

## **Employing Youth for a Better Future**

*Breaking New Ground: Partnerships for more and better jobs for young people*  
**27 February 2012**

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## **FOREWORD**

The world's youth population continues to rise — and so do the challenges it faces. Encouragingly, policymakers are increasingly taking note. In January 2012, UN Secretary-General Ban Ki-moon, for example, placed youth welfare at the heart of his major new Five Year Action Agenda.

For young people everywhere, this is excellent news, but the hurdles remain daunting. Recession and rigid labor markets have shrunk employment opportunities sharply. Statistics paint a particularly dark picture. In 2010, the global youth unemployment tally hit 75 million — a record — with another 152 million eking out a living in poorly paid, often dangerous jobs.

Nor is the scourge of youth unemployment limited to a single country or region. In places as different as Spain and South Africa, over half of all young adults are out of work. Gender disparities aggravate the picture further, with young women typically faring far worse.

The long-term consequences of high levels of youth joblessness are well-documented. These include wage “scars”, which inflict lasting damage on lifelong earnings potential. Extended bouts of joblessness also yield higher rates of heart-attack, depression, and suicide.

For society, meanwhile, soaring youth unemployment strains public finances, reduces output, and threatens stability. Witness the upheavals of the Arab Spring, which erupted in the region worst hit by the youth jobs crisis.

Time is not on our side. Policymakers must act now to reform the regulatory climate, improving incentives for economic growth and job creation.

Poor-quality education is another grave concern, as schools churn out graduates ill-equipped with the skills employers seek. For their part, businesses and civil society need to open the doors ever wider to youth — particularly those from underprivileged backgrounds — through internships and other types of hands-on training.

The international community has, of course, a major role to play, too. The Economic and Social Council (ECOSOC), long recognized as one of the world's most inclusive policymaking forums, is becoming similarly innovative.

On 27 February, ECOSOC convened some 400 participants from a wide range of partners — governments, NGOs, labor, employers, youth representatives — to tackle the global youth jobs crisis head-on. The special afternoon event was divided in two: Session 1 focused on partnerships and job creation; Session 2, meanwhile, on stimulating youth entrepreneurship.

Throughout the day, fresh thinking was in abundant supply, as were the crowds, with turnout stellar. On behalf of ECOSOC, we thus wish to extend our deep appreciation to the event's co-conveners, as well as to all its corporate and foundation sponsors. Their strong support helped make the event the inspiring success it was.

But we can't stop now — the ball must keep rolling. It will, fortunately, at ECOSOC's Annual Ministerial Review in July, when governments will draw on the many insights and powerful analysis which emerged back in February.

If this publication, likewise, can help spread the day's messages further still, it will more than achieve its purpose.

### **Event Co-Hosts**

- Sha Zukang, Under-Secretary-General, United Nations Department of Economic and Social Affairs
- Juan Somavia, Director-General, International Labour Organization
- Roland Rich, Executive Head, United Nations Democracy Fund, and Officer-in-Charge, United Nations Office for Partnerships
- Georg Kell, Executive Director, United Nations Global Compact

## **INTRODUCTION**

Achieving decent work for young people is a critical element of the progression towards wealthier economies, fairer societies and stronger democracies. Decent jobs are not only an essential element for young people's success, but also lead to greater security for their families and sustainable economic growth for their countries.

Although young people's energies, ideas, skills and talent are desperately needed, the world today is faced with the monumental challenge of creating more and better jobs for the large numbers of young people who are either entering the labour market for the first time — or are struggling to improve their working conditions and general well-being.

Even in the best of times, young people find it difficult to get a solid foothold into the labour market. In today's difficult economic conditions, young people are two to three times as likely as older workers to be unemployed; of the world's total number of unemployed in 2010, nearly 40 per cent – or about 75 million – were between 15 and 24 years of age.

Moreover, the failure to provide more and better jobs for young people is a concern for both industrialized and developing countries alike. In Spain and Greece, for instance, the youth unemployment rate doubled between 2007 and 2011, and now stands at 46 and 42 per cent, respectively. In Puerto Rico, the rate of unemployment among youth is nearly 30 per cent, while in Colombia, 20 per cent.

As the main UN organ for coordinating global economic and social challenges, the Economic and Social Council is striving to help nations address this crisis. In 2012, ECOSOC's Annual Ministerial Review (AMR) will thus focus on: "Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals". Recommendations and insights from the February 27, 2012 Partnership event will inform the AMR, and could serve to influence the Ministerial Declaration that is adopted on a common action plan address the crisis.

## **ADDRESS BY THE DEPUTY SECRETARY-GENERAL OF THE UNITED NATIONS**

On behalf of the Secretary General, I welcome you to the ECOSOC Special Partnerships Event on Youth Employment.

Last month, in announcing his five-year action agenda, Secretary-General Ban Ki-moon said, “Today we have the largest generation of young people the world has ever known”.

We at the United Nations consider this good news – a dividend. More young people means more opportunity.

Ladies and Gentlemen,

Across the globe, too many young people are jobless and disaffected. Some are poor; some have dropped out of school; some are highly educated. But all have few or no immediate prospects.

For young women, the numbers are higher than those for young men; young women are also more likely to be outside the labour market, for example engaged in unpaid family work.

A recently released United Nations report shows the depth of the crisis.

Among developed countries, the jobless rate rose from an estimated 13 per cent to 18 per cent at the beginning of 2011.

In Western Asia and North Africa, youth unemployment is a staggering 40 per cent. Beyond high unemployment, in many developing countries, young people are often underemployed or work in poor conditions in the informal economy.

There are some exceptions. Yet for the world as a whole, the trend is stark: young people are nearly three times as likely as older adults to be out of a job.

These young people want more. They deserve more.

And as we have seen all over the world in the past year, the lack of jobs is a key source of social and political upheaval.

In some quarters, there is a tendency to downplay the costs of youth employment.

According to this line of thinking, the young can remain with their parents or stay in school; they usually do not have families to support; or they tend not to be in dire need of medical insurance. In essence, it is said, they are not on life’s edge.

