



Secretaria de Estado da
Formação Profissional e Emprego
(SEFOPE)



Timor - Leste

National Youth Employment Action Plan

(NYEAP) 2009

YEP
Youth Employment Promotion



Australian Government
AusAID





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Background and context:

Referring to national statistics¹, the population demographics for Timor-Leste illustrate a population pyramid that is not only expansive² in profile (almost 48% of the population is below the age of 17, population growth rate is around 5.8% and fertility rate is estimated at 7.8 births per woman) but also characteristic of a ‘youth bulge’³, where the cohort of 15-29 year olds account for almost 30% of the total population.

These facts indicate that the main asset of Timor-Leste is its young people. Hence, responding to the employment challenges of young women and men in Timor-Leste presents an unprecedented opportunity for increasing economic growth and reducing poverty in the country. The logic is self-evident; since young people are the main asset of the nation, making them more productive and engaging them in decent work is the best way to reduce poverty.

Through its poverty-alleviating effect, youth employment can also contribute to furthering other development objectives. For instance, by utilising the ‘human capital’ potential of Timorese youth in productive activities and by placing youth employment at the centre of development policy, the economy would benefit from its ‘youth dividend’; gaining from the skills and expertise young Timorese have to offer. Moreover, getting more Timorese youth into decent employment can be a source of vitality for economic development that allows youth to spend more as consumers and invest more as savers, thereby transforming them into active economic agents and contributors in the development process.

The social gains of involving young Timorese in productive and decent employment would also have immense welfare benefits for the country, primarily by keeping youth away from indulging in violent activities. The 2006 ILO Report on Global Employment Trends for Youth employment states “idle youths create a sense of vulnerability, uselessness and redundancy.” This can have a direct impact on the potential for violence and crime, thereby destabilising socio stability.

It is evident therefore to treat young Timorese as both a resource and an opportunity to foster sustainable development. However, as illustrated by the Youth Employment Study (YES) for Timor-Leste 2007, there is a multi-dimensional and multi-sectoral background to consider when analysing the youth employment challenge in Timor-Leste. For instance, the study indicates that ‘Employability’ issues related to a mismatch of skills ‘acquired’ and those ‘required’, are a major *supply-side distortion*, which hampers the school-to-

¹ Data source 2004 Census Timor Leste, TLC 2004.

² Expansive population pyramid - A population pyramid showing a broad base, indicating a high proportion of children, a rapid rate of population growth, and a low proportion of older people. The expansive case was described as youth bulge by Gary Fuller (1995).

³ Youth Bulge: where the cohort of 15-29 year olds relative to the total population is significantly large.



work transition of young Timorese. It identifies a training and educational system that has weak linkages with the business / commercial sector, resulting in the use of curricula and training material that is often not transferable to the needs and demands of different industries.

Furthermore, the study identifies issues pertaining to unprepared and unaware young entrants who join the labour force, at times before reaching the minimum age of legal entry, in part because of poor labour market information (LMI) mechanisms. It identifies the ineffective and limited role of formal labour market intermediaries (education and training institutions, public employment services) and their failure to provide appropriate career counselling and guidance. This scenario, coupled with youth relying largely on informal sources to acquire prospective employment opportunities, results in young people often having false expectations and unrealistic aspirations with the 'world of work', consequently suffering from recurrent as well as long spells of unemployment.

On the demand side, the youth employment study explains that volatile and slow growth trend patterns of the non-oil and non-agricultural sectors have had a considerable negative impact on the aggregate employment creation potential of the economy, resulting in a lack of capacity for the formal economy to accommodate the estimated 17,000 youth that enter the labour market every year. Hence, while the formal economy remains in an infant state, the level of informal activities has proliferated, where informal economy employment opportunities are characterised by the lack of recognition or protection by law, low productivity, little or no job security, poor working conditions and low remuneration. It is also in the informal economy that child labour is usually widespread due to the lack of regulation that allows employers to ignore the minimum age for legal entry.

Moreover, the study argues that in most developing countries, micro and small enterprises tend to form the backbone of the economy, particularly in its early stages of development. However, in Timor-Leste, numerous impediments prevail for entrepreneurship or self-employment as an alternative sustainable career status for youth. Key impediments include those related to regulation, the non-existence of property rights, and the still relatively complicated business registration system. Other key obstacles include the difficulties for youth to access formal credit facilities due to 'age-specific challenges'; no-collateral to qualify for conventional credit schemes; and gender-specific challenges', whereby micro-credit schemes tend to only cater for women. A direct consequence of this is that most entrepreneurial activities remain confined to low value added goods and service provision, with no potential to grow either in size or diversify in scope, thereby indefinitely remaining within the informal economy.

Given this complex nature of the youth employment challenge in Timor-Leste, it is evident that any efforts to address the issue would require the commitment and involvement and coordination of several partners. This necessitates government ministries, employer and worker organisations, youth associations and councils and other civil society organizations to



engage in dialogue, build partnerships to foster cooperation, reinforce each others activities and make optimal use of combined resources, knowledge and expertise. To confirm the Timorese Government's political commitment to decent and productive work for young people and to translate this commitment into practical actions, the Secretariat of State for Vocational Training and Employment (SEFOPE) in close consultation with members of the National Steering Committee on Youth Employment developed the Timor-Leste Youth Employment Action Plan (YEAP) 2007. The overall objective of the YEAP is to provide the National Steering Committee on youth employment a coherent set of strategies and policies to address the youth employment challenge in Timor-Leste. In its drafting the YEAP received technical support from the International Labour Organisation (ILO) and other agencies.



Addressing the issue:

Timor-Leste's youth employment challenge, on the one hand, is closely related to 'general', non-age specific questions concerning the state of the economy and the functionality of the labour market, while on the other hand, youth employment has its own particular and problematic dimensions. The Timor-Leste Youth Employment Action Plan (YEAP) has been designed in a manner that acknowledges both the 'general' and 'specific' employment challenges faced by young women and men in Timor-Leste, and subsequently presents practical and realistic recommendations to address these challenges. As a starting point, the YEAP rests its policy recommendations and strategies around four themes i) **Employment Generation**, ii) **Employability**, iii) **Entrepreneurship** and iv) **Equal Opportunities**. It is important to note that although these themes are unique in their specific sense, they are also interrelated, and therefore policy recommendations that address one theme can positively influence or complement solutions for other themes, a relationship that will be elucidated in the NYEAP.

