely acknowledged that climate change has a disproportionate impact on marginalized and



vulnerable communities. Those with the fewest resources are the least capable of adapting to climate-related changes in local conditions or rebuilding after a disaster. Some young social entrepreneurs are promoting sustainable environmental practices as their contribution to combating climate change and improving people's lives. A young social entrepreneur from Morocco was distraught over the quantity of wood poor rural families without electric or gas stoves were using to cook their meals. He was also concerned about the health impact of prolonged exposure to traditional cooking fires, given the higher incidence of respiratory infections, eye damage, heart and lung disease, and lung cancer among these families. He invented an alternative way to cook meals which uses only a very small amount of initial heat and no other combustibles afterwards. This cooking tool is available at low cost and lasts for several years.

Experience and research have affirmed the capacity of young people to successfully build bridges in post-conflict settings. Part of the reason youth succeed in such efforts lies in their approach to conflict resolution, as they often challenge conventional tactics and processes that may actually be associated with the causes of conflict. Young women mediators, for example, drawing on skills linked to both age and gender, are more likely to utilize compromising or collaborative approaches that organically generate inclusive reconciliation processes. A group of young women created a training programme in the Caucasus and the Balkans to strengthen the capacity of marginalized groups, including young women, to influence policymakers at the local and international levels so that peace processes would address inequalities that might have contributed to – or even been the source of – the conflicts.



UN Photo / Rick Bajornas

Writer and activist Samar Samir Mezghanni delivers the keynote address at the 2016 Economic and Social Council (ECOSOC) Youth Forum, "Youth Taking Action to Implement the 2030 Agenda".



Students at Butkhak High School in Kabul, Afghanistan. Youth engagement both an end in itself and a means to advance the Sustainable Development Goals.

## 2.1 YOUTH DEVELOPMENT AND PARTICIPATION AT A GLANCE

Young people are key beneficiaries of the 2030 Agenda, but they are also actively engaged in the processes that support the implementation of the Sustainable Development Goals and related targets. The transition from youth to adulthood is seen as transformative, bringing with it expectations of increased economic independence, political involvement and participation in community life. The socioeconomic and political environment in which young people live, however, can have a serious impact on the ability of young people to successfully navigate this transition.

Youth unemployment, underemployment, informal employment and working poverty are concerns in virtually every part of the world, but especially in developing countries. ILOSTAT data indicate that in 2019 the global youth NEET rate stood at 22.2 per cent,<sup>9</sup> where it has hovered for the past decade. This means that more than 1 in 5 youth are not acquiring livelihood skills through education or work. Young people who are not in education, employment or training are more likely to experience social and economic exclusion; the impact varies, depending on the circumstances, but is usually long-term and can affect not only individuals but an entire generation.

<sup>9</sup> See summary table 8.6.1, available at <https://ilostat.ilo.org/data/>.



While advancing youth employment represents an important goal, a strict focus on job creation does not fully exploit the potential of young people as catalysts for sustainable development. Youth development encompasses much more than just youth employment, emanating from the integrated and indivisible nature of the Sustainable Development Goals. The engagement of youth in activities contributing to the implementation and realization of the 2030 Agenda is central to achieving global sustainability, inclusivity and stability, and to averting the worst threats and challenges to sustainable development, including climate change, unemployment, poverty, gender inequality, conflict and forced migration.

The importance of the youth contribution to achieving sustainable and inclusive development is acknowledged within the international development community. United Nations Security Council resolutions 2250 (2015) and 2419 (2018) recognize that young people can be agents of change in promoting peace and security and call for greater youth participation and opportunities for meaningful youth engagement in decision-making at the local, national, regional and international levels.

The failure of decision makers to meaningfully engage young people and address the challenges they face has led to widespread disillusionment and disengagement among youth. Frustrated by structural barriers to their own development and engagement, they are questioning and protesting the status quo and are increasingly turning away from traditional social development paths and platforms. More importantly, they are creating alternative avenues to express themselves and engage in social change. Their enhanced connections and solidarity are leveraged by social media, and various new forms of activism are becoming mainstream.

Young people are demanding greater inclusion and meaningful engagement and are taking action to address development challenges themselves. Growing numbers

of youth are tackling a wide range of issues through advocacy, lobbying, volunteering, or engagement in community-based or civil society organizations. While youth engagement is an end in itself, it is also a means to advance the Sustainable Development Goals. Young people are increasingly being perceived as torchbearers for and partners in the 2030 Agenda, shattering stereotypes around the “apathy of youth” and “youth as a risk factor”.

Youth stereotypes have been especially challenged in the realm of peacebuilding. Around 87 per cent of youth live in developing countries, and 30 per cent live in fragile and conflict-affected countries (Commonwealth Secretariat, 2016). The vast majority of these youth are involved in activities that are not only fostering peace and development at the community level but also helping them develop wide-ranging skills and knowledge.

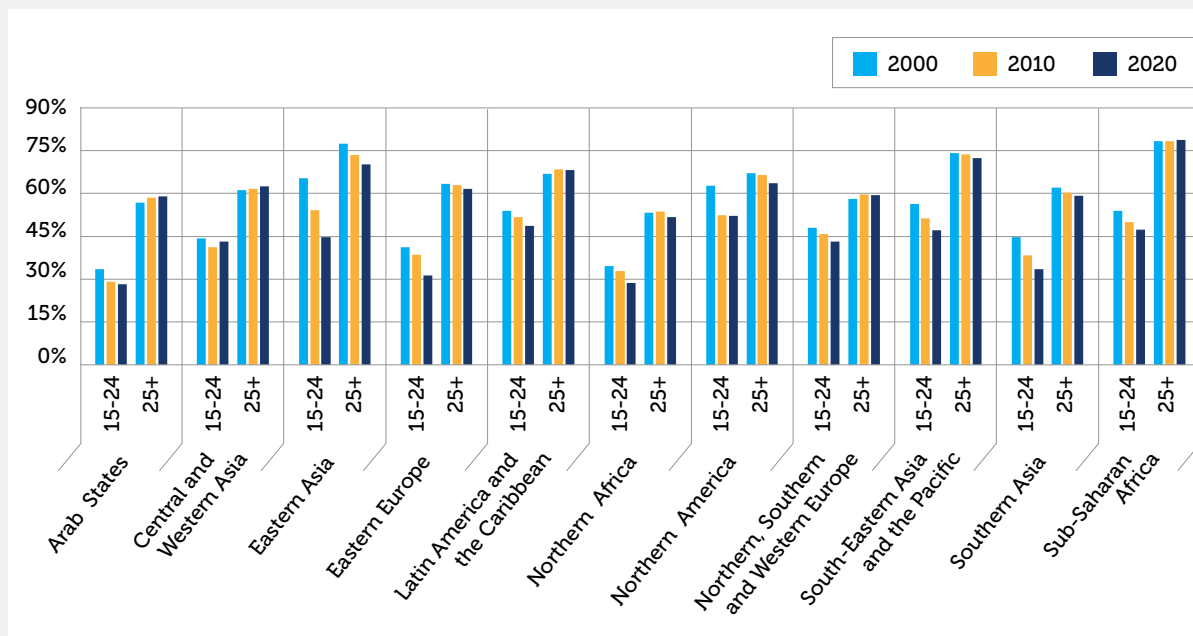
Young people are active contributors to social change. Meaningful engagement is a key vector of youth development – which includes strengthening the capacity of individual young people at the emotional, cognitive, academic, civic, social and cultural levels.

## 2.2 YOUTH EMPLOYMENT AT A GLANCE

The share of youth in the global labour force declined from 21 per cent in 2000 to 15 per cent in 2018. Youth labour force participation as a share of the total youth population also fell during this period, dropping from 52.7 per cent (573 million of 1.089 billion) in 2000 to 42.9 per cent (511 million of 1.19 billion) in 2018; **figure 3** shows the decreasing trend in specific regions for the period 2000-2020. Both in absolute numbers and as share of the global labour force, the contribution of young people has declined. The youth labour force is around 60 per cent male and 40 per cent female – a ratio that has remained fairly constant over time.