This is terribly short-sighted. A wealth of evidence suggests that youth unemployment inflicts lasting damage.

The direct costs are much the same as for unemployment in general: rising welfare payments; lost income-tax revenue; wasted capacity and lost productivity; and the brain drain that ensues when young people emigrate in search of better opportunities. Research also shows that the best predictor of future unemployment is previous unemployment. Youth joblessness leaves a deep “wage scar” that persists well into middle-age. The longer the period of unemployment, the bigger the effect.

This is a grim diagnosis. Yet there are reasons for hope.

Green jobs, new technologies and entrepreneurship all provide reasons for hope. Our challenge is to realize this potential.

It is time for policy-makers to become more focused on the structures that perpetuate unemployment.

Governments must open up labour markets that lock out younger workers. They should also strengthen human capital, in particular through education.

Yet rigid labour markets are only part of the problem, and education only part of the solution.

We must also redesign our monetary and fiscal policies to promote youth employment. Above all, getting young people into work demands economic growth.

Without that, consumers will not spend, businesses will not hire, and governments will not have the money to educate our children, thereby perpetuating the cycle.

Ladies and Gentlemen,

The role of government is important, but limited. We also need better partnerships. Non-profit organizations and other independent actors, such as trade unions and employers’ organizations, have formidable on-the-ground knowledge.

Private foundations bring subject matter expertise and funding.

And the private sector, an increasingly key partner for the United Nations, brings great capacities in marketing, logistics, project management and research and development.

The United Nations, for its part, provides unparalleled access to leaders and policy makers; platforms rooted in universal values; and our convening power -- the ability to unite and coordinate those seeking to make a difference.

So let us get to work.

Let us forge partnerships that get more young people involved in greening our economies.

Let us boost job creation for young people in post-conflict countries -- an essential part of peacebuilding and conflict prevention.

Let us also improve the access of young women to male-dominated jobs.

I invite the companies and foundations represented here to team up with the United Nations, including the UN Global Compact, to put our world – and our young people – on a more sustainable course.

The Secretary-General's action agenda calls on all of us to deepen the youth focus of programmes on employment, entrepreneurship, political participation, human rights, education and health.

He has called for the appointment of a Special Adviser for Youth and the creation of a youth volunteer programme under the umbrella of the UN Volunteers.

And he intends to scale up the UN's capacity to engage in transformative, multi-stakeholder partnerships by creating a new UN Partnership Facility.

We look forward to pursuing these efforts together.

Ladies and gentlemen,

Too frequently, the voices of young people go unheard. Some young entrepreneurs will be speaking to you this afternoon, and many more are in the audience. I hope their stories inspire you to act.

Investing in young people is not only the right thing to do, it is also smart. As the Secretary-General said earlier this month:

“We have a choice. Young people can be embraced as partners in shaping their societies, or they can be excluded and left to simmer in frustration and despair. We don't have a moment to lose. We have the world to gain.”

## OPENING SESSION

The session opened with a welcoming address by **H.E. Mr. Miloš Koterec, President of ECOSOC** who began by outlining some of the world's most pressing youth employment challenges, which include not only high and rising levels of unemployment, but also increasingly extended intervals between employment. To mobilize international support to combat the problem, the Economic and Social Council had dedicated its 2012 AMR to the theme of jobs and growth, but far more must be done at all levels, he added. Only through innovative partnerships which harness the special strengths of government, business, civil society and academia could the world fully address its global jobs crisis — a crisis which hits young adults especially hard.

**Dr. Asha-Rose Migiro, Deputy Secretary-General of the United Nations**, followed with an opening address providing a broad statistical overview of the extent of the challenge. Among developed countries, the youth jobless rate rose from 13 per cent in the 2008 recession to 18 per cent in 2011. Some regions, meanwhile, were faring even worse: in Western Asia and North Africa, for example, youth unemployment stood at a staggering 40 per cent, she noted. Furthermore, the direct costs of youth joblessness were much the same as for unemployment in general. They included: rising welfare payments; lost income-tax revenue; wasted capacity and lost productivity; and the brain drain that ensues when young people emigrate in search of better opportunities.

The United Nations, she continued, can help by providing unparalleled access to world leaders and policy makers; platforms rooted in universal values; and extraordinary convening power -- the ability to unite and coordinate those seeking to make a difference. Companies, foundations and others can help by teaming up with the UN (particularly with the Global Compact) to put the world, including young people, on a more sustainable course. Dr. Migiro concluded by reminding the audience that Secretary-General Ban's new "Action Agenda" has served to deepen the organization's youth focus, with special programmes on employment, entrepreneurship, political participation, human rights, education and health.

**H.E. the Honourable Themba Nhlanganiso Masuku, Deputy Prime Minister of the Kingdom of Swaziland**, focused on Africa's youth unemployment challenges. The continent, he noted, was home to the world's largest youth population (as a share of total population): some 60 percent fell into the 15 to 35 age bracket. This youth bulge posed enormous opportunity, as well as risk, he argued. At present, however, Africa's many unemployed — and under-employed — youth represented a "terrible waste of resources".

Swaziland itself had adopted an ambitious plan to create jobs for young people. Its Ministry of Youth, Sports and Culture has launched a variety of initiatives, while the country's Youth Development Fund complemented such projects with capital and



technical expertise. High youth illiteracy rates in both Swaziland and across the region have complicated matters further, Mr. Masuku pointed out. Africa, he concluded, desperately needed two things to better tackle unemployment: more support from bodies such as the UN and the African Union, and policymaking, which prioritizes economic growth.

In her special, dialogue-setting address, **Ms. Magatte Wade, Founder, Tiossano**, discussed her distinguished career as an entrepreneur in both her native Senegal and the United States. Where countries fail to provide youth with sufficient job opportunities, the most talented and ambitious among them will invariably emigrate elsewhere. Not only did this represent a personal tragedy for those forced to leave their families and country behind, it was also a development tragedy, depriving poor countries of invaluable human capital. Senegal's ongoing "brain drain", she argued, was a sad example of this.

