The Secretary-General’s Youth Employment Policy Network

CONCEPT PAPER

Together with the heads of the World Bank and the International Labour Organization, I am convening a high-level policy network on youth employment - drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge. I will ask this policy network to propose a set of recommendations that I can convey to world leaders within a year. The possible sources of solutions will include the Internet and the informal sector, especially the contribution that small enterprises can make to employment generation.1

Kofi Annan

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Preface

This Concept Paper serves to elaborate and initiate the Secretary-General’s Youth Employment Policy Network, launched in his report to the Millennium Assembly of the United Nations. In this report, Kofi Annan states: *Together with the heads of the World Bank and the International Labour Organization, I am convening a high-level policy network on youth employment - drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge. I will ask this policy network to propose a set of recommendations that I can convey to world leaders within a year. The possible sources of solutions will include the Internet and the informal sector, especially the contribution that small enterprises can make to employment generation.*

The Concept Paper provides an overview of the Policy Network, including its objectives, overall structure, areas of action and expected outcomes. The paper is a collaborative effort of the United Nations, the International Labour Office and the World Bank, which make up the Network’s Joint Secretariat. The Concept Paper is a living document, and therefore may be revised from time to time, to take into account new developments within the Network.

The Network itself operates at two levels. The high-level Network is made up of a panel of leaders and policy experts in the field of youth employment who will advise the UN Secretary-General, the Director-General of the International Labour Office and the President of the World Bank, on the youth employment policy recommendations which the Secretary-General will transmit to the General Assembly in 2001. The high-level Network is expected to mobilize opinion and action in favour of youth employment worldwide, especially in developing countries where the majority of unemployed youth are struggling to overcome poverty in the informal economy. At its technical or working level, the Network is a “network of networks,” drawing on the experience, knowledge and resources of a host of recognized practitioners involved either in specific youth employment initiatives, or in broader employment or development policy initiatives with a particular impact on young women and men.

Creating more and better employment for young people is an investment in our common future. Youth employment also provides an entry point into discussion and action on employment policy in general. The work of this policy network is expected to feed into the World Employment Forum to be organized by the ILO in the November 2001, and into longer term efforts to make employment the bridge between integrated social and economic policies. It is in this perspective that the Policy Network aspires to change perceptions on how to increase decent work for young people, and to chart new directions
in how the private sector, civil society, governments and the United Nations can work together to create a better and more equal world for all.
Concept Paper

The Secretary-General's Policy Network on Promoting Youth Employment

According to the International Labour Organization, over 70 million young men and women today are actively - but unsuccessfully - looking for employment. Youth unemployment is expected to continue growing for the next fifty years, underlying the urgency of a forward-looking strategy to create employment for young people. A successful response to the challenge of youth employment means constructing a solid foundation for intergenerational solidarity today, and for the social and economic development of future generations. Youth employment in fact provides an entry point into the "coherent and coordinated international strategy on employment" called for by the twenty-fourth special session of the General Assembly entitled: "World Summit for Social Development and beyond: achieving social development for all in a globalizing world." A failure to take this challenge seriously will result in disillusionment, lost opportunities and an undermining of the acquired rights of all. The challenge of youth employment is therefore a challenge to be embraced by the international community as a whole.

This Concept Paper serves to elaborate and initiate the proposal contained in the Secretary-General's report to the Millennium Assembly of the United Nations: Together with the heads of the World Bank and the International Labour Organization, I am convening a high-level policy network on youth employment - drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge. I will ask this policy network to propose a set of recommendations that I can convey to world leaders within a year. The possible sources of solutions will include the Internet and the informal sector, especially the contribution that small enterprises can make to employment generation.

The Objectives of the Policy Network are threefold: a) to formulate a set of recommendations on youth employment which the Secretary-General will propose to world leaders for action in one year's time, b) to disseminate information on good practices and lessons learned from specific past or ongoing youth employment policies and programmes, and c) to identify, for implementation with its partners, a series of collaborative youth employment initiatives.

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The Policy Network draws its mandate from the United Nations Millennium Declaration. During the Millennium Summit, Heads of State and Government resolved to "develop and implement strategies that give young people everywhere a real chance to find decent and productive work." The Network will also be guided by other major intergovernmental events of the past year, including new initiatives adopted by the five year review processes of the Fourth World Conference on Women and of the World Summit for Social Development, as well as by the outcome of the July 2000 ECOSOC high-level segment on the role of information technology in the context of a knowledge-based global economy.