FIGURE 3. LABOUR FORCE PARTICIPATION RATES WITHIN THE AGE GROUPS 15-24 AND 25+, BY REGION, 2000-2020



Source: International Labour Office, Trends Econometric Models.

Unemployment, particularly among youth, represents one of the greatest global challenges. Recent estimates suggest that 600 million jobs would have to be created over the next 15 years to meet youth employment needs (ILO, 2020). The International Labour Organization (ILO) estimates that 96.8 per cent of all young workers in developing countries are in the informal economy. Unleashing the potential of youth as an engine of job creation is a key element of the 2030 Agenda. Youth entrepreneurship has the capacity to generate a multiplier effect, as young entrepreneurs are more likely to hire their peers and can lift other youth out of informality and working poverty.

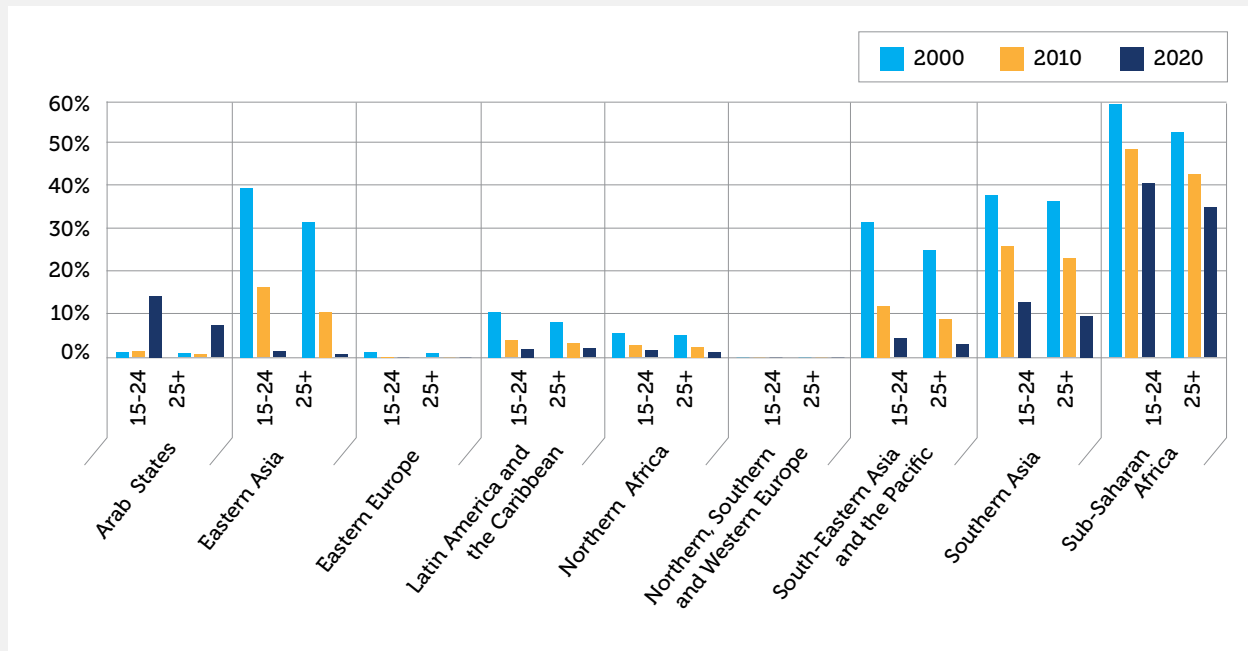
Many individuals in the labour force are underemployed and are thus not operating at their full potential. Underemployment occurs when members of the

workforce are compelled to accept employment in which their training or experience are not fully utilized or to settle for irregular or part-time work when they are seeking full-time employment. Underemployment is especially prevalent in areas where informal markets (and abusive employment terms) are dominant. In Africa, for example, there are significant numbers of youth among the working poor who are forced to accept insecure, low-paid work, often in the informal sector (see **figure 4**). Underemployment negatively affects an individual's financial capacity and hinders personal and professional growth. On a societal level, labour force underutilization undermines economic growth and social progress.

Demographic shifts also have an impact on labour market conditions. According to ILO, "growth of the global



FIGURE 4. WORKING POVERTY RATES WITHIN THE AGE GROUPS 15-24 AND 25+, BY REGION, 2000-2020



Source: ILOSTAT, Estimates and Projections.

labour force will not be sufficient to compensate for the rapidly expanding pool of retirees, putting pressure on both the pension system and the labour market as a whole” (ILO, 2018, p. 3). Expanding youth employment and increasing the productivity and wages of young people in the labour market will help alleviate these pressures. Several regions, such as sub-Saharan Africa and Southern Asia, which still have very large youth populations entering the labour force, face a major challenge in creating enough decent work opportunities for the new entrants (ibid., p. 46).

One encouraging development is the significant decline in extreme poverty<sup>10</sup> among working youth – except in the Arab States, where estimates suggest

an increase during the period 2010-2020. The Youth Development Index (YDI) measures progress in 183 countries across five domains (education, health and well-being, employment and opportunity, political participation, and civic participation); based on YDI statistics for the period 2010-2015, the Commonwealth Secretariat (2016, p. 27) concluded that the “all-round development of young people is improving in most parts of the world”.

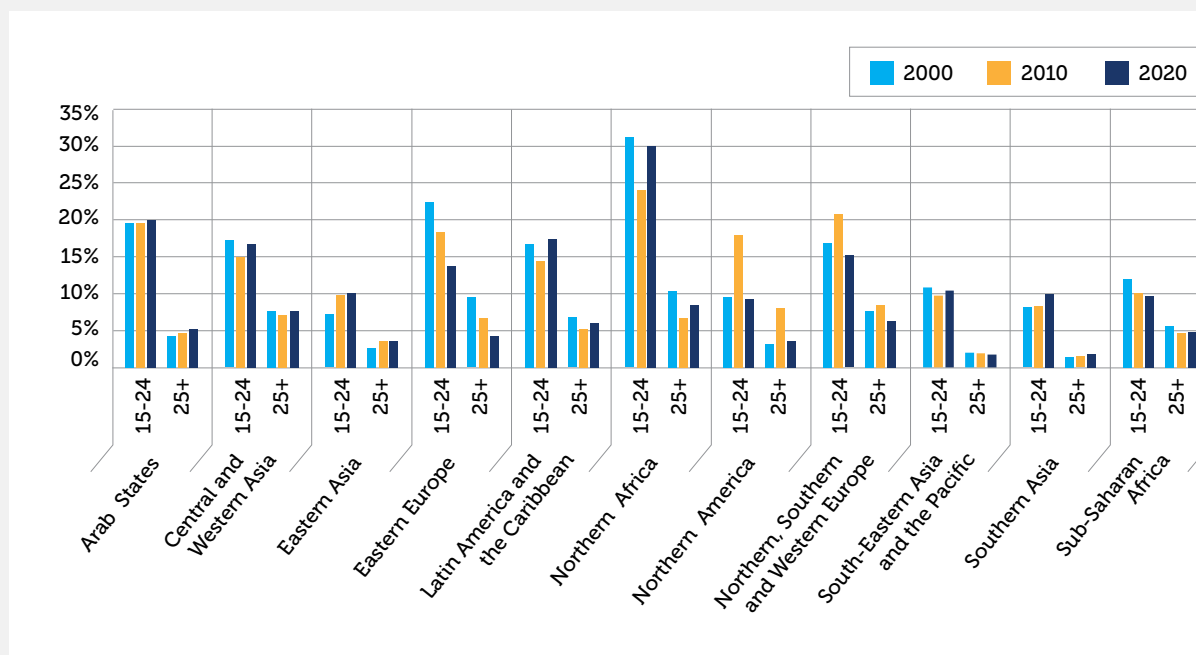
Such data suggest that there may be cause for guarded optimism. However, young people still struggle to find jobs and are more likely than those aged 25 and above to be unemployed; youth unemployment rates vary across regions but are particularly high in Northern

<sup>10</sup> Living on less than \$1.90 per day (2015 purchasing power parity).