Ms. Wade pointed to some of the root causes of high youth unemployment. Poor quality education was only partly to blame. Rigid labour market laws have also played a major role. The cost of burdensome red-tape, she noted, was ultimately passed on to both consumers and young job applicants, who were often priced-out of jobs they would otherwise have filled. ("I will simply not hire you," observed Ms. Wade, "if I cannot also fire you.") By creating a more business-friendly regulatory climate, she urged, governments will give entrepreneurs the necessary confidence to create the many jobs youth so desperately lack now.

## INTERACTIVE DIALOGUES

Two Interactive Dialogues were organized covering two important issues: Innovations in promoting youth employment; and Building new business models for youth employment. Each dialogue session consisted of leaders of private sector companies, foundations, or non-governmental organizations. Two experienced moderators, Conny Czymoch and David Arkless, engaged the speakers in a discussion on how to strengthen the partnership between governments, the private sector and the philanthropic community in advancing youth employment and decent work. First respondents in each dialogue session were given the opportunity to provide their views before opening the floor for comments from the audience.

### DIALOGUE 1: Innovations in promoting youth employment

#### *The challenge*

Before youth employment can be spurred through innovation, policymakers must understand **why joblessness is so rampant** among young adults. Panelists agreed on two principle factors. The first — the sluggish global recovery from the 2008-9 recession, the worst since the Great Depression of the 1930s, — has kept unemployment high for workers of all ages, including youth. The second factor involves longstanding structural factors which have combined to raise youth unemployment rates well above the general average.

#### *Partnerships*

As such, there was no “silver bullet” to solving the youth jobs crisis. The role of government, for instance, was important, but limited. **Better partnerships are needed**, panelists once again agreed. Each sector should thus focus on its comparative advantage. Non-profit organizations and other independent actors, such as trade unions and employers’ organizations, had formidable on-the-ground knowledge. Private foundations brought subject matter expertise and funding. And the private sector, an increasingly key partner for the United Nations, brought great capacities in marketing, logistics, project management and research and development.

#### *Innovation*

Successful, **innovative youth employment schemes** typically share several common features: they are well-crafted to the needs and challenges of the local community; they promote practices rooted in firm, empirical evidence; and they are “scalable” — easily copied elsewhere.

**Prizes** have emerged as a popular way to spur entrepreneurial innovation, explained one panelist. In Latin America, for example, one such program offered budding young technology entrepreneurs prizes worth up to \$70,000 for particularly innovative business-

model designs, while offering free mentoring to applicants. To date, 120 prizes had been awarded out of a pool of 60,000 submissions.

Targeted **education scholarships** were another proven way to ensure young people graduated with the skills employers sought. In Kenya over the past few years, recounted another panelist, 10,000 academically talented youngsters from disadvantaged backgrounds had been awarded scholarships to participate in “leadership development modules”, which combined university enrolment with intensive part-time internships. The program’s track record was superb: rigorous education with extensive work experience ensured that nearly all its participants found jobs soon after graduation.

Another youth employment challenge, panelists observed, involved ensuring youth had the “life-management” skills to keep the jobs they landed; **financial literacy** was one such skill. Toward that end, as part of a recent pilot program in Kenya, nearly 300,000 high-school dropouts were enrolled in classes which taught not only basic personal finance (saving, investing, etc.), but also offered job-hunting tips and assistance.

Encouraging **youth entrepreneurialism** was another promising route to alleviating the youth jobs crisis. A respondent from the floor offered one example. The success of the “Fair Trade” movement — which seeks to raise incomes for poor farmers in developing countries with special branding — had, she noted, inspired a new “Youth Trade” initiative, marketing products designed by young entrepreneurs. (Whole Foods, the upscale supermarket chain, has signed on to distribute Youth Trade products).

Other panelists observed that **job-placement programmes** worked best when they observed several simple rules, including: (i) focus on high-growth industries, (ii) include the support of “social networks” which combine training, mentoring and temporary funding; (iii) engaging youth fully throughout the entire search process, from start to finish; and (iv) continuing follow-up and monitoring after placement.

### ***Key Recommendations***

**Promoting innovative youth employment schemes requires flexible, empirically-driven, locally-tailored strategies from public and private sector partners. At the policymaking level, entrepreneurs and other job creators depend on a supportive regulatory and tax environment to succeed, as well as ample access to capital to grow their businesses. Strengthening education systems would, likewise, do much to reduce the growing “skills mismatch” between graduates and employers. So, too, would expanding access to relevant work experience options (internships, vocational training, mentoring, etc.). No less essential is promoting a “culture of innovation” which encourages the risk-taking and industriousness needed to create companies and jobs.**

**Moderator**

Ms. Conny Czymoch, *TV Moderator*, Phoenix TV

**Speakers**

Mr. José María Sanz-Magallón Rezusta, *CEO*, Telefonica USA

Ms. Sharan Burrow, *General Secretary*, International Trade Union Confederation

Ms. Reeta Roy, *President and CEO*, MasterCard Foundation

Dr. James Mwangi, *CEO and Managing Director*, Equity Bank, Kenya

**Respondents**

Ms. Ronnie Goldberg, *Executive Vice President*, USCIB & *Business and Regional Vice President*,

International Organization of Employers

Ms. Poonam Ahluwalia, *President*, Youth Employment Summit

Mr. William Reese, *President and CEO*, International Youth Foundation

**The MasterCard Foundation**

Under its Youth Learning strategy, The MasterCard Foundation prepares young people to engage in the economy and lead change in their communities. Its programming focuses on three areas: scaling access to secondary and tertiary education in Sub-Saharan Africa, developing skills for out-of-school youth, and connecting young people to jobs. Two key partnerships demonstrate the impact that the Foundation is having in the region:

**Equity Group Foundation**

The value of secondary education for those living in poverty has been well documented, as it not only boosts wages, but acts as a bridge to opportunities in tertiary education. In 2010, The MasterCard Foundation and Equity Group Foundation partnered to create *Wings to Fly*, the largest secondary scholarship program in Kenya. The \$50 million partnership provides comprehensive scholarships covering tuition, books, uniforms, and stipends to academically bright, but economically disadvantaged students. In addition, *Wings to Fly* Scholars also receive leadership development, career guidance and mentoring to ensure they achieve their full potential. While the partnership with The MasterCard Foundation supported some 5,000 scholarships, additional support from USAID and UKAid have expanded the project's impact to now benefit nearly 7,300 students. The program is seeking additional donor support to help it reach the goal of creating 10,000 scholarships.