1.0 The Employment generation dilemma, a new approach to macro-economic and employment policy needed:

Timor-Leste has a youth population [age cohort of 15-29 years] that accounts for almost 30% of its people⁴. Estimates place the number of young people who enter the labour market every year to range from 15,000 – 20,000. As a fraction of the total labour force (which was 314,000 in 2004), this implies that the labour market is growing at roughly 4-5% a year. Unfortunately, the economy has been characterised by low and volatile GDP growth patterns since independence, resulting in its inability to absorb the new entrants that join the labour market every year, nor being able to reduce the backlog of existing unemployed youth. The end result has been staggering unemployment rates for youth; in urban areas estimated at 43% and those in rural areas at over 20%⁵.

However, youth unemployment trends do not capture the negative affects of low and volatile economic growth in its entirety. Given the absence of unemployment insurance and a social security mechanism, most youth in Timor-Leste cannot afford to be openly-unemployed, they have no choice but to enter the informal economy, often working in survival type activities, where earnings are low and unstable, in order to support themselves and their families. Many even enter the informal economy before they reach the minimum age of entry into work, and before they are mentally and physically ready to do so, leading to the problem of child labour.

⁴ Data source 2004 Census Timor-Leste, TLC 2004.

⁵ <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/TIMORLESTEEXTN/0,,contentMDK:20174826~pagePK:141137~piPK:217854~theSitePK:294022,00.html>



Hence, when addressing the demand dimension of the youth employment challenge in Timor-Leste, policy interventions must place the quality and quantity of employment at the very centre of economic development policy. Thus, strategies to stimulate economic growth must have a core role in increasing the intensity and quality of employment opportunities.

Hence, a policy package that aims to promote youth employment necessitates being sectoral in nature. Sector investment programs (SIPs) that aim to develop and expand different sectors in the economy need to have corresponding sector employment dimensions. The Youth Employment Study for Timor-Leste⁶, using census data⁷, provides the sectoral composition of youth employed by different industry sectors and sub-sectors. The study shows that 77% of all 'working youth' find themselves employed in the agricultural sector. Other notable sectors which account for more than 1% of the total 'working youth population', include; wholesale and retail trading activities which employ 3.8% of the total working youth population, UN / Diplomatic agencies employ 3.68%, private households 3.59% and transport and warehousing 1.43% of the total working (employed) youth population respectively. While sectors such as manufacturing and construction employ a mere 0.51% and 0.50% of the total working youth population. The agricultural and household sectors are also sectors where child labour is widespread (see results of the 2007 ILO-IPEC Rapid Assessment on Child Labour in Timor Leste).

What is particularly worrying is the small proportion of youth employed in sectors (as a proportion to total youth employed in all sectors) which would comprise largely of white collar jobs; financial 0.09%, communications 0.14%, real estate and property 0.25%, health and social services 0.26%, education 0.44%, public administration 0.58%.⁸

This scenario calls for 'targeted sectoral development and employment creation' measures, whereby development occurs not only in sectors (or branches of sectors) which have a high density of working youth, but also in the development of dynamic sectors that have the potential for growth and high employment elasticity.

Recommendation /action for Employment Generation:

Recommendation / action 1.1:

Labour intensive Public Works programs, that are 'youth oriented' in their employment creation.

For the **immediate and short-term**, employment policies and programmes should involve *labour-intensive public works* as a safety net for unemployed

⁶ Table 3.3d, YES, youth employment study Timor-Leste 2007.

⁷ Data source: 2004 Census, National directorate of statistics, Timor-Leste.

⁸ See column 5 in Table 3.3d in the Youth Employment Study for Timor-Leste 2007 for a detailed breakdown).



youth. Such programmes could aim to use surplus youth labour in the improvement of infrastructure, irrigation systems, afforestation, urban sanitation, schools and health centres. This would have the direct effect of creating jobs for the unemployed youth and also offer the possibility to increase their labour productivity. Even though the direct employment creation from such programs may be temporary in nature, they constitute as a means of offering employment and income to thousands of young people and in this way function as a temporary poverty relief mechanism. Serious efforts should be taken to ensure that young women are aware of such opportunities and that workplaces do not discriminate against female applicants, learning lessons from labour-intensive public works in other countries. Setting minimum targets for female participation and offering gender training may be necessary to ensure gender equality.

Such programs will also have indirect **medium-term** employment creation effects on young people and their local communities. For instance, the local community would benefit from the creation of productive assets such as roads, irrigation networks and community centres, which could have a stimulating effect on local demand and employment creation, as the opportunity for more permanent jobs could arise for the maintenance of public works and other services that may emerge from public works development. Public works programs also have the potential to strengthen general local demand through the 'income effect' of wages provided. For young people in particular, if combined with efforts to increase employability (see Section Two) these programs could allow for first-job experience, and if able to participate in consecutive programmes then help build up their working experience. Moreover, public works employment can be a useful mechanism to extend or upgrade skills and make up for deficient education, through on-the-job or specialized training.

To ensure that such public works programs are 'youth oriented' in their employment creation, hiring of youth via youth career centres could be made a prerequisite. This would help establish and promote a formal mechanism for seeking employment as well as serve as a formal source of labour market information (LMI) and prospective employment opportunities for youth. Furthermore, the feasibility to establish a Youth Employment Fund through which such programs are financed should be considered. The benefit here would be an easier and smoother mechanism for the government to ensure target beneficiaries are youth Timorese.

To make public works programmes successful in implementation and in serving targeted beneficiaries it is crucial that they are designed with the cooperation and support of several stakeholders, in particular with the active participation of government agencies, namely the Secretariat of State for Vocational Training and Employment, the Ministry of Public Works, Ministry of Agriculture, Ministry of Forestry and Fisheries and Ministry of Planning and Finance.



Recommendation / action 1.2:

Provision of subsidized / training wages, to encourage employers to hire young workers, and contribute towards training.

Another **short-term** employment creation mechanism that can be introduced for generating employment opportunities for young people is subsidized (training wage) employment schemes. Such a scheme would take the form of a wage subsidy offered to employers who take on young workers. Wage subsidies can be seen as a response to market failure; by counteracting slow growth in labor demand and other obstacles that hamper the integrability of young people with the world of work. Such obstacles include inadequate general and technical skills for a job, and lack of work experience, and other factors that often discourage employers from hiring young people.

These labour market failures specific to youth in Timor-Leste are confirmed from the YES survey response by employers. For instance, when employers were asked to indicate (based on their experience) how well (or not) prepared young job applicants were for the work they applied for, a little over 60% of employers considered applicants as being poorly prepared on 'technical or professional skills needed for the job'. Likewise, 80% considered applicants to be poorly prepared with 'overall general knowledge' and 60% of employers considered the 'overall preparedness of youth' to be poor. Moreover when employers/managers were asked to identify the main disadvantages they found in hiring young workers, 25% felt youth didn't have the appropriate 'level' of skills, while 15% felt they were too young/had little work experience

Unprepared school leavers can be a liability for employers and an obstacle towards increasing productivity. In this regard, wage subsidy schemes that involve the provision of subsidies to employers who hire young workers, serve in contributing towards the cost of training for those young workers, e.g. from on-the-job training or specialized training. Hence wage subsidies of this nature can be seen as facilitating the transition of first time (young) entrants to the labour force. In addition to this, such schemes would also assist youth to develop 'soft skills' in the form of appropriate attitudes and work ethics to succeed at work, increase their level and proficiency of both 'general and specific' skills related to occupations and subsequently enhance their productivity levels.