FIGURE 5. RATES OF UNEMPLOYMENT WITHIN THE AGE GROUPS 15-24 AND 25+, BY REGION, 2000-2020



Source: ILO, Key Indicators of the Labour Market (2018 data).

Africa and the Arab States (see **figure 5**). Similarly, though progress has been made in reducing rates of working poverty, the share of the working poor remains stubbornly high in sub-Saharan Africa.

In many countries worldwide – and especially for the young people in those countries – decent labour market conditions (formality, social security systems, job security, access to collective bargaining, compliance with labour standards and rights at work) remain elusive (ILO, 2019). Young people are more likely than adults to be underemployed and/or in vulnerable employment (Schøtt, Kew and Cheraghi, 2015); in 2017, youth underemployment rates were higher than the corresponding adult rates in all but 6 of the 79 countries for which ILO had data, ranging from 0.3 per cent in Ukraine to 29 per cent in Azerbaijan.

In developing countries in particular, low youth unemployment rates may mask poor job quality or insufficient work hours. Substantial numbers of young labour force participants experience the latter phenomenon – referred to as time-related underemployment – which characterizes those in employment who “(a) are willing to work additional hours; (b) are available to work additional hours, i.e., are ready, within a specified subsequent period, to work additional hours given opportunities for additional work; and (c) worked less than a threshold relating to working time” (ILO, n.d.).

Youth working in the informal sector account for 96.8 per cent of employed youth in developing economies, 83.0 per cent in emerging economies, and slightly less than 20 per cent in developed economies. Young



people worldwide struggle to find employment; in many areas, any work they find is likely to be precarious.

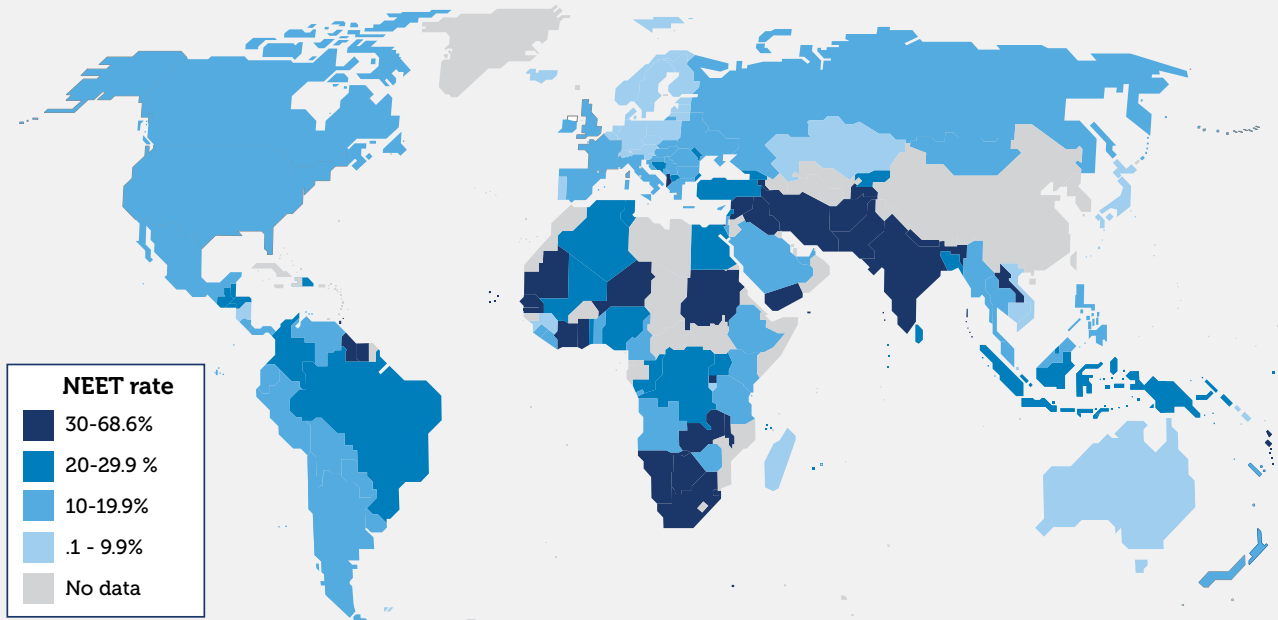
Young people who spend a substantial amount of time not in employment, education or training tend to experience varying degrees of social and economic marginalization and are more likely to be left behind. **Figure 6** provides a snapshot of NEET-rate ranges worldwide (for countries for which data are available) using the most recent estimates for the period 2000-2018.

Globally, “30 per cent of young women and 13 per cent of young men were classified as NEET in 2018” (ILO, 2019, p. 20). The overall NEET rate “decreased by a mere 2 percentage points between 2005 and 2018, which

means that the ... [Sustainable Development Goal] target of substantially reducing NEET rates by 2020 will most certainly be missed” (ibid., p. 3). Data suggest that the NEET phenomenon is persistent and highly gendered, so promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Goal 8) and achieving gender equality and empowering all women and girls (Goal 5) are likely to prove challenging.

Unfortunately, the most recent estimates likely understate the true extent of youth NEET, as data are not available for all countries. Using the ILO modelled estimates for 2018, the total number of youth in the world classified as NEET

**FIGURE 6. YOUTH NEET RATES, MOST RECENT ESTIMATES (2000-2018)**



Source: DESA, based on ILOSTAT, country profiles.

The boundaries shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



comes to around 264 million.<sup>11</sup> The concentration of youth classified as NEET is strong. As shown in **table 2**, there are

19 countries in which the youth NEET rate exceeds 35 per cent; the combined average for this group is 42 per cent.

<sup>11</sup> Based on ILOSTAT explorer data set “Youth not in employment, education or training (NEET) by sex – ILO modelled estimates, November 2019” ([https://www.ilo.org/shinyapps/bulkexplorer24/?lang=en&segment=indicator&id=EIP\\_2EET\\_SEX\\_NB\\_A](https://www.ilo.org/shinyapps/bulkexplorer24/?lang=en&segment=indicator&id=EIP_2EET_SEX_NB_A)).

**TABLE 2. COUNTRIES WITH THE HIGHEST YOUTH NEET RATES (2018 OR MOST RECENT ESTIMATES)**

COUNTRY	YOUTH NEET RATE (PERCENTAGE)	GDP PER CAPITA (CONSTANT 2010 US DOLLARS)	TOTAL UNEMPLOYMENT RATE (PERCENTAGE)	EASE OF DOING BUSINESS INDEX* (RANK)
Niger	68.6	403.5	7.8	144
Trinidad and Tobago	52.1	15 161.1	3.0	102
Gambia, Republic of the	49.6	786.4	10.2	146
Kiribati	46.9	1 762.3	9.3	157
Yemen	44.8	667.9	13.5	186
Zambia	43.1	1 672.3	12.0	85
Tajikistan	42.2	1 073.0	6.9	123
Lao People’s Democratic Republic	42.1	1 785.6	9.4	141
Afghanistan	42.0	563.8	11.2	183
Iraq	40.6	5 477.7	13.0	168
Samoa	37.9	3 748.8	14.5	87
Armenia	36.6	4 406.7	17.7	47
Nauru	36.4	10 910.1	13.3	N/A
Senegal	36.2	1 546.5	6.8	140
Guyana	35.8	3 992.2	14.0	126
Botswana	35.5	8 031.0	17.9	81
Eswatini	35.5	4 773.9	22.7	112
Mauritania	35.5	1 334.5	10.3	150
Nepal	35.4	817.4	3.9	105

Sources: ILOSTAT database (non-modelled estimates); World Bank, World Development Indicators.