**Camfed**

Young girls and women in rural Africa face enormous barriers to economic empowerment, low rates of secondary school completion, limited access to market-relevant skills, and a lack of economic opportunities and jobs. To address these issues, The MasterCard Foundation and the Campaign for Female Education (Camfed) formed a \$10 million partnership that provides secondary and financial literacy education for 270,000 young girls and women in Ghana and Malawi. The project is enabling them to complete secondary school through bursaries and progress into adulthood with opportunities that include professional training in financial literacy and business skills,

leadership development and employment. Completing secondary school and receiving financial literacy training will dramatically increase their ability to become employed or self-employed, which in turn builds assets for themselves, their families and overall economic growth in the community. Long-term sustainability is also important, as the project is implemented in collaboration with parents, teachers, Ministry of Education officials, social workers, religious leaders, and young women graduates.

## DIALOGUE 2: Building New Business Models for Youth Employment

### *Job creation*

The second panel observed that there were two fundamental ways to **promote employment**. The first involved filling *old* jobs that were available but vacant due to a scarcity of relevant skills in the local population. Finding ways to close this mismatch was critical. The second way to promote employment was to create *new* jobs. As with the first panel, the second panel agreed that this required a more entrepreneur-friendly environment, as well as sector-specific support.

The job-creating potential of young adults, particularly in high-tech industries, was often overlooked. The panel highlighted the success of Bill Gates with Microsoft as an example, or, more recently, Mark Zuckerberg and Facebook. Youth thus represent a largely untapped source of **entrepreneurial dynamism**, argued one panelist, and should be encouraged to reach their potential via better training and mentoring programs.

Getting young people more engaged in **civic life** was also important. Lack of engagement was visible in lower youth turnout rates at elections, for example, and — at its extreme — was expressed in violent riots (like those in the UK last summer). To remedy this, one panelist encouraged government and civil society to use a wide variety of forums to: “promote dialogue between young people themselves; between younger and older people; highlight and disseminate successful stories of youth entrepreneurship; encourage interaction between youth and entrepreneurs through technology; and encourage interaction between youth groups and universities.”

Panelists also discussed their own personal experiences, analyzing lessons learned in their efforts to create successful business models. One panelist, to her surprise, discovered a **big niche market** for developing country products — many of which are produced by young adults — among consumers in wealthier countries. Governments can do much to stimulate youth employment, she added, by lifting the many barriers to global trade which restricted poor countries’ access to developed markets.

Not everyone was suited to become an entrepreneur, nor will most people even attempt to start their own business, pointed out another panelist. Encouraging entrepreneurship must necessarily be one of many measures aimed at promoting youth employment. Well-rounded strategies (like expanding and reforming education) were still very much needed. Forums, such as the ECOSOC Partnership Event, allow all parties — unions, employers, government — to craft good strategies by improving **channels of communication**. Countries with strong “tripartite” consultative traditions, like Germany, were generally more successful in keeping unemployment lower during the current economic crisis.

More attention should be given to **disseminating best-practices**, panelists also agreed. Nowhere was this more the case than in agriculture, noted one respondent, which accounted for the bulk of employment in many developing countries. Poor diffusion of both modern technology and farming techniques has kept productivity — and job creation — accordingly stagnant. The rapid spread of affordable technology, like cell phones, should be harnessed in support of this. The proliferation of NGOs, likewise, presented a fine opportunity to disseminate best-practices in remote regions.

### *Key recommendations*

*Cutting unemployment requires a dual focus on both filling vacant jobs and creating new ones. Better tapping into youth entrepreneurial potential could lead to big payoffs for society. Encouraging open channels of communication — between youth, government, employers, unions, etc. — has generally proven effective in promoting growth and employment, as has promoting effective, time-tested practices in relevant fields.*

### **Moderator**

Mr. David Arkless, *President of Corporate and Government Affairs*, Manpower Group

### **Speakers**

Ms. Linda Ben, *Executive Vice President of Junior Chamber International*, South Africa

Mr. Chris Bashinelli, *Executive Director*, Bridge the Gap TV

Ms. Eriko Yamaguchi, *CEO and Founder*, Motherhouse Company

Mr. AbdulMohsen Al-Badr, *Director of Programme Development*, Al Ghad Youth Forum

### **Respondents**

Mr. Tyrone Hall, *Research Specialist*, Integra

Mr. Boris Bulayev, *Executive Director*, Educate!

Dr. Nicole Goldin, *Senior Advisor, Policy*, Bureau for Policy, Planning and Learning, USAID

**Junior Chamber International's (JCI)** mission is to provide development opportunities that empower young people to create positive change and to lead a global network of young active citizens.

**Some of the innovative practices, including innovative financing mechanisms that could be employed to train and employ young people and promote entrepreneurship**

- Involve the youth in projects where they can practice and learn entrepreneurial skills like project management, raising capital etc. JCI runs projects where all members participate in and learn different skills from these projects. Establish “Business incubators” where start-ups are able to develop the skills required in a

safe and risk free environment.

- Establish “ Business incubators” where start-ups are able to develop the skills required in a safe and risk free environment.
- Create incentives for the development and establishment of new businesses
- Create more programs that are tailor-made to facilitate access to credit especially for the youth. The youth is often considered as high risk due to lack of collateral and business experience.
- Mentorship: Establish small business mentorship programmes for young entrepreneurs to learn from established/experienced individuals in business
- Create platforms like JCI where young people can meet, relate and share ideas and their experiences on entrepreneurship. Young people will learn from the mistakes of others and will be able to implement their ideas with the support of other peers.