Possible **medium-term** gains from subsidized (training wages) schemes is that they facilitate in addressing issues pertaining to structural unemployment of youth (who may initially not have the appropriate type or level of skills needed to find work in a particular sector / trade) by the provision of training (learning) while working. Further, such a scheme also addresses issue pertaining to asymmetry of information; i.e. encourages employers to take on trainee young workers, thereby providing young workers the opportunity to prove / persuade employers of their ability and productivity while working as trainees, thus increasing their chances of being hired for regular positions after the subsidy ends.



Recommendation / action 1.3:

Promoting productive employment opportunities in sectors that have high youth employment intensity, particularly in the agricultural sector.

Policy measures that can have an employment creation impact for young people in the **short and medium** run should include *promoting productive employment opportunities* in sectors that already employ a large proportion of the working youth. In this regard, it is crucial that policy measures are devised to improve the employment prospects for *rural youth working in agriculture*, so that they have the opportunity to engage in more productive activities within the sector. The Ministry of Agriculture should partner with the Secretariat of State for Vocational Training and Employment to devise and initiate policy measures that can provide training for youth in modern agricultural techniques in areas such as irrigation engineering, agricultural economics, and animal health and to encourage them to grow 'cash crops'. This would facilitate in enhancing agricultural productivity as well as increase farm income.

Further investigation towards the production of high value crops for instance; ginger, cardamom, chilli peppers and coffee as well as the potential to grow cotton should be considered. Similarly, mechanisms that can provide technical and financial support for rural youth to establish 'agro business' activities should be reviewed. This could include support for establishing cottage industries that process raw agricultural produce, enabling youth to make higher monetary gains from the subsequent higher value agricultural produce, e.g. chilli peppers processed into sauces, coffee grinding and the process of raw cotton to yarn (cotton ginning, weaving activities), thereby enabling youth to move away from purely subsistence agricultural activities to working in higher value added and subsequent higher remunerative agricultural activities. A sharper focus by policy-makers on issues of occupational safety and health in agricultural work would have the additional advantage of making the work safe for the age group 15-18.

Recommendation / action 1.4:

Exploiting new opportunities for youth in emerging sectors.

Medium-term measures that may create employment opportunities for youth should involve *identifying current and prospective job opportunities for young people in new and emerging sectors* such as tourism, media, IT, education, health and other service industries. These are sectors that tend to be 'employment friendly', i.e. have the potential for adopting labour intensive techniques in their production processes. In this regard, it is crucial that sector investment programs (SIPs) are designed with a component that enforces targets on the employment potential for young people that would arise from the investment and subsequent development activities. To ensure SIPs have



an employment generation dimension for youth, it is crucial that Ministries (Finance, Infrastructure, Economy and Development, Agriculture and Forestry, etc, work closely with the Secretariat of State for Vocational Training and Employment in the design and development of investment projects.

Recommendation / action 1.5:

Protecting the rights of informal economy young workers, and facilitating the formalisation of informal activities.

It is in the informal economy that majority of young Timorese find potential employment opportunities, and where young people often have the possibility of employment. This heterogeneous and overwhelming part of the economy tends to involve own-account young workers functioning in survival type activities, operating micro-enterprises in petty trade activities usually on their own, while employed youth workers are exposed to low productive, unremunerative or low paid precarious natured jobs that often involve child labour.

Given its magnitude and size, the informal economy in Timor-Leste is unlikely to 'wither away' by itself. The influence that it has on existing and prospective employment opportunities for youth requires policy efforts in the immediate term to give priority to reducing decent work deficits in the informal economy. This can be done by ensuring that those who are currently working in the informal sector are recognized by law and have legal rights, social protection, representation and voice. Ensuring the effective elimination of child labour would also contribute to the growth of job opportunities for the age group 15-29.

Extending the activities of existing trade unions to youth employed in the informal economy and setting up formal representation of youth with trade unions should be a first (**immediate / short-term measure**) step towards protecting young workers.

In the **short term** policies and action should facilitate the transition of informal activities towards the formal end. This could involve extending the services of formal institutions to informal sector participants, for example, by giving young informal sector workers access to training facilities, by investing in knowledge and skills, and by providing access to formal credit facilities for informal enterprises run by youth (lack of access to formal credit often leads young entrepreneurs to resort to informal sources for start-up capital, resulting in the subsequent business activity remaining informal in nature and restricted in size and scope).

In the **medium term**, the objective should be to expand the size and scope of the formal sector so that informal activities that stem from the lack of opportunities in the formal economy are minimised, leading to more employment opportunities being formal, protected and decent for employers and workers. In this regard policy measures should ensure that workers and



entrepreneurs have the capacity, flexibility and a conducive legal and regulatory framework that helps formalise the informal sector. Such a framework will need to include reducing ambiguity related to property ownership, simplifying the regulatory process to register a business, making it obligatory for enterprises to issue written contracts to their employees that provide mutual agreement between both employers and employees of the work tasks, and clauses and conditions, thereby reducing the opportunity for exploiting workers by informal hiring procedures. Greater attention to following minimum standards on occupational safety and health would also contribute to decent work for youth by making the work safe for workers aged 15 and above and by better preparing young workers for how to protect themselves from workplace-related risks during the rest of their lives.

2.0 Employability concerns and supply-side distortions, need for improving synergies between ‘demand for’ and ‘supply of’ youth skills and expertise:

Though measures to increase youth employment opportunities and policies to reduce demand-side market failures are central to tackling the employment issues faced by young Timorese, on their own, such interventions would only partially offset the youth employment challenge. Several supply-side market failures also prevail which severely hamper opportunities for young Timorese in finding and retaining decent and productive employment. Policy measures therefore need to address immediate, short and long term goals in strengthening youth employability. Employability for youth needs to be considered in a broad sense. It needs to encompass the skills, knowledge and competencies that enhance a young person’s ability to secure and retain a job, excel at work and cope with change.

In this regard, the role of supply-side labour market intermediaries such as education, training and vocational institutions, guidance, counselling and information mechanisms, and how effective their functionalities are in strengthening the employability of youth need to be reviewed.