**Structure and organization of the policy network on youth employment**

At its highest political level, the Policy Network will include the Secretary-General of the United Nations, the Director-General of the ILO, the President of the World Bank, as well as leaders drawn from the private sector, civil society and economic and social policy. At its operational level, the Policy Network will draw on the experience, resources and expertise of its member organization with the aim of strengthening the impact of their policies and programmes on youth employment as well as of influencing the work of others in the same direction.

The ILO's mandate and leadership in the field of employment was recognized by the international community in the Copenhagen Declaration and Programme of Action adopted by the World Summit for Social Development in 1995. The ILO's role was furthermore reaffirmed in the outcome of the twenty-fourth special session of the General Assembly entitled: "World Summit for Social Development and beyond: achieving social development for all in a globalizing world," which adopted a number of further initiatives in the field of employment.

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7 United Nations General Assembly, 2000, Part III. *op. cit.* Such initiatives include, amongst others, support for the comprehensive ILO programme on decent work; recognizing the need to elaborate a coherent and coordinated international strategy on employment; supporting the convening of a world employment forum by the International Labour Organization in 2001; inviting the ILO to facilitate a coordinated exchange of best practices in the field of employment; respecting, promoting and realizing the principles contained in the ILO Declaration on Fundamental Principles and Rights at Work; considering the possibility of a major event on the informal sector in the year 2002, to be organized by the ILO; as well as undertaking appropriate measures to address the specific employment issues, inter alia, of youth.
The United Nations convened the Millennium Summit and provides political leadership to its follow-up, involving a fifteen-year time horizon and road map. Furthermore, the United Nations Department of Economic and Social Affairs (DESA) provides a bridge between representative youth organizations and intergovernmental policy bodies, and is organizing in August 2001, in cooperation with the Government of Senegal, the fourth session of the World Youth Forum which will develop its own youth employment recommendations. DESA is also responsible for follow up to the outcome of the Social Summit and to the further initiatives resulting from the five-year review process and coordinates the work of the United Nations system in the field of social and economic policy.

The World Bank, whose overarching objective is the eradication of poverty, collaborates with its member states in social and economic policy formulation, and in allocating and leveraging resources to support a broad range of sectoral and inter-sectoral development activities with a strong potential impact on youth employment. The Bank also is undertaking a number of innovative initiatives with the private sector and civil society, including youth organizations, of direct relevance to the Policy Network.

The Policy Network has established a joint secretariat, involving the United Nations, the ILO and the World Bank, to coordinate its work and to provide technical and administrative support, drawing as necessary on the resources of the United Nations system as a whole. The respective roles and contributions of secretariat members are decided through a consultative process and revised regularly to take into account developments within the Policy Network. Membership of the Network is based on the capacity and experience of each organization to make a contribution to the issues raised in each thematic area. Each lead agency, in collaboration with the partners, will develop a work plan and time frame for the implementation, monitoring and evaluation of specific results.

The Policy Network will involve youth as full participants. Therefore rather than being viewed as simple beneficiaries of the Policy Network's activities, youth and their representative organizations will contribute to designing, implementing and evaluating these activities. The UN's Division for Social Policy and Development will draw on its network of collaborating youth organizations to ensure that representative youth organizations are involved in an advisory capacity, whereas other partner institutions will make use of existing relationships with youth organizations.

Overall Orientation of the Policy Network

Research shows that the most powerful influence on youth employment is the national employment situation as a whole. Sound macroeconomic policies that promote overall economic growth provide the basis for addressing the employment problems of
young people. However, lack of aggregate demand only partially explains youth unemployment. Sound education, labour market and social policies that specifically target young people are necessary too. Therefore, the Network will concentrate on specific initiatives to boost the quantity and quality of jobs created for young women and men. In addition to initiating targeted youth employment initiatives, youth employment will be used as an organizing principle for influencing major programmes. It will pay particular attention to gender inequalities in access to education and training and to easing the school to work transition of young women. The focus will be on developing countries, where approximately 85% of the world's youth population lives. Proposals for action will be feasible and concrete enough to mobilize and engage members of the business community, civil society, local authorities and other stakeholders, including young people themselves.