**How can governments and/or the private sector put into place to help young persons striving to be employed or start up a business of their own.**

- Entrepreneurship is an increasingly important alternative for youth.  
There is a need (from Grade 4) for an early integration of entrepreneurship in school curricula to be a compulsory subject. This will teach young people to identify ideas and to exploit them using the resources that they have available to them. Most young people only start learning about business when they get to their tertiary education (that’s if they have business subjects in their courses) and sometimes after completing their tertiary when they are battling to find jobs.
- Both government and the private sector need to facilitate access to business advice and mentorship. Most young entrepreneurs don’t have sufficient technical skills to run businesses especially if it’s a start-up. Guidance and mentorship play an important role.
- Create more programs that are tailor-made to facilitate access to credit for the youth. The youth is often considered as high risk due to lack of collateral and business experience.
- Both government and the private sector can introduce a quota system for youth entrepreneurs, i.e. allocate a certain percentage of the budget to be spent on youth owned businesses. This will help bridge the gap where big companies get all the jobs because of their financial muscle.



## **SUMMARY OF DIALOGUES**

Moderators of the two earlier sessions reported back on the outcome of the two interactive dialogues. **Ms. Conny Czymoch, TV Moderator, Phoenix TV**, reporting on the first dialogue, highlighted the important role of mentoring in both developing entrepreneurial ability and preparing youth for employment in general. She also noted that developing better ways to measure youth employment (and employment quality) was an urgent, unfinished task. Ms. Czymoch concluded by urging the audience to “think outside the box” to analyze old labour market problems in new and innovative ways.

**Mr. David Arkless, President of Corporate and Government Affairs, Manpower Group**, reporting on the second dialogue, noted that young people were hungry for more employment, entrepreneurship, and personal-development opportunities. Early interventions to develop entrepreneurship were cost-effective, and thus especially important, he continued. Mr. Arkless also noted the need to boost mentoring and counselling efforts to foster a more entrepreneurial culture among youth. Young adults needed also to be encouraged to become more active in government and other areas of civic life which affected them. Finally, he reminded the audience, youth needed consistent reinforcement to pursue their dreams.

## CLOSING SESSION

**Mr. Ron Bruder, Founder, Education for Employment Foundation,** noted that a major mismatch persisted between what was taught in formal education and the demands of the private sector; this gap needed to be closed fast, he added. Mr. Bruder then summarized his own foundation's efforts to help close the gap, reporting an 85 percent job placement rate for youth who participate in the foundation's training programs.

**Mr. Jose Manuel Salazar-Xirinachs, Executive Director, Employment Sector, ILO,** pointed out that positive labour market outcomes were in everyone's interest, young and old alike. Youth unemployment was especially worrisome, he added, because of its negative ripple-effect, often leading to: wasted human capital; violence and crime; and disillusionment with democracy. As such, governments should elevate youth employment strategies higher up on their development agenda. The ILO, for its part, consulted with numerous youth organizations to better engage young people in the development process. Extensive research on various topics related to youth employment was another major priority for the organization. Such topics included: apprenticeship programmes managed by governments; entrepreneurship/mentoring programmes; access to start-up capital; business development systems; public-private partnerships; schemes to integrate youth at risk; resource mobilization; and developing networks which better link firms to youth.

**Mr. Badr Jafar, President, Crescent Petroleum and CEO, Crescent Investments,** mentioned the Arab world's so-called "demographic time-bomb" — a consequence of youth joining the workforce in record numbers in coming decades. Again, the link between unemployment and social unrest surfaced, with reference this time to the recent "Arab Spring". This was a demographic challenge which must be addressed by better partnerships between the private and public sectors, he added. Special attention ought also be given to small and medium-sized enterprises, given their importance in job-creation. In short, concluded Mr. Jafar, a combination of better education, increased employment opportunities, and a climate conducive to entrepreneurship was essential to improve economic performance in the Arab world.

**Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs,** noted that youth welfare was one of Secretary-General Ban's top priorities, and with good reason. By the end of 2010, roughly 75 million young people were unemployed in developing countries. Even among those officially counted as employed, another 152 million toiled in extreme poverty, doing low-paid and unsafe work. Consequently, far too often young people had become the "human faces of poverty". The enormity of the problem meant no one group could tackle it alone. Hence the importance of partnerships between government, businesses, schools and others. All of these institutions, moreover, needed to create conditions which empower youth to take initiative and participate in decision-making processes. As the Secretary-General for the upcoming Rio+20 summit,

Mr. Sha finished with a positive example directly related to DESA's work: active youth participation, he observed, has help member States and other stakeholders be more forward-looking in their preparations for the conference.

**H.E. Mr. Miloš Koterec, President of ECOSOC**, closed the event by stating that “our strength is in our partnership.” By forming these partnerships and by engaging young people in matters which affect them, the world was paving the way for better cooperation and policy-making in the future. The many new ideas and innovative strategies discussed throughout the day, he added, would inform the Council's Annual Ministerial Review in July.

## **PRESS AND COMMUNICATION COVERAGE**

A series of communication activities were organized around the ECOSOC Special Event, “Breaking new ground: Partnerships for more and better jobs for young people”. A press conference, video conversations on Livestream, and a twitter campaign using hashtag #UN4youth were organized. The event was also covered by the United Nations Department of Public Information, in particular, the radio station, television, webcast and the news centre.

### **Press conference**

Representatives from government, the business sector and civil society were meeting at United Nations headquarters to examine how each sector could collaborate in partnership to address youth unemployment, correspondents were told at a press conference on 27 February 2012.

Participants at the press conference included José Manuel Salazar-Xirinachs, Executive Director of the Employment Sector for the International Labour Organization (ILO), Ronald Bruder, Founder and Chair of Education for Employment, a non-profit, non-governmental organization committed to creating employment opportunities for youth in the Middle East and North Africa; and.