Evidence from the recent youth employment study for Timor-Leste illustrates that youth tend to be both ‘unprepared’ and ‘unaware’ of the labour market when they make the school to work transition. For instance, when the YES survey asked young people to identify the major supply-side impediments faced in their efforts to seek and retain work, over 59% of youth respondents considered ‘unsuitable type of education’ as a very important obstacle in their job search, 70.4% of respondents claimed jobs required ‘more education for the job’ than they had, while over 53% felt that being considered ‘too young/or having little work experience’ served as a very important impediment in their job search.



To get a sense of the level of coordination and synergies between the educational and business sectors, the YES asked employers / managers if their enterprises participated in any work experience/internship program with educational or training centres. The response to this was that 70% of employers had no such arrangement. Similarly, when employers were asked to identify whether or not they had any regular contact with schools or training institutions, 95% responded by saying they didn't. This lack of coordination between enterprises and educational institutions can partly explain why over 50% of youth respondents (of the YES survey) who claimed to receive any specialised training, felt they training was of average / mediocre quality, and when asked to comment on the usefulness of this training to enhance employability, 53% considered the training to be only partly useful.

The existing weak coordination between industry and training (education) institutions has resulted in a failure to link the needs of the business sector with the provisions of the education and training system and inappropriate curricula and training materials taught in schools and training centres.

In addition to this, the role of formal labour market intermediaries such as education and training institutions and public employment services remain ineffective as providers of accurate and updated labour market information. For instance, when youth respondents were asked by the YES survey to identify the sources they use to learn about potential employment opportunities or labour market information, 76% of in-school respondents mentioned informal channels such as parents, relatives and friends, whereas only 24% of respondents identified training centres and 29% considered university career guidance and teachers as a good source for prospective employment opportunities and or other labour market information. Informal channels of information dissemination tend to be inaccurate and unreliable, resulting in youth to be unaware of the true dynamics of the labour market, causing many young people to develop unrealistic and contradictory expectations regarding their employability in relation to the actual context and conditions of the labour market, a situation that further exacerbates issues related to unemployment and underemployment.

Moreover, the failure of formal labour market intermediaries to provide meaningful career counselling and guidance, leads many young women and men to spend long periods of time looking for work, ultimately suffering from issues related with long-term unemployment (like gradual deskilling). Further, many disheartened youth end-up joining the informal sector in occupations that are not related with the skills they acquired in education. This scenario sends a wrong signal to youth who are in the education system, or to those who consider pursuing their education attainment, as they become disenfranchised with the education system and loose confidence in education as a 'tool' to promote their employability and access better employment prospects. Instead many youth drop out of education too early and enter the labour market prematurely. This points to the importance of the wider need to make formal education more relevant to the needs of the world of work, through provision of basic training on life skills and core work skills.



Recommendation/action for Employability:

Reduce the proportion of youth who enter the labour market prematurely and at an early age, forgoing their educational cycle.

Continual education and training of young people is of principal significance for maintaining a skilled workforce. In the **short and medium term**, the educational system needs to deploy active *measures to reduce 'drop out rates' at the primary level and increase the enrolment rate at junior and secondary levels*. Special attention should be given to youth who are at a higher risk of dropping out early, and ensure that they remain at school until they complete their educational cycle. In this regard a body of student councillors should be appointed who are in close contact with vulnerable students and who have the capacity to advise students on the gains of continuing their education. Schools could also allocate a 'support budget' for students from needy families for whom the 'opportunity cost' of remaining in education is too high. Incentives could include bursaries and scholarships.

While prevention of early drop-out is clearly the best strategy to reduce child labour, the needs of those already engaged in child labour, especially the Worst Forms of Child Labour, should also be addressed. This would include efforts to withdraw children from child labour and return them to school through retrieval and remedial education, and alternative solutions for those who cannot or do not wish to return to school, such as skills training and psychosocial counselling. Such efforts require the establishment of an effective child labour monitoring system to ensure that withdrawn children complete education and/or training and do not return to their workplaces.

Local communities, NGOs and Government could partner together to set up a 'Youth Employment Fund' that provides grants and scholarships for needy students, allowing them to pursue higher levels of education and reduce their early entry to the work force.

Recommendation / action 2.2:

Establish linkage support programs between educational institutions and the business/commercial sector.

If the education and training institutions remain detached from industry and the business community, then the impact that education and vocational training has as a 'tool' that provides portable skills to apply for employment opportunities in the labour market will remain weak. In this regard, educational



institutions (particularly technical secondary schools, vocational training centres and universities) in the **short term** need to establish *linkage support programmes* with enterprises and industries, so that they can offer effective internship⁹ / work experience schemes¹⁰, apprenticeship¹¹ and on-the-job training (OJT)¹² programs for their students. This would help students to see the connection between learning and work, and to understand how specific knowledge and skills are applied to a real world context. This could also encourage students to remain in school longer as they would see a 'linkage' between 'educational attainment' and 'employment prospects' and therefore be compelled to complete their educational program with the motivation to enter a corresponding profession thereafter.

In the **medium term**, the possibility to involve employers in supporting educational and training institutions by advising them on technology and industry standards, and improving curricula should be reviewed. This would directly benefit employers, as it would better link the 'type' of skills supplied by educational institutions to the needs and demands of industry / enterprises, reducing the 'skills mismatch' problem. In this regard, employers' associations have a key role to play as intermediaries between educational institutions and employers to initiate such partnerships. One example of involvement of employers' organisations and trade unions in developing curricula is in Germany, under the 'dual apprenticeship system', whereby participation of workers' and employers' organisations in national committees that regulate the content, quality and standardization of certification. Hence, subsequent qualifications gained are, therefore, more relevant to the needs of the labour market (O'Higgins)¹³.

⁹ An *internship* is a position which allows a student to gain professional experience in an occupational area they are considering. Typically the experience has a level of responsibility that allows a student to develop new skills in the field and offers the student training and supervision that facilitates learning.

¹⁰ Generally, *work experience* schemes prepare students through a combination of classroom lessons and vocational experiences at school and in the businesses area for the sector they will plan to enter after graduation. Work experience schemes for youth can have the potential for a dual benefit; firstly they can provide employers with a great opportunity to see how a young person operates in a working environment, secondly, the program can also provide job seekers with the opportunity to improve their work skills, and to be able to demonstrate what they have to offer to a potential employer.

¹¹ An *apprenticeship program* by definition is a legally-binding training arrangement between an employer and an apprentice that combines structured training with paid employment. By this method trainees learn a craft or trade by hands-on experience while working with a skilled worker. Such a scheme usually involves enterprises taking on workers for an initial training period, before they can go on to become full time employees for the company once they have the relevant skills, in the case of an enterprise not being able to offer regular employment after the apprenticeship period ends, the apprentice (trainee) still benefits from the new skills learned and work experience gained, attributes that enhance the employability prospects of the apprentice in other enterprises / or sectors to which acquired skills and expertise can be transferable.