\* In the ease of doing business index, economies are ranked from 1 to 190 (1 = most business-friendly regulations).



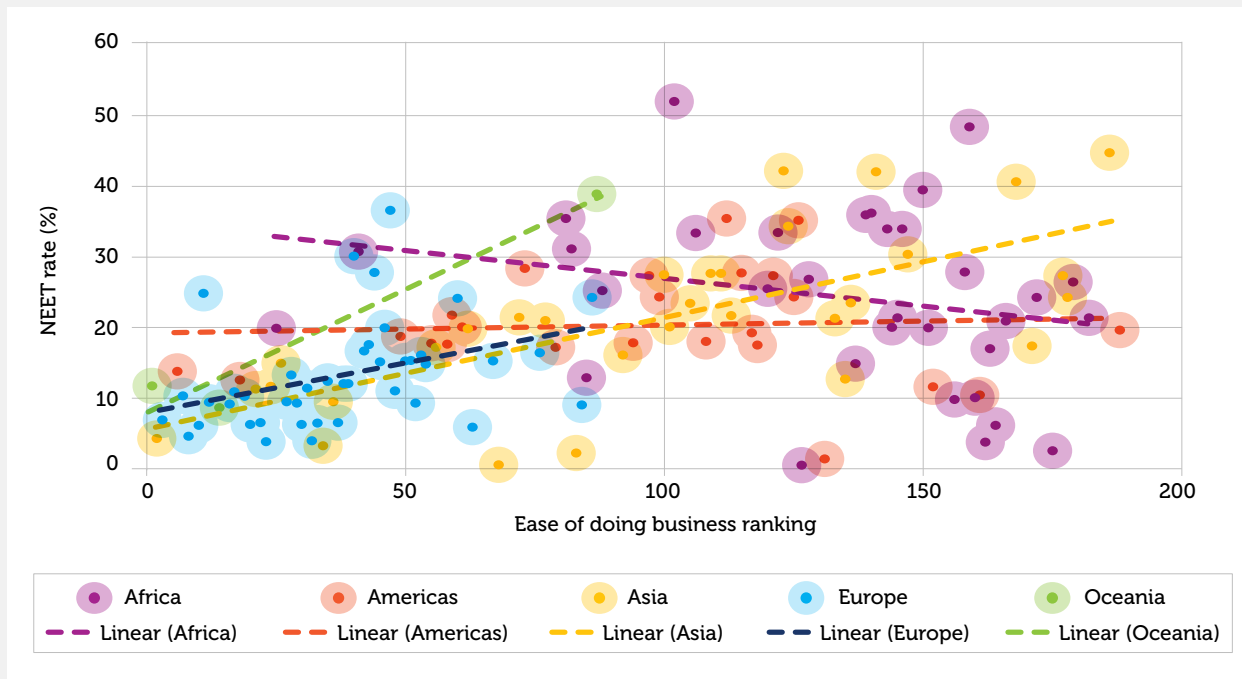
The untapped potential of youth is highest in countries that most need to develop that potential, but labour market conditions appear to be unfavourable for both formal employment and self-employment/entrepreneurship in those countries. As indicated in **table 2**, the 19 countries with youth NEET rates exceeding 35 per cent tend to be poor (with average GDP per capita of \$3,627), to have high unemployment rates (11.4 per cent, on average), and to be characterized by relatively difficult conditions in which to do business (with an average ranking of 126 in the ease of doing business index).

The World Bank ease of doing business index reflects the favourability of the local business environment in every country, with national rankings deriving

from the aggregation of selected indicators that measure 11 dimensions of the general business environment (getting electricity, dealing with construction permits, trading across borders, paying taxes, protecting minority shareholders, registering property, getting credit, resolving insolvencies, enforcing contracts, labour market regulation and starting a business). **Figure 7** depicts the relationship between youth NEET rates and rankings in the World Bank ease of doing business index (based on indicators for 144 countries for which data were available).

There is a strong negative correlation between a country's ease of doing business ranking and its youth NEET rate. A country with a very low ranking in the ease of doing business index tends to have a high youth NEET

**FIGURE 7. RELATIONSHIP BETWEEN EASE OF DOING BUSINESS INDEX RANKINGS AND YOUTH NEET RATES, 2017**



Source: Compiled by Willem Naudé based on data from ILO and the World Bank ease of doing business index (2017).



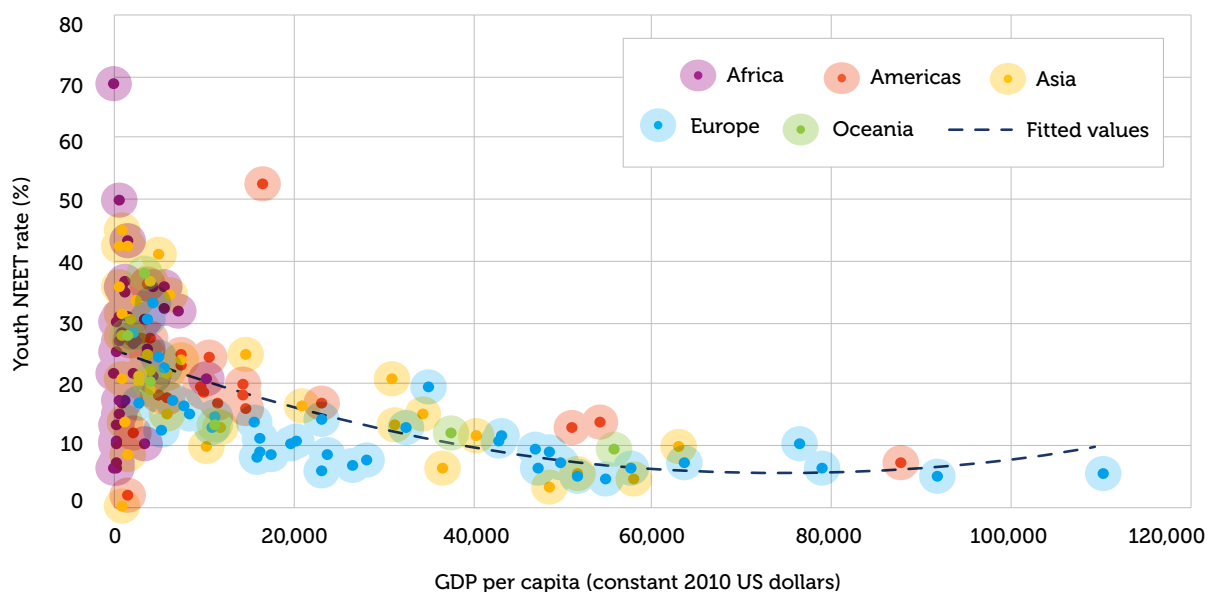
rate. In practical terms, a business environment that is more accommodating to new start-ups and better supports the growth of existing enterprises is associated with a higher realization of youth potential in both education and employment.

Countries with stubbornly high youth NEET rates can improve the economic engagement and overall welfare of young people by improving the environment for doing business. This is true as a rule, though African countries constitute an interesting exception. Furthermore, the United States is ranked very high in terms of the ease of doing business but has a 13 percent youth NEET rate.

As shown in **figure 8**, there is a strong negative correlation between the national youth NEET rate and the level of economic development (as reflected in real GDP per capita). There is a positive correlation between the level of income inequality in a country (as measured by the Gini index) and the youth NEET rate (see **figure 9**); in other words, countries with a more unequal income distribution tend to exhibit higher NEET rates. Clearly, structural factors influence the share of youth who are classified as NEET.