Kevin Cassidy of the International Labour Organization (ILO) who moderated the press conference told reporters that ILO had recently released a report on global employment trends that indicated currently 200 million people were unemployed worldwide. “We are looking at a jobs crisis over the next ten years where another 400 million decent jobs would need to be created for the new entrants to the labour market,” he said. One of the specific concerns was on youth employment, which he said was at a staggering 12.7 per cent unemployment rate worldwide, and that did not reflect some of the young workers that had actually dropped out of the labour market altogether.

Mr. Salazar explained that the ILO had been working for many years on youth employment issues, including the major 2005 conference that brought together Governments, employers and workers to discuss the different approaches to the issue of youth employment. The ILO programme had increasingly grown and had more than \$120 million in projects around the world in many countries today. It was a programme that was deeply rooted in knowledge sharing and learning, as well as good practices to tackle the issue of the youth employment crisis.

He said with last year’s events pertaining to the Arab Spring and the general worldwide economic crisis, the numbers had reached “staggering” proportions and were worrisome. “And as we know, those that are not studying, that are not working, are easy prey for risk behaviours, from drug use to violence, to joining gangs, to other anti-social behaviour.

So it is a tragedy for them, for their families; it is a problem for the communities, for the countries.” That was why Governments, the private sector and everybody had a stake in addressing the youth employment issue.

To that end, ILO was preparing for the its June meeting in Geneva with more than 50 national consultations with youth organizations in some 50 countries to take place in March and April in readiness for a major youth employment forum in Geneva at the end of May. That meeting was expected to draw participants from ILO’s 183 member States together with delegations from employers and workers — more than 5,000 people.

Mr. Bruder, Founder and Chair of Education for Employment, said about a decade ago, he chose to focus his organization’s activities specifically on the Middle East, after he saw that the youth there were not having the opportunities that he had had growing up in the United States. In the Middle East, it was key that the youth there had jobs, he said. “Without them having employment, I think the Arab spring has a much less chance of turning into an Arab summer,” he declared.

Mr. Cassidy said, further, that there were already a number initiatives going on to address the jobs crisis for youth, explaining that the Group of Twenty (G-20) leaders that met in Cannes in November 2011 to address the growing global discontent had focused on developing sustainable and inclusive growth, decent work and social protection for all. They had also established a task force on employment, where ILO was actively engaged.

In response to correspondents’ questions, both Mr. Salazar and Mr. Bruder said there were actually 900 million people worldwide living under \$2 a day, most of whom were in what was termed as “under employment” – very low income, a lot of them working in the so-called informal economies of many developing countries, poor working conditions, often not in compliance with most of the internationally-accepted conventions. To another question, Mr. Bruder said it was critical for youth in the Middle East to find their way into the labour market, to provide stability for their countries. He cited the specific example of Egypt, where, when the situation worsened, the tourism industry died, and had remained dead to date. That collapse of the tourism industry resulted in an immediate loss of some 600,000 jobs. When something like that happened, it was the youth that bore the brunt of the impact more radically and more quickly than any other segment, he said.

### **United Nations press coverage**

#### **UN News Centre**

#### **UN jobs forum hears call to unlock potential of young people**

Governments, corporations and policy-makers must do more to realize the potential of young people worldwide, Deputy Secretary-General Asha-Rose Migiro said today,

calling for action to overcome the structures and problems that are keeping youth unemployment rates high around the worldwide.

<http://www.un.org/apps/news/story.asp?NewsID=41394>

## **UN Radio**

### **400 million jobs need to be created for youth worldwide**

The youth unemployment rate is at a staggering 12.7% worldwide according to the International Labour Organization, which adds that figure does not reflect those who have dropped out of the job market altogether.

<http://www.unmultimedia.org/radio/english/2012/02/400-million-jobs-need-to-be-created-for-youth-worldwide/index.html>

## **International Labour Organization**

### **ILO warns youth job crisis threatens social cohesion, calls for more and better jobs for youth**

The head of the ILO Employment Sector, José-Manuel Salazar, has warned of the risks of a lost generation due to a growing youth employment crisis, and called for new and stronger partnerships to create more and better jobs for young people.

[http://www.ilo.org/global/about-the-ilo/press-and-media-centre/news/WCMS\\_174784/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/press-and-media-centre/news/WCMS_174784/lang--en/index.htm)

### **ECOSOC Face to Face video conversations**

**(Organized, in collaboration by the International Labour Organization, and produced by Point Studio, Inc.)**

Mr. Kevin Cassidy, Communications and External Relations, International Labour Organization (ILO)

### **Innovations in promoting youth employment**

<http://youtu.be/vnvXe-yESJk>

Ms. Sharan Burrow, General Secretary, International Trade Union Confederation

Ms. Ronnie Goldberg, Executive Vice President and Senior Policy Officer, United States Council for International Business

The conversation highlighted:

- Examples of programmes, structures and policies currently in place for promoting youth employment, and what can be done—particularly within the context of the current

adverse economic climate—to provide a more favourable environment for more and better jobs for youth;

- Why partnerships between governments and civil society, and particularly the private sector, are crucial for ensuring decent work for youth; and
- How good practices can be scaled up and replicated and examples of how models that have proven effective in one part of the world could be used effectively in other countries.

### **Inspiring and educating young entrepreneurs**

<http://youtu.be/NpQ6ibEMjqY>

Ms. Linda Ben, Owner, Leshau's and Executive Vice President, JCI International South Africa

Ms. Esther Kyte, Associate Director, Commitment Departments, Clinton Global Initiative

The conversation highlighted:

- The experiences of young, successful entrepreneurs, and what they feel must be done to enable other young persons to succeed in the world of work;
- The role both the private sector and governments can play in assisting young people to overcome obstacles and thrive as entrepreneurs; and
- What must be done to address the problem of jobs/skills mismatch

### **Empowering youth with better jobs: Challenges & obstacles**

[http://youtu.be/nwB4u\\_h8c3I](http://youtu.be/nwB4u_h8c3I)

Ms. Susan Davis, President and CEO, BRAC USA

Ms. Poonam Ahluwalia, President, Youth Entrepreneurship & Sustainability (YES)

The objectives of the conversation were:

- To address the economic aspect of youth development and civic engagement strategies;
- To look transversally into global issues in which youth have the potential to drive change; and
- To identify specific opportunities and challenges and recommendations for innovative action on the ground

### **How can youth drive change: Promoting green jobs for a sustainable future**

[http://youtu.be/verfoe\\_bvjc](http://youtu.be/verfoe_bvjc)

Mr. Andrew Fiddaman, Managing Director, The Prince's Youth Business International (YBI)

Mr. Luis Viguria, Chief Executive Officer, Young Americas Business Trust, Organization of American States

The objectives of the conversation were:

- To determine how youth can take advantage of these new environment-oriented employment opportunities;
- To enhance awareness on the importance of the environment among young people and to provide them with the knowledge that can help them to become active agents of change in our society; and
- To discuss the need of the abundant spirit of youth as the world seeks to embrace cleaner, more sustainable forms of energy, including renewable resources.