¹² *On-the-job training* (OJT) involves a training mechanism that is planned, organized, and conducted at the employee's worksite. By this method OJT can be used for broadening employee skills and increasing productivity. It is particularly appropriate for developing proficiency skills unique to an employee's job - especially jobs that are relatively easy to learn and require locally-owned equipment and facilities.

¹³ Niall O'Higgins, Youth unemployment and employment policy – a global perspective, pp 147,150, International Labour Organisation, 2001.



Recommendation / action 2.3:

Establish a body that functions as a standards and competency board for vocational education.

The primary purpose of this body in the short and medium term would be to accredit vocational training providers, establish (in partnership with the relevant ministry sectors) national competency standards and develop a national qualifications framework. This will enable young people to acquire institutionally defined and nationally recognized skills that are portable for the occupations / sectors they receive training for, allowing for a smoother transition of school leavers to the labour market. The Ministry of Education together with the Secretariat of State for Vocational Training and Employment could be the lead government agencies in this effort.

Another task of this body in the immediate and short term would be to carry out *impact assessments* on current training programs (offered by vocational institutions) and their subsequent impact on the careers of graduates. Such tracer studies will help evaluate what type of training programs and *training centres are effective* in facilitating young people to improve their employability and finding work, and which are not / less effective. This would provide more accurate information about the market for skilled workers and about the limitations and benefits of different types of training. These impact assessment / evaluation studies could be conducted independently by this body or in partnership with NGO / UN agencies, with the subsequent analyses disseminated to all stake-holders (Government agencies, donor agencies, training institutions, and to the general public).

Recommendation / action 2.4:

Launch Youth Career Centres (YCC): that serves to improve labour market information, provide employment and career counselling, facilitate in finding work, and provide other support services to assist young people in their employment search.

Reducing labour market uncertainty by providing accurate information as well as career guidance and counselling is crucial in easing the transition from school to work. Better labour market information (LMI) would also help shorten the 'jobless period' (searching for work while unemployed) faced by youth who are already part of the labour market. In this regard, the education and training system needs to take a proactive role in the provision of labour market information and career guidance to in-school youth, while young jobseekers should be able to rely on youth career centres (YCC) as brokerage institutions for matching jobs with young job seekers. Career counselling should always be intended to keep children and youth in school for the duration of mandatory schooling. For the short and medium run, youth career centres would serve to provide job consultation and orientation for young people who have just entered the labour force (or those who have been



unemployed for sometime) and help them to have access to information on the labour market and prospective employment opportunities. Moreover, the YCC would provide counselling services to young job seekers with the aim of aligning the expectations of youth with the realities of the labour market. This could be done by providing youth with the credible information about the type of jobs obtained by people with similar levels of qualifications, and provide up-to-date information about current and future job prospects.

The youth career centres would need to affiliate with secondary, vocational and higher education institutions to provide career guidance and counselling for 'soon to be graduates' on potential employment opportunities with their existing skills. Further services would include providing advice on what type of further qualifications (formal, non-formal, academic, technical, vocational) youth should acquire in order to enhance their chances of finding productive work. The Ministry of Education, in cooperation with the Secretariat of State for Vocational Training and Employment, are encouraged to establish affiliations with the education system and youth career centres.

For out-of-school youth, to whom accurate labour market information (LMI) and employment counselling is provided by the youth career centres, the Secretariat of State for Vocational Training and Employment should take the lead in further strengthening the capacity of its 'employment centres', maintaining a database that registers the skills of young job seekers and tries to match these with vacancies notified by employers / enterprises. In this regard, the employment centre should try to encourage more employers / enterprises to use the youth career centres as an intermediary for their recruitment process. Improving LMI services in this regard, will help increase the quantity and quality of job matches between employers and young job seekers, reduce the spells and durations of unemployment and facilitate in increasing the efficiency of labour market operations.

Further **short and medium** term services offered by the youth career centres should include facilitating youth internships, apprenticeship contracts and on-the-job training (OJT). The Employers Association could take an active role in facilitating the youth career centres to establish contacts with different firms and industries to be part of such schemes. The potential for cost sharing between the career centre and prospective firms in the provision of such internship, apprenticeship contracts and OJTs should be reviewed, with the possibility channel finances via a Youth Employment Fund (YEF).

Recommendation / action 2.5:

Provision of soft-skills training programs to enhance productivity of working youth and to increase employability of unemployed youth.

Beyond work experience and internship programs there are several other mechanisms to expose students to the world of work and enhance their employability. One such mechanism in the **short and medium term**, could be





the provision of 'soft-skills' training programs. Such training would facilitate youth to develop personality traits and general skills that can enhance their chances of finding work and at the same time increase the efficiency and productivity levels of youth who are already working. Specific attention is needed for those participants who have been withdrawn from the worst forms of child labour, as they will often have additional (special) needs with regard to fulfilling the basic requirements of the workplace. Training can include components (amongst others) that focus on:

- Effective organization skills
- Time management
- Strengthening people (communication) skills in the workplace
- Coaching, mentoring, and team building skills
- Enhancing leadership and supervisory skills
- Improving the process of service delivery
- Work ethics

3.0 Creating an entrepreneurial spirit and an entrepreneurial drive

Given the low and volatile GDP growth patterns of the Timorese economy, and subsequent low aggregate demand for labour, it is difficult for the labour market to absorb all young people who want to work.. Hence, promoting youth employment policies that only focus on generating formal economy employment, or wage jobs, will not be able to address all employment deficiencies faced by youth. An alternative means of integrating youth into the labour market and overcoming unemployment and poverty is to facilitate youth who have the capacity for entrepreneurship towards sustainable self-employment activities. Moreover, as the development paths of other developing countries suggest, micro and small enterprises (MSEs) tend to form the backbone of the economy in the early phases of development. In this regard, it is crucial that policies and programs are introduced which assist young people in initiating self-employment and entrepreneurial activities.

To make young people more aware of entrepreneurial (self-employment) activities as an alternative means of sustainable livelihood and integration to the labour market, it is crucial that policy measures be taken on addressing both supply- and demand-side constraints faced by youth when considering such an employment status. The youth employment study for Timor-Leste illustrates that young Timorese often have a misconception about what entrepreneurship is, survey results show that young people tend to regard such an occupation status as a 'means of last resort'.. When the YES survey asked respondent whether being an entrepreneur was an appealing career option for them, only 3% of in-school youth and 14% of out-of-school youth respondents wished to be self-employed. This is because Timorese youth tend to relate self-employment activities to only selling petty goods and services from kiosks or off the road-side stalls. The education and training





system appears to do little to promote a vibrant entrepreneurial culture or to develop business acumen amongst youth, failing to appropriately advise young trainees on how to apply their skills towards sustainable self-employment business ventures.