Higher NEET rates are also positively correlated with less peaceful national contexts as measured by the

**FIGURE 8. RELATIONSHIP BETWEEN GDP PER CAPITA AND THE YOUTH NEET RATE, 2018 OR MOST RECENT ESTIMATE**



Sources: DESA, based on ILOSTAT database (non-modelled estimates); World Development Indicators (World Bank).



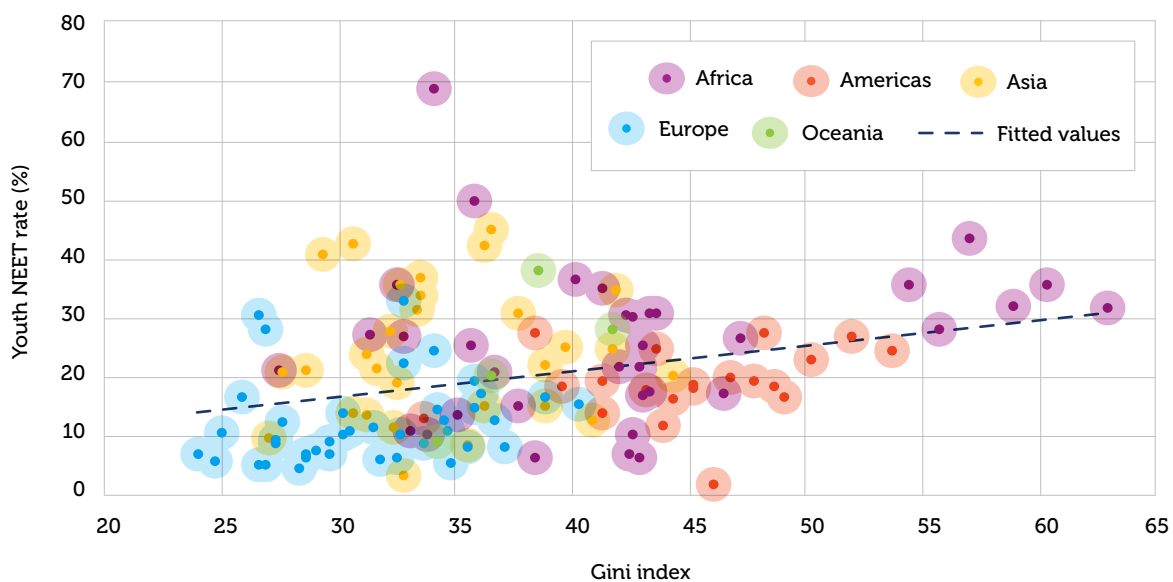
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Global Peace Index<sup>12</sup> (see **figure 10**). The Commonwealth Secretariat (2016) has estimated that a third of global youth live in fragile and conflict-affected countries, and projections by the Organization for Economic Cooperation and Development (OECD) indicate that the number of such youth will increase from 1.6 billion to 3.0 billion by 2050. Fragile political contexts and a distrust of local authorities add to the existing socioeconomic barriers to youth development (UNDP, Regional Bureau for Africa, 2017). Such contexts become even more conducive to violence with the breakdown of family structures and strong community ties and, more generally, with the social marginalization of youth (UNDP, 2016).

Although some progress has been made in youth development, young people are still struggling to find their place in the labour market. The elevated unemployment, underemployment and NEET rates among youth heighten their risk of economic and social exclusion. Structural factors such as economic underdevelopment, inequality, fragile political contexts and conflicts undermine efforts to achieve the Sustainable Development Goals and reduce opportunities for young people to thrive and be agents of positive change. In this context of impeded youth development, enhancing entrepreneurship represents one solution for youth employment (Eichhorst and Rinne, 2017).

<sup>12</sup> Global Peace Index (GPI) scores are provided for 163 countries; in 2018, the scores ranged from 1.096 in Iceland to 3.599 in Iraq.

### FIGURE 9. RELATIONSHIP BETWEEN INCOME INEQUALITY AND THE YOUTH NEET RATE, 2018 OR MOST RECENT ESTIMATE



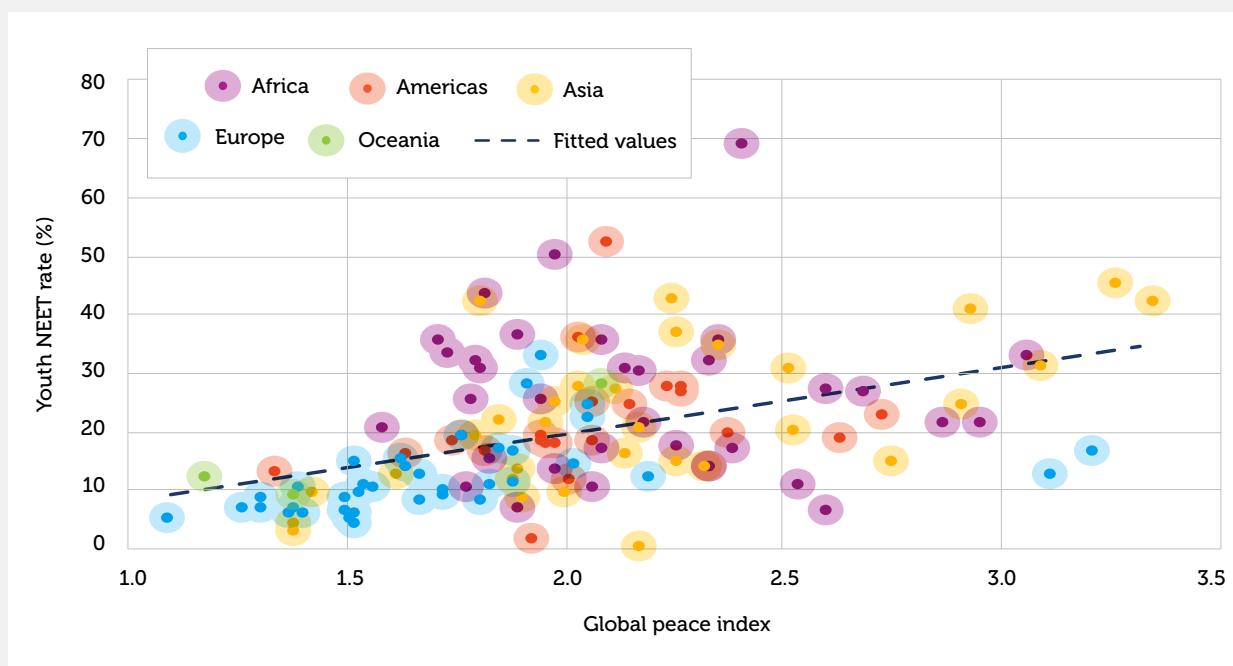
Sources: DESA, based on ILOSTAT database (non-modelled estimates); World Development Indicators (World Bank), 2018 or most recent.



Technological changes – including the rise of automation and the consequent displacement of lower-skilled labour – have the potential to exacerbate youth unemployment. Automation is most likely to replace jobs in which tasks are largely routinized. Because jobs with fewer complex tasks are often young people’s point of entry to the formal labour market, youth are disproportionately represented in industries that will be especially affected by automation. The elimination of these jobs may create additional challenges for young people, in particular those who have not had access to higher education.

Technological change also has the potential to contribute to youth employment. With the rapid development of frontier technologies, new opportunities may open up for some young people (including those who have access to technology education) to take advantage of new, emerging or growing markets created by such technologies. For these opportunities to be available to all youth, all countries will need to provide education and training to enable the growth of the digital economy, including digital social enterprises, and to invest in infrastructure, innovation, and research and development (R&D) to provide the foundation for young people to be able to leverage these new technologies.