The Policy Network’s recommendations will be systematically linked with concrete actions. In terms of the UN system partners, this means that technical cooperation will be used as a “reality check” for its policies on youth employment. The Network will therefore not content itself with studying, advising or recommending what others should do to create quality employment for young women and men, but also actually demonstrate, through its members, how these recommendations can be put in practice in real life situations. "Seeing is believing," will be a constant preoccupation lending credibility and visibility to the Policy Network.

The activities of the Policy Network will be woven into the main work of its members who, rather than viewing it as compartmentalized programme, will adopt a cross cutting approach to youth employment. To foster such an approach, each participating institution, and beginning with members of the secretariat, will either set up or make use of existing internal consultative mechanisms, adapted to its own organizational structure and circumstances. Such mechanisms will help ensure that a broad range of expertise is brought to bear on questions impacting on youth employment. The approach adopted should be developmental and sustainable, rather than one-off activities of a merely promotional nature. The Network's added value will reside in improved inter-institutional coherence and collaboration amongst its members in the field of youth employment.

**Areas of action of the Policy Network**

The unifying theme of the policy network will be: Bridging the Gap for Youth Employment. In practical terms, bridging the gap will take on many dimensions which are at the heart of the youth employment challenge. The gaps to be bridged include the gender gap; the digital divide; the growing gap between the good-paying and productive jobs in new growth sectors of the global economy, and the low wage jobs in the rapidly expanding informal economy; the gap between skill-intensive jobs and the growing number
of jobs relying on little skills and with little possibilities for advancement; and the increasing gap between labour-intensive and capital-intensive jobs.

The Secretary-General in his report to the Millennium Assembly states that the possible solutions will include the Internet and the informal sector, especially the contribution small enterprises can make to employment generation. Therefore the Policy Network will explore the full scope and potential of the private sector for job creation for young people, and to promote linkages between leaders in private industry and youth entrepreneurs trying to start up micro-enterprises and small businesses, particularly in the informal sector.8

The Policy Network will draw on information and communications technologies (ICT) not just as a sector in and of itself, but also as a means to increase productivity and employment in other sectors, as well as to improve the functioning of labour markets. ICT will also be used to help young people gain access to local, regional, national and global markets. The private sector will be called upon to mentor ICT jobs and entrepreneurship for them.

Young women typically face higher unemployment rates than young men. In many countries, girls are outperforming boys at school but this does not necessarily translate into greater labour market success. Participants in the Network will commit themselves to give girls a head start in all its activities. By promoting equality of opportunity and treatment for young men and women entering the labour market, the Policy Network will also contribute to eliminating overall gender inequality in employment as those youth enter adulthood. The Policy Network will strive to break through not only the glass ceiling, but also the walls of occupational segregation by sex, while at the same time raising the social floor of the global economy to help young women participate fully in the labour market.

The Policy Network will also be sensitive to the special problems of marginalization and vulnerability faced by young women and men throughout the world. Unemployed youth are particularly vulnerable to social exclusion, resulting in frustration and alienation. Employment provides not only income to young people, but also dignity and self-respect. Lack of economic alternatives lead young people into various forms of exploitation, which are not only morally reprehensible, but also undermine their ability to contribute positively to society. In many parts of the world, young people are also the prime victims of armed conflict. Youth who lack viable employment alternatives are more easily drawn into such conflicts as soldiers. Investing in youth employment provides hope for youth, and avoids the many costs associated with alienation and frustration, which are borne by society as a whole.

The Policy Network will concentrate its activities on a limited number of clusters. These clusters are all closely inter-related, and often overlapping, and contribute to focusing the Network's programme of activities around a coherent and mutually reinforcing set of themes. Members of the secretariat will assume leadership for one or more substantive areas of action and will ensure collaboration on such themes with other interested members of the Network having demonstrated expertise. Taking the lead in any particular thematic cluster does not mean implementing the activities single-handedly, but rather taking responsibility for organizing and coordinating the work of a team of partners both within and outside the UN system. Mechanisms for independent monitoring and evaluation of the activities and results of the thematic clusters will be established in order to ensure the verifiable impact of the Policy Network on youth employment.