On the demand-side, existing legal and institutional structures do little to facilitate and encourage young would-be entrepreneurs in pursuing or implementing their entrepreneurial ideas. Two major constraints are the difficulties in getting access to credit via the formal financial system, and issues pertaining to land and property rights. For instance, according to the YES survey findings, 40% of youth respondents identified the 'lack of capital' to start an entrepreneurial activity and 33% of respondents claimed that 'not having enough land / premises', were major impediments in starting up a business. This scenario tends to restrict the scope and size of business activities to the informal sector and mostly in the provision of low value added goods and services, an argument confirmed by other studies¹⁴ and the World Bank Urban Employment Survey (UES)¹⁵, which identify that roughly 40% of all urban formal enterprises are involved in trading either in wholesale or retail and maintenance / repairs, followed by 19.8% in construction and to a lesser extent in the hotel and restaurant trade; 12.4%.

Further, the Urban Employment Survey (UES) indicates that over 72% of formal enterprises have less than 10 workers. Thus given the informal means of access to credit, the scope of activity by enterprises is often limited to a few trades. This is usually linked to activities which require low 'sunk-costs', e.g., trading of goods (which can be bought on sale or return basis, or investment that is immediately recovered once goods are sold), or by working as sub contractors in construction, whereby labour is employed on an ad-hoc basis when needed, and machinery is hired as and when required.

In addition, with informal urban enterprises, the vast majority of activities are concentrated in trading of petty maintenance, where close to 53% of enterprises have only 1 worker (WB 2005)¹⁶. Again given the limited availability of formal credit facilities, it is evident that informal micro enterprise activities are also concentrated in low investment, low sunk-cost activities, and since the size of enterprises remain small due to limited capital, they are unable to take on more work, often confining the trade to a 'one man show', where the proprietor is also the sole employee.

¹⁴ World Bank, Enterprise, workers and skills in urban Timor-Leste, November 2005.

¹⁶ Enterprises, workers and skills in urban Timor-Leste, World Bank 2005



Recommendation / action for Entrepreneurship:

Recommendation / action 3.1:

Supply-side measures to promote and encourage youth entrepreneurship (self-employment) that facilitate in developing a vibrant youth entrepreneurial culture and develop business acumen.

Short-term measures should include elements that introduce 'entrepreneurship' curricula at secondary schools and universities, this would allow young people to consider self-employment opportunities using the skills and expertise that they acquire in education. Moreover, it will help youth in:

- Becoming enterprising – perceptive to capitalizing opportunities.
- Developing business skills – able to investigate and develop a business idea e.g. how to undertake a feasibility study of a business activity and how to develop a business plan.
- Pursuing business management skills – build skills required to get a business going and managing it successfully; e.g., how to manage inventory, basic book-keeping and marketing.

In addition to this, specialised training in developing business ideas, starting up a business, management and productivity improvement could be provided to vocational training institutions and their trainees by NGOs and UN agencies. This would involve working with existing local education organisations to train trainers who would then train youth entrepreneurs.

Recommendation / action 3.2:

Promoting self-employment by individual and institutional support.

Short- and medium-term measures could include the use of 'role models' who are experienced and successful business people and who can offer great value in encouraging self-employment as a genuine career alternative and as an avenue to higher levels of financial reward and work satisfaction. Such support could be provided in the form of 'mentors' and 'coaches' i.e. experienced individuals who, within a proper institutional context, provide young entrepreneurs with informal advice and guidance. Youth career centres could play a facilitators role in providing the appropriate institutional setup for such support. The youth career centres could also serve in facilitating access to work space or business incubators for new entrepreneurs, funding for which could be streamlined from the youth employment fund.



Recommendation / action 3.3:

Correcting credit market failures by introducing formal credit lending facilities that serve self-employed youth.

A major obstacle for young people in starting their own business is the limited access to finance. Young people often lack previous business experience and have limited or no collateral to offer formal financial institutions to attain loans. In this regard, for the short and medium term the government together with the formal credit lending agencies must introduce schemes that can serve the credit needs of youth. Here mechanisms to provide ‘financial grants’, ‘soft loans’ (schemes that provide low interest loans to young entrepreneurs without collateral) and the creation of finance and support networks for youth should be considered. The government should also encourage financial institutions to identify successful examples of how to overcome barriers that young people face in accessing finance, and initiate capacity building and awareness raising campaigns.

Evidence from other developing countries suggests that micro-finance institutions have had success in targeting youth specific credit schemes (see box below for examples of youth specific micro-credit schemes in other countries). In this regard, the youth career centres could serve as facilitators in exploring strategic alliances with finance institutions (banks, micro-credit institutions) to provide credit schemes to young entrepreneurs or ‘would be’ entrepreneurs, further approaches could include the possibility of jointly financing credit schemes via a youth employment fund.



Micro finance schemes for youth entrepreneurs:

In Pakistan, the Youth Investment Promotion Society Scheme provided loans of between Rs10,000 (\$285) and Rs200,000 (\$5,700) to unemployed high school graduates aged between 18 and 35 for self-employment projects, with a mark-up of 14.5 per cent. This scheme was administered by another government agency, the Youth Investment Promotion Society, which identified the borrowers and provided technical training. Loans were disbursed through the Small Business Finance Corporation (SBFC) of the Ministry of Finance.

In Sri Lanka, the government introduced the Samurdhi Development Credit Scheme, targeted at welfare beneficiaries. The scheme is implemented by the Ministry of Youth Affairs, Sports and Rural Development in collaboration with two state commercial banks. The government provided Rs500 million (\$9.1 million) to the two participating banks in 1997. Borrowers were selected by village task forces, and received loans ranging between Rs2,500 (\$45) and Rs10,000 (\$180) at an interest rate of 10 per cent. Because of the newness of the scheme, no data on its performance is available at this stage. One innovative microfinance program was the Gami Pubuduwa Upadeshaka (GPU) scheme operated by Hatton National Bank, a private commercial bank. The program was introduced in 1989, aimed at rural and semi-urban unemployed youth. It is based on the concept of 'barefoot banking'. Essentially, the GPU officers acted as a linkage between the bank and the rural community, with most banking transactions carried out in the village, rather than at a bank branch. At present there are around 7,000 borrowers under the program, and the program has also been very successful in terms of savings mobilisation. In addition, the bank has a linkage program for lending to the poor, involving around fifteen NGOs.