**FIGURE 10. RELATIONSHIP BETWEEN PEACE AND THE YOUTH NEET RATE, 2018 OR MOST RECENT ESTIMATE**



Sources: DESA, based on ILOSTAT database (non-modelled estimates); Global Peace Index, Institute for Economics and Peace.



UN Photo / Milton Grant

**Students at the Che Guevara School in Guanajay, Cuba. Developing a broad array of transferable skills such as entrepreneurial skills, can increase young people's chances of success in their professional lives.**

What is clear is that the future of work is changing more rapidly than imagined even a few years ago, and the impact on young people cannot be underestimated. The fusion of advancements in artificial intelligence (AI), robotics and automation, 3D printing, the Internet of Things (IoT), and other technologies will require youth not only to learn new skills but to learn in a different way. Young people will likely change careers several times during their adult lives. Developing a broad array of transferable skills, including entrepreneurial skills, can increase

their chances of success in their professional lives and help them weather the profound changes the Fourth Industrial Revolution will bring.

As long as structural barriers remain in place, implementing employment-based interventions targeting young people may just fuel greater frustration. What is needed are comprehensive approaches and strategies that enhance the economic, social and political inclusion of youth and that recognize young people as catalysts for positive social change and sustainable development.





### 2.3 SOCIAL ENTREPRENEURSHIP: A VIABLE EMPLOYMENT ROUTE FOR YOUTH?

In the context of this *Report*, the term “youth social entrepreneurship” is used to describe situations in which young people are social entrepreneurs themselves and are either founders of or partners/employees in youth-led social enterprises. In some cases, the term is used in connection with youth-focused social enterprises (where young people are the primary beneficiaries rather than the leaders of the social enterprise).

By and large, youth recognize the merits of social entrepreneurship and the potential for making a living from employment focused on social development (Perić and Delić, 2014). Young people see social entrepreneurship as a way to create a job for themselves and to gain experience that can inspire others to act as change agents in various fields. This is particularly evident in the Middle East and North Africa, sub-Saharan Africa and Western Europe, where nascent social entrepreneurs outnumber nascent commercial entrepreneurs in the 18-34 age group (Bosma and others, 2016).

Social entrepreneurship can generate economic empowerment for youth and social development for the community. Young social entrepreneurs can pull in resources and funding to create jobs and services while developing novel solutions that contribute to inclusive sustainable development. Through their involvement in social enterprises, marginalized youth are provided with the means and motivation to contribute to their communities in more general terms and are taught skills that enable them to become productive members of society (Delgado, 2004).

Social enterprises create economic opportunities for a wide range of vulnerable groups. The employment and management principles of social enterprises are

typically more inclusive than those applied in commercial enterprises (Huybrechts, de Wilmars and Rijpens, 2014). Social enterprises frequently provide disadvantaged and marginalized groups with job opportunities, effectively fighting discrimination and stereotypes through their employment practices. Studies show that social enterprises have more women in senior positions than do commercial small and medium-sized enterprises (SMEs), which has a positive impact on organizational performance (Commission Expert Group on Social Entrepreneurship, 2016).

When successful, youth social entrepreneurship can expand beyond self-employment to a type of entrepreneurship that creates jobs for unemployed youth. As profit is not the main objective, social enterprises are well positioned to train employees for a longer period. Such enterprises are able to create jobs and retain employees even in situations in which their commercial counterparts would find certain potential or existing employees unsuitable for their purposes. Young social entrepreneurs can hire other youth and give them the opportunity to learn new skills that will allow them to gain a foothold in the labour market.

Scholars and policymakers are increasingly promoting youth entrepreneurship as a means of addressing the global employment challenge (Chigunta, 2017), particularly among young people who struggle to find decent work (Chigunta and Chisupa, 2013). Youth social entrepreneurship can become an integrated tool for both youth employment and sustainable development. Indeed, “fostering effective entrepreneurial activity among ... youth is regarded as a critical development strategy in order to integrate them into the labour market as well as harness their potential to contribute in a meaningful way to sustainable economic development in their regions” (Schøtt, Kew and Cheraghi, 2015, p. 4).



When properly supported and leveraged, young social entrepreneurs can be agents of change who seek to create and build social value in a sustainable manner while accepting the associated risks and the need for continuous learning and innovation. Often, young people see social entrepreneurship as a vehicle for bringing together opportunities for self-employment, development and participation.

Some social enterprises, including those operating or expanding in last-mile and other underserved areas, create completely new job opportunities – often for marginalized youth, who experience higher levels of unemployment (Commission Expert Group on Social Entrepreneurship, 2016). As part of their mission, many social enterprises have an employment policy that seeks to give opportunities to job-seekers from vulnerable or marginalized population groups (Mihajlović and Nikolić, 2017). For example, work-integration social enterprises (Davister, Defourny and Grégoire, 2004; Teasdale, 2010) and cooperatives (Wanyama, 2014; Gicheru, 2016) are committed to offering decent working conditions, developing the skills of youth that have no prior work experience, and employing those who for a variety of reasons find it difficult to secure employment in traditional labour markets.

Social enterprises endeavour to make a profit but place a high priority on offering decent terms of employment. Such enterprises frequently offer stable jobs for excluded individuals. For some groups, including young people in certain settings, they may represent the only work prospect. For others, social enterprises are part the transitional labour market, serving as a step on the way to (or way back to) the regular labour market and “normal” employment (Borzaga and Defourny, 2001). Another way social enterprises can promote youth entrepreneurship and employment is by prioritizing youth and other vulnerable groups in their value chain as partners and subcontractors.

Work-integration social enterprises are not always able to offer salary levels that enable marginalized groups to become independent of State subsidies and support. Nevertheless, social enterprises may contribute to the economic well-being of marginalized groups and give them a level of financial independence, which in turn boosts economic activity in the local community. This is the case primarily (or perhaps almost exclusively) in developed countries; in developing countries, the problem of low and unstable wages persists.

Social entrepreneurship is closely tied to young people’s everyday realities, so unlike government agencies and established NGOs, youth social enterprises may operate largely in the informal economy. In developed countries the informal economy is often associated with illegality and criminal behaviour, but in vast parts of the world it is where much of the economic activity takes place and is the sector that provides livelihoods to large parts of the population. Youth social enterprises established in the informal economy are able to reach parts of society that remain outside the range of public sector efforts.

Informal employment is ubiquitous, but it often represents a forced choice and comes with a number of risks. The informal sector is largely unregulated, leaving youth vulnerable to exploitative or abusive working conditions and job insecurity. Furthermore, there is evidence that youth who start in the informal sector are likely to remain there for extended periods of time. Social enterprises initially established in the informal sector that ultimately become part of the mainstream economy can mitigate this tendency by helping youth improve their personal circumstances and contributing to the development of their communities and society.

In countries in which unemployment is particularly high among the more highly educated, social entrepreneurship often presents a viable career option. While



social enterprises may be unable to offer salaries that enable youth to become fully independent, they represent a first step on the path out of extreme poverty and/or unemployment (Fotheringham and Saunders, 2014).

## 2.4 SOCIAL ENTREPRENEURSHIP: AN EFFICIENT DEVELOPMENT PLATFORM FOR YOUTH?

Employment remains a major challenge for young people around the world, and there are additional structural barriers that continue to restrict opportunities for social agency among youth.<sup>13</sup> Despite improvements in the overall welfare of youth in recent decades, evidence shows enormous untapped potential at several levels. Young people constitute a vulnerable population themselves, but many are also part of other disadvantaged social groups whose opportunities to participate in social and economic activities may be limited (United Nations, 2018). According to some experts, new participatory development models that empower and benefit marginalized groups are needed to address societal challenges (Abdou and others, 2010).