The main clusters of action are as follows:

- Incorporating youth employment into development strategies, including major UN system initiatives;
- Promoting youth employment in poverty reduction programmes at the country level;
- Improving the impact of education and training on youth employment;
- Generating opportunities for young people through information and communication technologies; and
- Bridging the gap between the informal sector and the knowledge economy.

A matrix of activities will be developed according to each thematic area: these include carrying out an assessment of past and ongoing activities; based on these assessments, examining lessons learned in the form of "state of the art" studies; analyzing the need for and role of new indicators of youth employment; and identifying and implementing pilot actions.

**Incorporating youth employment into development strategies, including major UN system initiatives**

The United Nations Department for Economic and Social Affairs (DESA) will take the lead in formulating development strategies that incorporate a youth employment dimension. This work will be instrumental in the development of the Policy Network’s recommendations that the Secretary-General proposes to present to world leaders at the 2001 session of the General Assembly. These policy recommendations will focus on both public policies and good corporate practice, with special attention to the role of public-private partnerships and how the public sector can enhance the private sector’s contribution to youth employment. In this connection, for example, the Network will
support follow up, through this network, of the Geneva 2000 initiative on social responsibility of the private sector.9

The policy recommendations will be largely based upon practical experience, i.e., on the results of pilot projects already funded and underway by partners both within the United Nations system and within the private sector. These “lessons learned” will be drawn from an assessment of projects and initiatives which have an actual or potential impact on youth employment (even if these initiatives or projects are not specifically labeled youth employment projects).

One specific area where development, and specifically investment, policies might impact on youth employment is the adoption of employment-intensive approaches to infrastructure development. Most developing countries are allocating between 40 and 60 per cent of their public investment to infrastructure, which represents an enormous, and often untapped, potential for generating employment for youth within the limits of already existing resources.10 Infrastructure development provides a host of opportunities for youth employment and entrepreneurship, not only as skilled or unskilled labour, but also in the development of a private sector labour-based contracting and consulting industry. Furthermore, labour-intensive infrastructure development may be seen as an entry point into broader reflections on how to maximize the employment impact of economic growth and on how to leverage investment policies with employment as an objective.

Another important area of research that can help incorporate youth employment into development policies is to study the relative costs and benefits of programmes specifically targeting youth, as compared with broader-based programmes that may not target youth, but may benefit young people along with other social groups.

Specific activities to be organized by DESA include:

- Identification of selected case studies from United Nations system projects and initiatives that embody an actual or potential youth employment dimension. This exercise would cover projects and initiatives within DESA, as well as other major United Nations system programmes within, for example, UNDP and UNICEF;

- Organization of, or acting as a “broker” for, expert group meetings involving DESA,

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10 According to the World Bank’s 1994 World Development Report on infrastructure for development, developing countries invest some $200 billion a year in new infrastructure. Infrastructure typically represents about 20 per cent of total investment of developing countries and 40 to 60 per cent of public investment.
the Regional Commissions, other UN system organizations, as well as other invited partners. The aim of these meetings would be to draw practical lessons from United Nations system projects and initiatives, highlighting what works and how it works;

- Development of guidelines, on the basis of lessons learned, to assist public and private sector partners to increase the impact of their projects and initiatives on youth employment; and

- Formulation of a set of draft policy recommendations on youth employment for the Secretary-General to present to the General Assembly in the year 2001. The policy recommendations developed in this thematic cluster will eventually be combined with the recommendations of the other thematic clusters of the Policy Network.

**Promoting youth employment in poverty reduction programmes at the country level**

Creating decent work for youth is one practical way to reduce poverty. If youth employment programs are to be effective, they need to be initiated by the countries concerned, and owned by the broader society including different low income groups. They also need to be embedded in a coherent strategic framework to reduce poverty. In low income countries this framework will be provided by the Poverty Reduction Strategy Paper process, or other existing national strategies. Where countries have identified youth employment as a priority for poverty reduction through these processes, the ILO and World Bank will provide technical assistance and other support to help them develop and implement effective policies and programmes. The Youth Employment Network will also provide a support facility for countries to evaluate the potential impact of youth employment initiatives, including labour intensive infrastructure development programmes, on poverty reduction. The ILO will furthermore contribute to this effort through its country employment policy reviews, and through its efforts to operationalize its decent work agenda at the country level.