Extract: taken from 'Choosing and assessing local youth unemployment interventions' study undertaken by Jude Esguerra and team for ILO CIDA Promoting Youth Employment in the Philippines (PYEP) Project

4.0 Equal opportunities for young women and men

Perceptions of traditional gender roles still exist in many segments of Timorese society today. These roles and responsibilities are often formed, at an early age through the influence of family and education. Evidence suggests that though the gender gap in the educational enrollment is decreasing, this does not necessarily imply that educational opportunities are equal for women and men. As the youth employment study for Timor-Leste illustrates, gender segregation in educational courses still play an important role in channelling a large number of women to a narrow field of study.

Such a trend pattern was confirmed by the survey results of the YES, which asked youth respondents if they felt there was equal opportunity for both women and men in educational attainment. The response of over 90% of in-school students and 88% of out-of-school students was one which felt no discrimination existed at the 'general level' of educational attainment, however when the same sample of youth were asked whether this equality prevailed at the 'vocational level' of education, over 29% of in-school youth respondents and 23% of out-of-school respondents expressed gender inequality.

Segregation in educational attainment has negative implications on the potential employment / career opportunities available to young women when they make their transition from school to work. For example, the results from a



survey¹⁷ of 51 vocational training centres in Timor-Leste which was undertaken by the Division of Employment and Skills Development of the Ministry of Labour and Community Reinsertion show that, women tend to be channelled towards 'specific' vocational training programs, such as sewing, arts, tourism / hospitality and administration. While technical areas like metal engineering, electrical and construction, tend to be dominated by male students. Consequently, (as illustrated in the ADB gender assessment report for Timor-Leste (2005)¹⁸ which provides a breakdown by gender on the composition of employees in selected industries), women tend to be concentrated in a selected stratum of occupations and sectors, such as handicrafts, weaving, salt making, bakeries and tailoring. Likewise they tend to be concentrated in lower income generating activities such as sitting at kiosks selling fruit and vegetables.

Furthermore, there also exist discriminatory perceptions regarding appropriate gender roles and the division of responsibilities between men and women that consider a woman's career secondary to her role as a mother or in managing the home. Such perceptions can severely distort the employment options for young women, narrowing their employment opportunities, and their career pursuit. Survey findings for the youth employment study (YES) reveal that such discriminatory mindsets tend to prevail largely amongst youth who are working in either the traditional economy (in subsistence activities) or in the informal sector. In contrast, wage earning youth, working in the formal sector or those enrolled in higher secondary levels of education have a contrary opinion. This implies that raising the educational attainment levels of young Timorese will help promote more equitable thinking amongst youth on gender matters, thereby facilitate in reducing discriminatory perceptions regarding women and work.

However, if efforts to eradicate such a mindset are not addressed appropriately, then this is likely to result in a continuation of low female (youth) labour force participation rates and low human capital value of young Timorese women.

¹⁷ 51 vocational training centres were surveyed between April and May 2007 by the Division of Employment and Skills Development of the Ministry of Labour and Community Reinsertion.

¹⁸ ADB, Country Gender Assessment, Timor-Leste 2005, using results from an Ireland Aid study: 'Ireland Aid, Situation Analysis: 2002, Research commissioned by the gender affairs unit, office for the promotion of equality, Dili'

Recommendation / action for Equal opportunities:

Recommendation / action 4.1:

Disable gender stereotypes in curricula and gender segregation in education.

Policy measures for the short and medium term require:

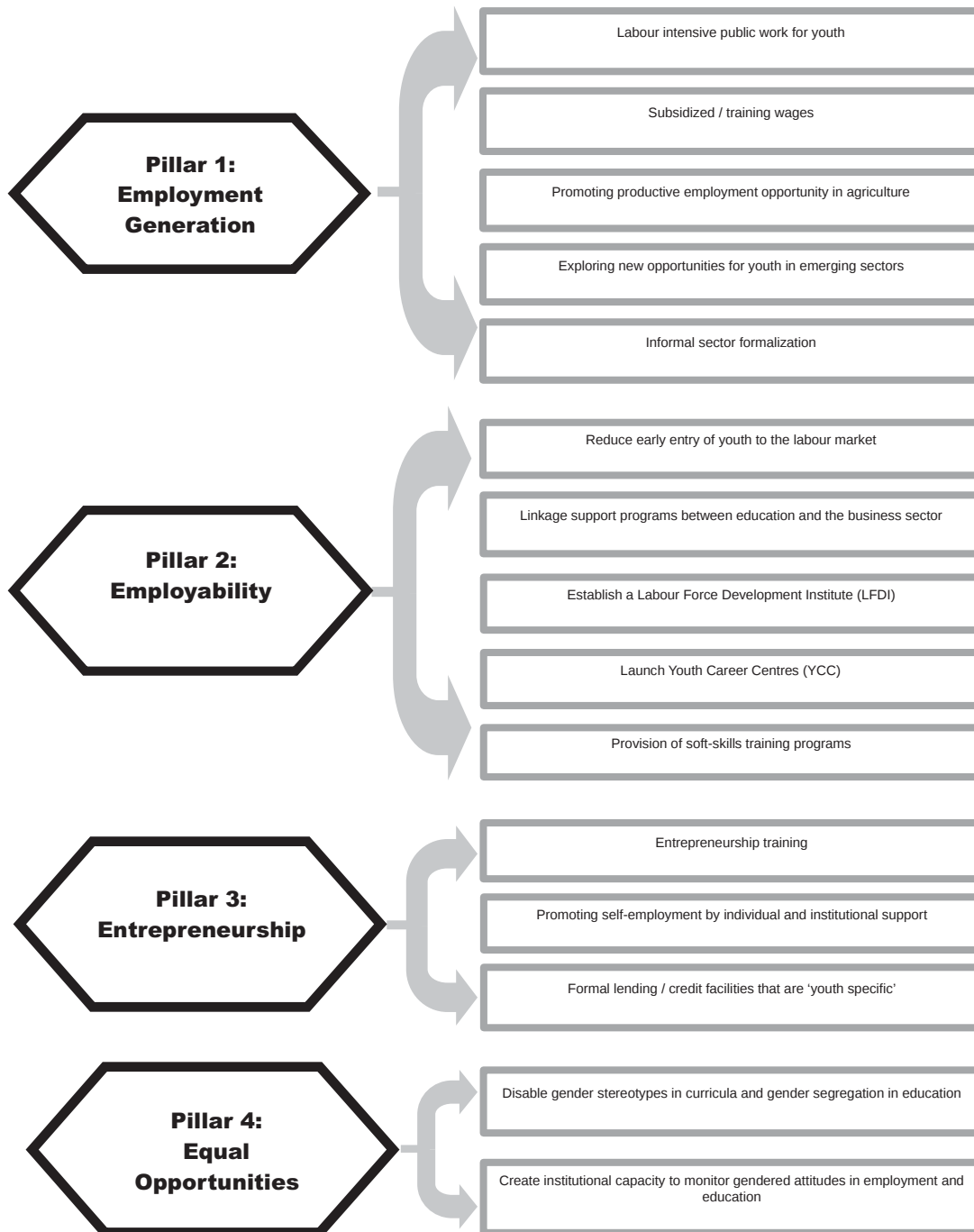
- A review of the existing educational curriculum to ensure it is gender sensitive.
- Mainstreaming gender sensitive education through better coordination and information; through the sensitization of teachers. The Secretariat of State for Vocational Training and Employment should take the lead in increasing understanding among all stakeholders of the equal opportunities for young women and men.
- Establish career guidance services in schools and colleges and ensure that guidance is gender sensitive, the same would apply for guidance provided by youth career services.
- Continue gender awareness raising campaign targeting policy makers, educators, vocational training providers, employers and youth to effect a learning environment that seeks to develop the skills potential of young women and men and provide them with equal opportunities in employment.

