

## Youth's economic empowerment: highlights from the OECD's Youth Inclusion project and the Global Forum on Development

4 and 5 April 2018, Paris, France

Youth and women's economic inclusion were the focus of two conferences hosted by the Organisation for the Economic Co-operation and Development (OECD) in Paris on 4 and 5 April: A high level policy dialogue on youth well-being; [Delivering on National Youth Strategies](#) and the [Global Forum on Development: Empowering Youth and Gender](#). Both days provided a platform for the exchange of good practices and lessons learnt in the implementation of policies and programmes for increasing youth and women's inclusion. INCLUDE was represented by one of its secretariat members, Saskia Hollander, who summarizes the key findings of both days.

Young people face a huge employment gap, both now and looking into the future. This gap is multifaceted: as youth become better educated their aspirations rise. Most of the jobs created are low-skilled and, therefore, do not match young people's aspirations and capabilities. Further, many newly-created jobs are in agriculture, but this sector is generally not perceived as attractive by youth. As a consequence, young people seek refuge in self-employment in informal economic activities, where incomes are low and more vulnerable. Working in the informal sector, youth often lack social protection. To match their aspirations with reality, more suitable jobs need to be created for youth, especially middle- and high-level jobs that correspond with youth's ambitions. Moreover, for such jobs to be filled by youth, their skills need to match market demand.

On 4 April, stakeholders discussed the key findings of the OECD and EU's '[Youth Inclusion Project](#)', to determine how to tackle the global challenge of high levels of youth and women's unemployment and economic exclusion. Subsequently, on 5 April – the OECD Global Forum on Development – a wide range of high-level stakeholders from the government, civil society, and business and knowledge institutions gathered for the 'The Power of 4 Billion' Global Forum. As stressed by Rupert Schlegelmilch (Head of the European Union Delegation to the OECD and UNESCO), "Every generation needs to be empowered to be successful" – however, it is not about 'the what or why', but 'the how'.

### Go rural!

A key message emerging from the conference is the need for development to 'go rural'. As most young people in low and lower middle income countries, in Africa and beyond, live in rural areas, and will continue to do so in the near future, the focus should be on rural and semi-urban development, rather than solely on urbanization and investing in capital cities. As Mario Pezzini (Director of the OECD Development Centre) stressed: "Growth of the global population will not only be in urban areas". However, this change in focus requires a paradigm shift, as for a long rural areas, and thus rural youth, have been overlooked.

Rural youth face specific challenges: a large number of them are unemployed and an even larger number are underemployed. Young people in rural areas engage mainly in informal economic activities, both farm- and non-farm related. Such economic activities are predominantly driven by necessity, rather than aspiration. Frustrated about their long-term economic prospects, young people experience the consequences of this on economic-, social- and political levels. Ibrahima Coulibaly (President of the National Coordination of Peasant Organisations in Mali) stressed that gaps between aspirations and reality leave many young people feeling hopeless, driving them to seek a better future elsewhere or join radical militant groups.

## Skills – but for whom?

Enabling young people to work in their preferred jobs requires improving the quality of education and skills training. Across low and lower middle income countries, rural youth, especially girls, are the least educated sector of society. Boosting agricultural innovation and productivity requires rural youth to acquire an appropriate level of technical skills. For educated youth, this often means that their skills are not aligned with market demand. It is, therefore, crucial that technical vocational education and higher education match market demand and are included in development planning.

For too long, development actors have believed in a one-size-fits-all solution to unemployment, yet focusing solely on education and skills is not sufficient. The challenges that young people and women face are multifaceted. As illustrated by Katja Iversen (Chief Executive Officer for Women Deliver), one can invest in girls' education, but when a girl cannot go to school because she is pregnant or has to work around the house, such investments are blunt tools. As stressed by Maria-Rosa De Paolis (Directorate General for International Cooperation and Development of the European Commission), improving youth employability requires an integrated approach, aimed at investing in health, social capital and social protection.

## And what for...?

Skills-development by itself is no panacea. In fact, investing in skills training will not bridge the aspiration gap, but widen it. Currently, most training is aimed at developing skills in entrepreneurship, yet, as Alexandre Kolev (Head of Social Cohesion Unit at the OECD Development Centre) explained, there is a “need to reconsider youth entrepreneurship as a solution”. Besides entrepreneurship skill development not meeting the skills demand for the low-skilled jobs created, Africa has a low success rate for small- to medium-sized enterprises (SMEs). Most young people start a business out of necessity, not because they are entrepreneurial types. As a result, many such businesses fail or simply do not grow – and, hence, do not create employment.

Many programmes currently focus on skills training and access to finance, yet the number of SMEs in untradeable sectors has been increasing. SMEs in these sectors barely yield sufficient income, let alone improve GDP growth. As Niall O'Higgins (Senior Research Specialist at the International Labour Organisation) accentuated, self-employment programmes have become popular, because they are inexpensive. However, when such programmes are not accompanied by macro-level interventions (such as infrastructure development, raising agricultural productivity or industrial investments), they do not create sufficient employment. As O'Higgins pointed out, we must choose quality over quantity and focus on SMEs that are successful and have potential to grow.

## Jobs, jobs, jobs...

For a large number of youth, the key is not to develop entrepreneurial skills, but simply to create more wage jobs. The agricultural sector will have to absorb the bulk of youth entrants to the job market by creating sustainable and decent employment. There is high potential to fulfil this need in food value chain development, as jobs are created in this sector at different levels. High-level jobs are created in the development of technical agricultural innovations. Lower-skilled jobs are created on farms in agro-processing and in non-farm activities such as packaging and transport. Hence, as Rupert Schlegelmilch (Head of the European Union Delegation to OECD and UNESCO) stressed, more knowledge and expertise on how to build local food processing industries is needed and youth skills must be matched accordingly.

The importance of an integrated agricultural development policy was underscored by Victoire Tomegah-Dogbe (Minister of Grassroots Development, Crafts, Youth and Youth Employment for Togo). Tomegah-Dogbe stressed that extensive investment in infrastructure is necessary for the agricultural sector to reach its potential. Moreover, Awa

Caba (Co-founder and Chief Executive Officer for SOORETUL, Senegal) explained that Africa also needs to decrease its food import bill. Only by 'going local', can Africa achieve structural transformation.

## Political ownership, leadership and coordination

David Asiamah (Founder and Chief Executive Officer for Agro Mindset, Ghana) stated that: "Agriculture has two enemies: the weather and the politician", and went on to say that "When you put the right stuff in the right place, young people will stay in rural areas and shape the local economies". As underscored by Sidi Tiémoko Touré (Minister for the Promotion of Youth, Youth Employment and Civic Engagement of Côte d'Ivoire, one of the [participating countries](#) in the Youth Inclusion Project), countries need a youth strategy that is coordinated and embraced at the highest political level. Different government departments need to work together to enable such a strategy, especially when it comes to budgeting.

All actors in development processes, including women and youth, should be included in political dialogue and decision making. Changing the status quo requires tackling power imbalances at all levels. This also means challenging the donor community, as expressed by Charlotte Petri Gornitzka (Chair OECD for the Development Assistance Committee). While the process of formulating the Sustainable Development Goals enabled change (compared to the process of formulating the Millennium Development Goals), as it included more actors, the question remains whether we have truly moved away from a donor-recipient relationship. Resources should now be invested in capacity-building, data development and coordination, for more effective implementation of development policies targeted at improving youth and women's employment and inclusion.