Elements of national poverty reduction strategies which have particular relevance for youth employment include social protection, targeting youth at risk, social funds, labour-intensive infrastructure development programmes, vocational education and training, young adult literacy and strategies to support the informal sector. By integrating the youth employment dimension into national poverty reduction programmes, the Network's policy work on education and training, information and communications technologies and informal sector will be operationalized at the country level. The Network will benefit from the work of the World Bank's Social Protection team which is undertaking assessments of social risk and social programs in several countries based on a life cycle framework. The risk assessments and programmes for young people will include training and employment issues. Some of the country specific work on vocational
education and training and youth/young adult literacy will also provide examples of operational lessons and opportunities.

**Education and Training for Youth Employment**

Opportunities for youth employment can be found in the skills-intensive economy. However, many young people are marginalized because they lack the skills required by the growth sectors of the economy. A key element to providing them with quality jobs is to provide opportunities for education, vocational and management training and to develop the aptitudes, personal skills and work experience required for an increasingly flexible and changing labour market.

Whereas in industrialized countries, education is often the key to employment, the number of educated, unemployed and increasingly frustrated school leavers is growing in developing countries. Moreover, many poor and largely uneducated young people in developing countries cannot afford to remain unemployed. Rather they are driven to seek employment at low levels of income and productivity in the informal sector. Programmes to upgrade the employability of youth through developing the skills required for the "new economy" should include those youth struggling for survival in the informal economy.

This cluster of activities will view reform and development of education and training systems through the prism of the constraints and opportunities presented for youth employment in both the formal and informal economies. The school-to-work transition will be emphasized insofar as it provides a link between education and training.

Likewise, the gender dimensions of education and training are particularly important to eliminating gender inequality, poverty and underemployment. Women account for more than two-thirds of the nearly one billion illiterate adults. Of the approximately 100 million children in the world without access to primary education, 60 per cent are girls. Young women are often unable to take advantage of training opportunities due to barriers to entry, and gender biases in recruitment. Access to education and training is fundamental for enabling young women to compete with young men on the basis of objective criteria for recruitment and promotion. And increasingly, it is the type as well as the level of education and training that is critical. Young women are still not going into some fields of study traditionally dominated by men. Gender-based stereotypes survive and role models that could lead young women to challenging, better-paid careers are still scarce. The Network will then provide specific information from World Bank country-level assessments on linkages between girls' education and employment.

The World Bank will take the lead in developing a series of lessons and best practices in education and training programs. To do so, it will focus on three main areas:
a. Youth and young adult literacy and training;  
b. The Global Partnership for Youth Development (GPYD); and  
c. Vocational education and training.  

Regarding youth and young adult literacy and training, the World Bank will carry out sub-sector reviews on effectiveness, efficiency, costs, and different models of implementation as well as case studies and lessons learned from adult literacy and training programs and country-level evaluations of adult/youth literacy programmes. In order to ensure wide dissemination of the results, the Bank will maintain a website on basic and continuing education. Other areas of work include the development of distance learning training modules for adult and for youth basic education program planners, with a particular focus on French speaking Africa, and research on skills training for youth and adults.  

The Global Partnership for Youth Development (GPYD) brings together business, government, and civil society organizations in new ways to promote the positive development of children and youth worldwide. The specific objectives of the GPYD are to study, promote and invest in good examples of tri-sector partnerships in youth development around the world. The GPYD operates within the framework of the Business Partners for Development (BPD) programme which seeks to identify and learn from the new forms of partnerships that are emerging in society, and to better understand the relationship between business interests and social and human development needs. Through the involvement of GYPD, business, government and civil society will bring their own country-level perspective and experience on education and training for youth employment into the Policy Network.  

In the area of vocational education and training (VET), the Policy Network will draw conclusions from the experiences of Bank lending in this area. The comparative experience of VET programmes specifically targeted towards youth will be compared with broader-based programmes. The Network will then develop policy recommendation based on world-wide evidence on effectiveness of training programs geared towards youth. Other areas of work include cross-country experience on VET reforms worldwide (based on a joint World Bank-ILO study) including their impact on youth, and lessons learned on youth employment from an ongoing Africa regional study on training.  