Young people exhibit characteristics that make them well suited to finding solutions for social problems and accelerating social change (Ho, Clarke and Dougherty, 2015; Kourilsky, Walstad and Thomas, 2007). Studies from around the world show that youth are highly motivated to do meaningful work that makes a positive difference and addresses social problems (Braguta, Solcan and Stihi, 2018; Global Social Entrepreneurship Network, 2016). Importantly, young people are generally ready to challenge the status quo, including traditional development approaches, and tend to take advantage of technology

to seek information, test their ideas, and engage or collaborate with peers (Clarke and Dougherty, 2010). There is specific added value in engaging individuals in social entrepreneurship at a young age; among other things, empowering youth and strengthening their belief in their own capabilities can influence their willingness to engage in additional entrepreneurial activity in the future (Sen, 2007).

By strengthening young people's capabilities, social enterprises can enhance their opportunities to improve their situation while also fostering the long-term development of their communities. Social enterprises can involve youth as employees or target them as beneficiaries. By helping young people acquire skills and channel their frustrations into productive activity, such enterprises support youth empowerment and participation in the economic and social spheres, providing a pathway for young people to contribute to their communities in more general terms. All of this serves to strengthen the social fabric of local communities, which in turn contributes to overall political, social and economic stability (Abdou and others, 2010; Delgado, 2004).

Being locally embedded, social enterprises are particularly agile in developing innovative solutions to local problems (Richter, 2017), and by influencing economic and social conditions, they can also drive broader institutional change (Seelos, Ganly and Mair, 2006). Youth social enterprises can induce social transformation through young people and through values-based business approaches in which positive outcomes are produced throughout the value chain. Beyond solving local problems, youth social enterprises can shape how social values are defined and what kinds of solutions, needs and economic models are prioritized. By scaling up their

<sup>13</sup> One factor is the age structure of a population. Liang, Wang and Lazear (2014) have confirmed – based on data from the Global Entrepreneurship Monitor and the Flash Eurobarometer Survey on Entrepreneurship – that the overall rate of entrepreneurship is lower in “older” societies.



own operations or simply by acting as role models and facilitators in their local environment (Rahdari, Sepasi and Moradi, 2016), youth can help transform development approaches and foster partnerships.

Some youth connect with social entrepreneurship as beneficiaries, but young people are also able to take the lead in social enterprises that seek to help transform local communities. Typically, young social entrepreneurs follow their personal values and naturally develop business models and funding sources that are aligned with the aim of producing social good. The business ideas they adopt may not appeal to commercial enterprise developers and often do not represent what would traditionally be considered a strong “business case”. Young social entrepreneurs are motivated not by profit but by their desire to engage their communities in developing solutions to real problems and to ensure that others will not face the same challenges. They understand that successful social entrepreneurship is often based on a deep understanding of the local socioeconomic context and accountability to the people living in the community.

Youth engage in social entrepreneurship for a number of reasons. Young people regularly face obstacles to participation in traditional platforms (including political processes), and local community development offers them a way to make a difference in society. As young people value social capital and tend to be more willing to deviate from group norms and question traditional approaches, they may be more inclined to choose social entrepreneurship as a way to effect social change in their own way and on their own terms.

It is important to mention that substantial numbers of young people do not “choose” social entrepreneurship among a wide range of career options. In many cases, social entrepreneurship represents the only way out of extreme poverty. Necessity or subsistence entrepreneurs engage in entrepreneurial activities because formal

employment opportunities are not available and they need to survive. This issue is examined in greater detail in **chapter 3** of the present *Report*.

## 2.5 SOCIAL ENTREPRENEURSHIP: A PRACTICAL PATHWAY TO SOCIAL CHANGE FOR YOUTH?

A key aspect of social entrepreneurship that resonates well with young people is the approach of caring about rather than simply using a place (Kibler and others, 2015). Social enterprises acknowledge their ties to the community and undertake activities that hold value for local residents and benefit the wider society (Edward and Tallontire, 2009). In catering to the needs of the most marginalized segments of society, social enterprises may adopt business ideas that are not appealing to commercial actors (Santos, 2012). They fill gaps in areas that are outside the interests or responsibilities of State and local government authorities, international organizations, foreign direct investment sources, and private philanthropists (Hanley, Wachner and Weiss, 2015). Many social enterprises emerge from local resident initiatives or are initiated by local economic actors who establish operations in their own communities and explore solutions to local needs.

In commercial enterprises, the primary focus is on economic returns. As the social mission is the core focus of social enterprises, the financial component is important only insofar as it represents a means of achieving the targeted social development objectives. In a number of enterprises, commercial and social entrepreneurship coexist to varying degrees. Although some social entrepreneurs may not perceive themselves as such (Holt and Littlewood, 2014), their personal values lead them to develop a business model that is aligned with the aim of producing social good. Many commercial enterprises incorporate some form of social engagement as part of



**Students attend class at a public school in Taliko, a neighbourhood of Bamako. Inequalities among youth, such as lower access to post-secondary education for young women, also widen gaps in access to opportunities, such as social entrepreneurship education.**

their company mission or engage in social support activities on a voluntary basis. For instance, young entrepreneurs in the information technology sector often exhibit a pronounced tendency to focus on building a sense of community and enhancing the well-being of employees, customers and other stakeholders (Grant, 2017).

Social entrepreneurs may “sacrifice” a portion of their profits for the social good. Reinvesting financial gains in the achievement of a social mission that benefits the local community and contributes to infrastructure development is a way of making a positive impact. In addition to providing products and services that address

customers’ needs and supporting the sustainable development of societies, social enterprises can generate impact in different parts of the value chain (Littlewood and Holt, 2018). A social enterprise can advance the Sustainable Development Goals by practising ethical sourcing – that is, by collaborating with and supporting activities carried out by ethical actors, including other young entrepreneurs.

By helping mitigate poverty and resource scarcity, youth social enterprises can also help end the vicious cycle of intergenerational disadvantage (Rivera-Santos and others, 2014). The intergenerational transmission of



social disadvantage remains a common phenomenon, with children “inheriting” their parents’ position and status (Wiborg and Hansen, 2009). The social and economic exclusion of marginalized groups tends to expand over time as it affects successive age cohorts.

As social-economy organizations, social enterprises focus primarily on local disadvantaged groups such as young women, the long-term unemployed, persons with disabilities and migrants. Young women represent an important group for social entrepreneurial services. They are typically the primary caregivers in the household, and their marginalization strongly affects the health and well-being of their children and their capacity to evolve into productive adults (Fotheringham and Saunders, 2014). The social and economic empowerment of marginalized young women enables them to imagine and provide better futures for their children. Supporting young women can also be a powerful engine for social change in that it erodes gender discrimination, challenges traditional power structures and family dynamics, and alters attitudes towards working women (Haugh and Talwar, 2016).

In general, social entrepreneurship has enormous potential for mobilizing young people to address major social challenges such as poverty, social exclusion, and migrant and refugee concerns while also generating self-employment and fostering their own development and empowerment. Youth social entrepreneurs, unlike government agencies and established NGOs, are often part of the communities targeted by their enterprises, so they are familiar with the needs of those they seek to help. Young entrepreneurs tend to be more readily welcomed in these communities and to know what it takes for the local population to adopt their ideas. The gaps that social enterprises can fill vary by location and might not be visible to outsiders; however, young people – especially those who hail from the same communities or general culture – are aware of these gaps and see them as business opportunities (Mair and Marti, 2009).

## 2.6 SOCIAL ENTREPRENEURSHIP: SUPPORTING YOUTH ACCESS TO NETWORKS AND RESOURCES?

Marginalized groups, including youth, often lack opportunities and the resources they need to build their future. Successful social entrepreneurship can help build the resilience of depleted communities and lower or remove the barriers that prevent marginalized individuals from being active agents of their own development and productive members of the community (Haugh and Talwar, 2016). Creating a sense of belonging and enhancing self-esteem can be equally important. A study following displaced Palestinian women, including many youth, who engaged in home-based entrepreneurship in Jordan revealed that the women were empowered by the increased awareness of and respect for their ethnic background and heritage (driven by the success of their traditional entrepreneurial activity). This community of women found a way to become more embedded in society and to identify themselves by their achievements rather than by their poverty, marginalization or displacement (Al-Dajani and Marlow, 2013). As skilled entrepreneurs, they enjoyed increased social status within their families and immediate communities as well as among their clients and people living in the region.