**Talent matching: Improving the transition from school to work**

<http://youtu.be/msQPccuLotw>

Mr. Jose Manuel Salazar, Executive Director of the Employment Sector, International Labour Organization

Mr. David Arkless, President - Corporate and Government Affairs, ManpowerGroup.

The conversation highlighted:

- The human cost of the recession, particularly for youth, and its affect on social cohesion;
- Social protection policies that can play a major role in cushioning youth populations from economic shocks and in improving social cohesion; and
- The increasing income gap and wage inequality taking place in many countries.



## **OTHER EVENTS ON INTERNATIONAL CORPORATE PHILANTHROPY DAY**

Leading companies and organizations around the world recognized on February 27, 2012 International Corporate Philanthropy Day (ICPD), an annual international advocacy day that mobilizes the business community to share best practices, develop partnerships, and engage with employees and other stakeholders for more strategic and effective societal investments. The Committee Encouraging Corporate Philanthropy (CECP)– the only international forum of business CEOs with a mission to raise the level and quality of corporate societal engagement – spearheads the initiative.

To kick off the day, leading corporate giving officers from companies including Colgate-Palmolive, KPMG LLP, PricewaterhouseCoopers, Merck, PNC, PepsiCo, and United Technologies Corporation, rang The Opening Bell<sup>SM</sup> at the New York Stock Exchange with CECP. The Secretary General of the United Nations (UN), Ban Ki-moon, issued a proclamation on ICPD commending CECP for its leadership and urging corporations to support the UN’s Millennium Development Goals.

CECP’s CEO conference--the seventh annual Board of Boards CEO Conference in New York, NY--was attended by nearly 60 leading global CEOs. The theme of the conference, “Next Generation Community Engagement: A Transformative Business Opportunity,” focused on CEO leadership in engaging consumers and investors on the topic of sustainability, while simultaneously pursuing strategies that create value for a company and address pressing societal challenges. The event featured two panels consisting of Angela Ahrendts, CEO, Burberry Group PLC; Daniel Doctoroff, President and CEO, Bloomberg; Hikmet Ersek, President and CEO, The Western Union Company; Shelly Lazarus, Chairman, Ogilvy & Mather.

Nader Mousavizadeh, CEO of Oxford Analytica Ltd, moderated the session and David M. Cote, Chairman and CEO, Honeywell International Inc. addressed attendees at the executive luncheon immediately following the conference. The conference welcomed international delegations of leading global CEOs from Brazil and India; the Brazil delegation was led by Fernando Henrique Cardoso, Brazil’s former President, who delivered opening remarks at the conference.

Companies and partners marked the occasion of ICPD with special programs, announcements and employee events, including:

- Meritor, Inc. (NYSE: MTOR) launched a new employee volunteer program called the “Power of Volunteering,” encouraging employees globally to volunteer 40,000 hours annually by 2020.
- Microsoft (NYSE: MSFT) announced a record employee giving campaign in 2011, hitting \$100.5

million in donations and matching funds for community organizations and nonprofits.

- The Travelers Companies, Inc. (NYSE: TRV) released the first digital Community Giving Report ([www.travelers.com/community](http://www.travelers.com/community)), “In Their Own Words,” which shares personal accounts of the impact of their approximately \$21 million in community support and more than 31,000 corporate and personal volunteer hours in 2011.
- A Billion + Change hosted an event with Morgan Stanley recognizing progress towards the goal of mobilizing billions of dollars of skills-based volunteer services by 2013.
- iMentor celebrated 10 companies that pledged to recruit 100 of their employees to serve as mentors for high school students in low-income communities.

At the close of the day, Trafalgar Square in London; the Empire State Building, Con Edison Tower, and 55 Water Street in New York; the clock tower of the Wrigley Building in Chicago; and several buildings in Alabama lighted in the colors of ICPD, blue and green, to mark the occasion.

### **ANNEX 1: Event Agenda**

[http://www.un.org/en/ecosoc/philanthropy1/pdf/programme\\_2012.pdf](http://www.un.org/en/ecosoc/philanthropy1/pdf/programme_2012.pdf)

### **ANNEX 2: Issues Note**

[http://www.un.org/en/ecosoc/philanthropy1/pdf/issues\\_note-12\\_jan\\_2012.pdf](http://www.un.org/en/ecosoc/philanthropy1/pdf/issues_note-12_jan_2012.pdf)

### **ANNEX 3: Closing keynote Address by Mr. Badr Jafar, President, Crescent Petroleum and CEO, Crescent Investments**

Dignitaries, Ladies and Gentlemen,

I speak to you today during what is an unprecedented period of change in the Arab World.

It is a struggle for social justice, openness, and fair and transparent governance, to be sure. But even more than that, it is a reaction against the ever-widening deficit in economic opportunity for tens of millions of young people - what has been referred to as a “demographic time-bomb”, on the verge of exploding within our Region.

The facts do not lie. The Middle East and North Africa, or MENA Region, has the highest youth unemployment in the World, currently recorded at over 25%, with pockets of youth unemployment reaching up to 60% in places like Egypt and Tunisia. Female youth unemployment is even higher, exceeding 39% in the Middle East. National unemployment in some Gulf countries could more than triple to over 30%, if no interventions to the current model are taken.