*Generating employment opportunities through information and communications technologies*  

Information and communications technologies (ICT) are central to the creation of
the emerging global knowledge-based economy, capable of opening “vast new opportunities for economic growth and social development.” They are permeating all aspects of business, and increasingly, the wider society, emerging as one of the major drivers of economic growth and wealth creation by raising productivity and allowing markets to work more quickly and efficiently. By reducing costs and increasing the speed of communications, they have already played a major role in globalizing the production of goods and services as well as financial markets. Their broader adoption and application have already had a dramatic impact on employment patterns and skills requirements, generating new sources of employment such as wireless technology, cyber kiosks, web-authoring, and have facilitated the unprecedented growth in activities such as business services, e-commerce, e-education and e-health.

Despite this, there is scope for ICT to make an even more powerful contribution to employment creation, offering additional opportunities in both ICT and ICT-related sectors. It is estimated, for example, that the shortfall of networking professionals in Europe alone will reach 600,000 by 2002. Employment opportunities are also available for persons with ICT skills in the application of information technologies in enhancing productivity in other fields such as in insurance, banking, manufacturing or retail operations. These developments are particularly significant for youth employment given the capacity of young people to quickly assimilate the new technologies. Already young people represent a significant proportion of the ICT workforce in many countries, and some have become successful in launching start-up companies that capitalize on wireless technologies and the Internet.

In developed countries, ICT have become increasingly critical to economic success and personal advancement. In developing countries and countries in transition however, their potential for employment creation and indeed for accelerating growth and sustainable development has not been evenly, and certainly not fully, exploited. While a number of such countries have made considerable progress in ensuring access and connectivity by their citizens and enterprises to the global knowledge network, for many, major impediments continue to limit the participation of their people in the ICT revolution. Such impediments include low skill levels, limited, expensive and poor quality connectivity, an unsympathetic legal and regulatory framework, as well as a variety of policy barriers. The Network will support collective efforts to help overcome these obstacles and provide opportunities for the exploitation of ICT for the benefit of the young.

11 See, for example, United Nations, Ministerial Declaration of July 2000 high-level segment of ECOSOC, op. cit.
12 International Telecommunications Union (ITU) estimates.
13 While the new ICT have been associated with destruction some of jobs, fears that this would be massive, particularly in the tertiary sector, have been short-lived. Beyond initial redundancies, the new ICT have led to employment creation.
14 The Network will work, for example, with the UN Digital Task Force that has been recently established to help bridge the digital divide and foster ICT opportunities in developing countries. It brings together governments, multilateral
It is important to ensure that young women entering ICT professions are not clustered into the lower-skilled activities. Although women represent a significant proportion of the ICT workforce, their highest levels of representation are in administrative support services (data-entry and computer operators). They remain largely underrepresented in the technical and professional ICT workforce (computer scientists, engineers, systems analysts and programmers). Efforts need to be made to address the human development obstacles faced by young women (ranging from lower income, education and training to gender roles and limited participation in decision-making) that would impact negatively on their own successful participation in the knowledge economy. The Network will therefore promote strategies that encourage young women and girls to seek technical education and succeed in technical and professional ICT careers and encourage gender-equal recruitment and retention of workers in ICT companies. The goal is not only to enable women to become consumers of the new technologies, but also to facilitate their participation in ICT development and governance.

The Network will draw on the expertise and experience of a cross-section of partners in expanding the knowledge–base of “what works” and “under what conditions” particularly in overcoming impediments to ICT development and in maximizing their employment and income-generation potential. It will seek to create global awareness of such policies, programmes and initiatives; and to identify and implement pilot activities (including technical cooperation) that can capitalize on this knowledge and create useful synergies for the benefit of youth employment.

The work will benefit from the conclusions and recommendations of the ILO World Employment Report 2001 on “Life at Work in the Information Economy,” the July 2000 ECOSOC high-level segment on the role of information technology in the context of a knowledge-based global economy, and on many innovative experiences and alliances in this sector being spearheaded by governments, private sector firms, civil society and the international development community.