One form of social entrepreneurship that facilitates youth inclusion and cooperation is community entrepreneurship, which occurs when members of a community combine local skills and resources to create a collaborative enterprise (Peredo and Chrisman, 2006). Community entrepreneurship is jointly undertaken in pursuit of the common good, including through intergenerational dialogue, and can potentially address a multitude of social and economic problems in a community. Examples of such enterprises include jasmine growers in India (Handy and others, 2011), reindeer husbandry in Finland (Dana and Light, 2011), and SEKEM in Egypt,



which has developed more environmentally friendly cotton production practices to help future generations safeguard their natural resources. Several case studies show that community entrepreneurship has the potential to empower those involved and to alleviate poverty (Teerakul and others, 2012), to protect and help preserve the local culture (Dana and Light, 2011), to enhance the use of local resources (Berkes and Davidson-Hunt, 2007), and to improve social participation and people's sense of community involvement (Bridger and Luloff, 2001; Somerville and McElwee, 2011).

Social entrepreneurship can also help young people strengthen their financial capabilities and gain access to resources. KickStart International is a social enterprise that shares technologies and other resources to support the expansion of youth entrepreneurship, particularly in sub-Saharan Africa, and to support economic growth and poverty alleviation in areas with the greatest level of need. The mission of KickStart "is to move millions out of poverty by promoting sustainable economic growth and employment creation through the development and promotion of technologies that can be used by 'dynamic entrepreneurs' to establish and run profitable small-scale enterprises" (Galvin and Iannotti, 2015). Initiatives such as these are important, as grants are often available only to organizations or projects that are formally registered or meet specific criteria – which immediately restricts access to such funding in much of the global South. Another initiative dedicated to promoting financial self-sustainability is YouthStart, which was established by the United Nations Capital Development Fund (UNCDF) in 2010. This programme helps financial service providers in sub-Saharan Africa develop their offerings to better cater to the needs of low-income youth. The services are designed to help young people save money and develop financial literacy, as well as to acquire the skills, knowledge and networks they need to build livelihoods for themselves.

Social entrepreneurs typically set up a single enterprise but often become part of a collective effort that brings together youth, opportunities and resources. To address challenges stemming from the scarcity of resources and the complexity of problems experienced at the last mile, for example, social enterprises can share information and resources and work together in a number of ways to support each other's efforts. One reason social enterprises need to form tight networks is that other entities engaged in social development may not be willing to partner with working ventures serving stigmatized groups (Fotheringham, 2016).

## 2.7 SOCIAL ENTREPRENEURSHIP: AN AVENUE FOR YOUTH TO CONTRIBUTE TO SOCIAL CHANGE?

Research shows that young social entrepreneurs tend to challenge the status quo by questioning prevalent assumptions about who their beneficiaries are, what they need, and how they should be supported (Sunduramurthy and others, 2016). In Brazil, for example, Projeto Quixote sought to change the public image of children living in the streets so that they would be seen not as a population of delinquents but rather as a marginalized group to be empowered through education and other types of support that could help them build better futures for themselves. Similarly, many young social entrepreneurs in the education sector have worked to ensure that students are perceived and treated as active participants rather than passive recipients and have elevated the prestige of learning outside the formal schooling system. These are only two of the many examples of youth social enterprises generating social change by shaking up assumptions.

By framing social issues differently, social entrepreneurs can influence how social objectives are defined and the way they are addressed by other sectors of society



(Santos, 2012). For example, social enterprises actively fight discrimination by involving individuals from the last mile in enterprise operations and showing respect for the knowledge and skills they bring, demonstrating to other actors that incorporating a wide range of groups in the social development process can be beneficial.

One strategy young social entrepreneurs employ to contribute to societal transformation is to apply the principles they promote, as leading by example can have a strong ripple effect. For instance, social enterprises that provide services for youth or apply inclusive management practices can generate broader and intangible societal

benefits such as reciprocity, trust and cohesion (ibid.). In countries with poor institutional conditions, such as Bangladesh, social enterprises are said to contribute to the fulfilment of the Sustainable Development Goals simply by practising good governance and avoiding corruption — which helps to ease frustrations and alleviate pressures that can lead to terrorism and exemplifies the qualities of a peaceful and controlled society (Khandaker and Rana, 2016).

Social enterprises often engage in creative networking, building connections and relationships that contribute to social cohesion and the harmonization of social development efforts. By working with other social development entities, mainstream employers and marginalized groups (including young people), both youth-led and youth-focused social enterprises can drive broader changes in attitudes and behaviour. Through their social integration efforts, social enterprises can alleviate the feelings of distrust and unfounded fears mainstream society may have towards youth, persons with disabilities, or ethnic minorities and can help companies employ members of these groups in suitable positions. At the same time, they can help vulnerable groups secure the training and documentation they need and start seeing themselves as active agents. The most effective coordination mechanisms can be replicated through the development of pilot models that can be franchised and utilized by a wide range of private and public organizations in different settings (Alvord, Brown and Letts, 2004). The dissemination of good practice is relatively easy in this context, as social entrepreneurs regularly share their knowledge and ideas as widely as possible — unlike commercial enterprises, which try to protect their own interests (El Ebrashi, 2013).

Social entrepreneurship can also help prepare young people to meet the demands of a rapidly changing world. Educational institutions are being called upon to prepare young generations for “jobs that have not yet been created, for technologies that have not yet been invented,



UN Photo / Milton Grant

**A young man in a wheelchair learns shoemaking in Khartoum, Sudan. Social enterprises can support the social inclusion and employment of persons with disabilities and other marginalized groups.**





to solve problems that have not yet been anticipated, ... [and to] equip them to thrive in an interconnected world where they need to understand and appreciate different perspectives and world views, interact respectfully with others, and take responsible action towards sustainability and collective well-being" (OECD, 2018a, p. 2; OECD, n.d.). The British Council contends that the working methods employed in social enterprises can introduce young people to values-based leadership approaches and teach them empathy – which are vital for developing the skills and will needed to solve social problems and contribute to sustainable development.

## CONCLUSION

The present chapter has explored how youth social entrepreneurship can complement efforts to achieve the 2030 Agenda. Young social entrepreneurs are engaged in improving the social welfare, creating employment opportunities and bolstering economic activity. By linking values-based practices with employment, youth social enterprises allow young people to participate meaningfully in the labour market.

The chapter has highlighted the potential of youth social entrepreneurship to generate solutions that are financially efficient, leverage innovation, and pull

together available resources. Inclusive and sustainable social development requires novel approaches to tackling social problems, and young social entrepreneurs are well positioned to introduce innovative solutions that address local needs and leverage local community participation. By localizing operations, involving key actors, and broadening their impact, youth social enterprises offer an alternative approach to addressing social issues and development challenges – one that complements the efforts of traditional development actors while also influencing changes in development approaches on a wider scale.

Context matters in realizing the potential of youth social entrepreneurship. Economic, educational, financial, institutional and technical conditions and structures can create an enabling or disabling environment that can support or undermine youth development and the sustainability of youth social enterprises. Equally important are the young people themselves and the advantages and disadvantages that may be linked to their age, experience and relative status in society. The next chapter delves into the strengths, weaknesses, opportunities and threats associated with young people and youth social entrepreneurship and explores what young social entrepreneurs need to know and do to successfully contribute to inclusive social development.



Photo: ILO / Marcel Crozet