Approximately one-third of the Region’s total population is currently below the age of 15, and 65% are under the age of 30, and so tens of millions of young people will enter the Region’s work force over the next ten years, needing to find jobs either at home, or through regional labour mobility.

The stark statistic is that 100 million jobs need to be created in the Arab World in the next two decades alone - more than was created in the whole of the last century.

And if that weren’t enough, the persistent failure of the educational systems in the Arab world to provide the necessary skills to our youth in order to compete in an evolving job market that is in a continuous state of evolution and flux, has compounded the problem.

Education in the Region tends to be based on rote learning of standard texts, instead of fostering creativity and innovation, and also a focus on University degrees often in subjects not demanded by the job market, instead of vocational training, compounds this problem.

Unfortunately, many of the underlying causes of the unrest in what has been called the “*Arab Spring*”, are likely to get worse in the short term. Foreign investment, for the most part, is drying up. Tourism – especially in countries whose economies are extremely

dependent on it – will take years to return to pre-2010 levels. And 5 million jobs must be created in the MENA Region every year just to avoid unemployment from rising.

Yet by contrast, expectations among the people who toppled these regimes remain extremely high. These are *unrealistic* expectations – that somehow as a regime falls, jobs and affordable housing will miraculously rise from the ashes of the toppled government.

We must find an answer to this soon, or risk long-term violent torment in our Region.

To the extent that an answer exists, it must involve the Private Sector. The business sector – together with government and civil society in public-private partnerships - has a vital role to play in delivering innovative solutions to the growing youth unemployment problem.

Small and Medium Enterprises play a central role across the entire MENA, and the expansion of this sector is a key engine of future economic growth and employment. Every prosperous society in modern human history has had a vibrant SME sector. SMEs account for a high proportion of employment in most countries, averaging 70-75 percent in Europe and North America, for example, but only 33 percent in the MENA.

Encouraging and supporting young people in their efforts to start up small and microenterprises is therefore vital, and it is therefore essential that we urgently tackle the many obstacles that budding entrepreneurs face, such as excessively bureaucratic company registration, lack of access to financing and inadequate bankruptcy protection.

The imperative to transform entrepreneurship in the Region is derived from the employment problem, but goes further than that – it helps to drive the maturity of the economies in the MENA region. Fostering entrepreneurship in young people is critical to economic development – and for tackling youth unemployment.

So what is it that companies can do? Clearly, businesses can support youth employment and enterprise development through their core business activities, within the workplace, in the marketplace and throughout supply chains.

Community activities that leverage companies' core skills, experience and expertise can also make a significant and sustainable positive impact. Businesses can take proactive action in all three critical areas of education, employment and entrepreneurship.

Immediate "make work" infrastructure projects are desperately needed to employ large numbers of workers, such as construction of highways and bridges, and large rural or agricultural projects.

According to a World Bank report of January this year, every 1 billion US\$ invested in infrastructure in the MENA Region in the short-run has the potential of generating on average, around 110,000 infrastructure-related jobs in the oil-importing countries, 26,000 jobs in the GCC economies and 49,000 jobs in the developing oil-exporting countries. The same report concludes that in order to sustain growth rates achieved in recent years and boost economic competitiveness, the MENA Region needs to invest

between 75-100 billion US\$ in infrastructure annually. This investment could therefore generate over 11 million infrastructure related jobs within the Region.

I'm speaking to you today not as President of Crescent Petroleum, but as co-initiator of the Pearl Initiative. The Pearl Initiative was launched here at the UN in New York at the end of 2010, in collaboration with the United Nations Office for Partnerships. It is a GCC-based, private sector-led, not-for-profit organization set up to foster a culture of transparency, accountability, good corporate governance and best business practices in the Arab world.

It is a growing regional network of business leaders committed to driving joint action and sharing knowledge and experience, in order to create a culture of greater transparency and accountability.

Our partners cooperate with us on various issues of common interest, in such important areas as ethical labour practices, human rights, supply chain practices, and workplace issues, as well as corporate governance, anti-corruption and reporting practices- in order to work towards what is our shared goal: to enhance the capabilities of the Private Sector to develop and implement new ideas and better business practices in the Arab World.

In particular, the Pearl Initiative is working with the ILO and the UN to put together a framework for action going forward that will leverage the strengths of our organisations in helping to address the challenges of employment, youth skills and entrepreneurship in the Region. Through advocacy, a call to action to the wider business community, raising awareness, policy debate, exchange of good practices and the sharing of experiences, we are confident that our efforts will bear fruit.

It is a challenging task, and we are committed to succeed.

Ladies, Gentlemen, Delegates,

We face a crisis in the Arab world, fed by instability, extremism, and the inevitable disillusionment that comes when the expectations from the downfall of corrupt regimes are not fulfilled overnight. Without taking concerted action to create jobs for the tens of millions of Arab youth, we risk decades of violence, unrest, and the inevitable rise of extremist groups seeking to capitalise on the prevailing moods.

Yet as is often noted, from crisis comes opportunity. And what we have here is an opportunity to re-build the Arab World in teaching our next generations that where corruption, greed, opacity and injustice once were, transparency, social justice and responsibility can thrive.

Demonstrations and civil conflict attract the world's media attention today, but we must not forget that the chants in Tahrir Square were for "bread and dignity". One cannot separate political rights from economic rights; there is an urgent need to take real steps to address chronic job shortages and lack of short-term liquidity in post-revolution economies.

The immediate short and long-term economic priorities of the Middle East and North Africa lie in the 3Es – transforming education, employment and entrepreneurship. This will not only lead to greater economic prosperity in the region, but will allow the emerging markets of the region to mature and become competitive globally. These immense challenges cannot be confronted without the Private Sector, and the companies of the Region must lead by example, engaging with governments and educational institutions to ensure that training and education meets the need of the job markets.

At the Pearl Initiative, we are providing a platform for the coordination of these efforts, in the hope that in the not too distant future, the Arab world will be able to regain its former glory as a region of great opportunity and innovation.