**Bridging the Gap between the Informal Sector and the Knowledge Economy**

For the vast majority of young women and young men in developing countries, realistic prospects for their livelihoods remain in the informal sector. As in the formal sector, young women are concentrated in lower echelon activities that are less profitable, less productive, smaller in scale and require fewer skills. Whereas information and communications technologies offer many opportunities, other strategies are required to respond to the aspirations of those young people who have little prospect of accessing the benefits of ICT and the knowledge economy in the foreseeable future.
Contrary to expectations, the informal sector is expanding not only in the domestic economy, but also becoming integrated into the global economy as a low-cost means of providing goods and services for larger production chains, at times short circuiting national labour legislation. The growth and qualitative changes in some parts of the informal economy – such as international procurement and sub-contracting – present both new opportunities and challenges for youth employment. Youth are particularly vulnerable to exploitation in such production chains. However, there are also new opportunities for young people, including many promising micro-enterprises in the informal sector which present a potential for growth. The challenge is to devise new strategies to raise incomes, productivity and hopes while at the same time extending social protection to young people working in the informal economy. This cluster of activities will work to identify both supply and demand side initiatives and policies to help young people in the informal sector benefit from, rather than being marginalized by, the global economy.

For young women and men, who generally lack capital, experience and networks, starting an economic activity is a particularly daunting task. Nevertheless, many of them have no other employment option. A variety of programmes exist to promote youth entrepreneurship and self-employment providing credit, training and other business development services. Some of these programmes focus on how young women overcome the additional constraint of gender bias. There is a need to better understand how such programmes can succeed – to identify the critical elements in programmes that are opening up self-employment for young women and men – before developing new approaches.

Possible areas where the Network will work to upgrade youth employment in the informal sector are:

- Access to capital is a major constraint for young women and men who want to start businesses. Large financial institutions may be reluctant to lend to young people because they have no track record and are seen to have unrealistic ambitions and lack of judgment. Micro-finance and micro-equity can help fill this gap and facilitate self-employment for young people. In industrialized countries, micro-finance and equity are standard components of most of the targeted self-employment programmes;

- Existing training systems are inadequate for addressing the diverse needs of heterogeneous informal sector workers. There is a need to improve the delivery of necessary skills in easy-to-use, affordable and efficient manners to young workers, and to link skill training to business and other support services and to markets, thereby enabling young people in the informal sector to break out of the low-income trap;

- Young entrepreneurs and workers in the informal sector often lack effective
representation. The Network will support workers' and employers' organizations in their efforts to reach out to and organize informal sector workers. Organizing young people in the informal sector is important first in ensuring improved remuneration and working conditions in the workplace, and moreover, in improving their access to business development services and for strengthening their voice in public policy debates. This approach could be particularly effective for young female homeworkers;

- Productivity and job quality are generally low in the informal sector – a combination that leaves work as an aspect of poverty rather than a means out of it. Among the various aspects of job quality in the informal sector, raising working conditions has a potential of achieving higher productivity, an essential initial step in order to tap into the opportunities provided by the global economy. Extending social protection to young women and men in the informal sector through mechanisms such as micro-insurance could improve job quality and competitiveness;

- Formal-informal sector linkages will be strengthened in order to promote youth entrepreneurship and the application of fundamental principles and rights at work. Partnerships will be developed with private industry to develop sound sub-contracting and procurement policies with the informal sector and to give informal sector workers a greater say in the conditions in which their goods and services find their way into the global marketplace;

- The informal sector is the major source of employment in the mushrooming urban areas of developing countries. As urbanization expands, so do municipal governments have a special stake in creating local employment opportunities for young women and men. Young people can be a positive force for urban renewal and local economic development, but can also be drawn into criminal and violent activities. The growing role of young people and even children in conflict-affected countries is a case in point. The Network will work with local and urban authorities to support both social integration of young women and men through productive employment in the informal sector.

**Outcome of the Policy Network**

The members of the secretariat of the Policy Network will meet as necessary to assess progress on each of the areas of action outlined above, and to plan for a high-level meeting of the Policy Network on Youth Employment to be held in mid-2001. This meeting will be convened with the participation of selected partners including CEOs, labour representatives, leaders from civil society and economic and social policy makers in order to launch a plan of action engaging all the partners in concrete initiatives. Furthermore, this meeting will propose recommendations and actions on youth employment for the Secretary-General to convey to international policy leaders during the

The outcome of this policy network would feed into the World Employment Forum to be organized by the ILO in the November 2001. However, over and above its impact on these forthcoming international events and fora, the Policy Network aspires to change perceptions on how to increase decent work for young people, and to chart new directions in how the private sector, civil society, governments and the United Nations can work together to create a better and more equal world for all.