Recommendation / action 4.2: *Create institutional capacity to propel and monitor changes in gendered attitudes and practices in employment and education.*

Medium term measures:

- Provide incentives for government agencies to act as model employers in their recruitment and employment, remuneration and promotion practices.
- Develop appropriate and practical tools for government agencies for use in data collection and gender analysis in their regular monitoring of changes in the labour market, education, and vocational training.
- Institute capacity within government offices to design and implement gender-specific and gender-mainstreaming strategies to affect a gender-neutral labour market.

FLOW CHART
YOUTH EMPLOYMENT ACTION PLAN
Recommendations / action



Policy Matrix

Policy / Program	Objectives	Potential benefits	Potential drawbacks	Key issues / implementation partners
1.1 Labour intensive public works	Short term employment generation	1) Immediate employment for unemployed young workers, temporary poverty alleviation measure. 2) Build work experience, first opportunity to work, extend and upgrade skills / expertise. 3) Possible long term and indirect employment creation.	1) Risk of poaching workers from longer-term low remunerative jobs if wages are inappropriately set. 2) Can involve manual and low skill work, hence minimal influence in developing human capital. 3) Costly, difficulties in targeting youth beneficiaries and women.	- Youth oriented employment creation, requires formal mechanism for selection, e.g. via Youth Career Centre, financing could be channelled through a youth employment fund. - Key partners: Secretariat of state for vocational training and employment ministry of public works, ministry of planning and finance ministry of agriculture, forestry & fisheries.
1.2 Subsidized (training)wages	Encourage employers to hire young workers, by internalizing perceived disadvantages linked to low productivity and cost of training by paying part of the young workers salary. Subsidy should be time bound, such that it allows young workers to gain sufficient industry specific work experience so that they are able to compete with older more experienced workers on productivity grounds.	1).Encourage employers to hire young workers, by subsidizing perceived training costs, or initial low productivity if youth workers. 2) Facilitate youth in acquiring first job / gain work experience. 2) Can lead to permanent employment by helping youth develop work related skills.	1) Negative substitution effect if employers replace unsubsidized employees with subsidized youth workers. 2) Employers may exploit scheme by employing youth as a source of cheap labour, and lay off once subsidy ends.	- Insure subsidy is contingent upon training provision. - Key partners: Secretariat of state for vocational training and employment, Employers Association.
1.3 Sectoral	Enhance	1) Training of	1) Poor infrastructure,	• Technical and

Policy / Program	Objectives	Potential benefits	Potential drawbacks	Key issues / implementation partners
employment policies: Agriculture	productive capacity, diversify rural income sources for youth.	youth in modern agricultural techniques – enhance productivity. 2) Crop diversification – growing higher value / cash crops. 3) Encourage / support agro business activities e.g. food processing, cottage industries. Provide technical and financial support.	difficult to introduce modern techniques. 2) Difficulties in starting up agro business activities- little or no capital available. Markets are small, purchasing power of rural sector is weak, as economy is largely subsistence in nature. 3) Frequent use of child labour and need to improve OSH situation.	- agricultural schools need to provide portable skills to enhance productivity. - Ministry of agriculture needs to partner with the Secretariat of state for vocational training and employment along with the ministry of education to introduce schemes whereby trained youth agriculturists are provided technical and financial support to diversify crop produce, and initiate agro business activities.
1.4 Sectoral-employment policies: emerging sectors	Link sector investment and development programs with corresponding sector employment programs.	1) Investigate current and prospective employment opportunities in emerging sectors. 2) Establish sectoral employment programs (SEPs) that are associated with sectoral investment programs (SIPs), possibly setting targets with level of investment / development and employment generation.	1) If economic growth remains weak and volatile, it is difficult to create sustainable employment opportunities for youth, even if there is investment potential in for a sector.	Ministry of planning and finance needs to partner with the Secretariat of state for vocational training and employment to introduce youth employment targets linked with sectoral investment / development initiatives.
1.5 Informal economy	Gradual formalisation of informal sector.	1) Immediate term: Institutional and regulatory mechanism that provides social protection, rights and representation for young workers employed in the informal sector,	1) Difficulties to monitor all informal activities, and provide subsequent support and protection, especially when many activities remain unaccounted and are often seasonal or temporary in nature.	- Extend the activities of existing trade unions to youth workers employed in the informal sector. - Key

Policy / Program	Objectives	Potential benefits	Potential drawbacks	Key issues / implementation partners
		e.g. extension of Trade union representation to youth. 2) Short and medium term: Transition of informal activities to formal end (formalisation of informal sector), by extending services of formal institutions to informal youth participants; e.g. training programs, formal finance facilities / schemes. 3) Medium to long term: Reduce scope and size of informal economy by improving opportunities in the formal economy.		implementation partners are Trade Unions, Secretariat of state for vocational training and employment, ministry of planning and finance, ministry of education.
2.1 Training and Education: continuing education	Skills of labour supply meet industry demand for skills. Improve job matching.	1) Active measures to reduce 'drop out rates' at primary level, increase enrolment rate at junior and secondary level, 2) Set up a 'support fund' for needy students. Explore the possibility to provide scholarships and bursaries via a youth employment fund.	1) Measures are costly	Local communities, NGOs and the government should partner together to set up scholarships and bursaries.
2.2 Linkage support between education and industry	Linkage support programs between educational institutions and industry, better match of skills that are portable in the labour market.	1) Establish effective internship / work experience schemes, apprenticeship and on-the-job training – to allow students to see the connection between educational attainment and work.		Key role by ministry of education and employers association

Policy / Program	Objectives	Potential benefits	Potential drawbacks	Key issues / implementation partners
		2) Employers and firms update and advice educational institutions on technology and industry standards and needs, to make curricula demand oriented.		
2.3 Labour force development institute (LFDI)	Introduce provision of demand driven and quality skills of labour that meet commercial requirements. Improves job matching and reduces search time and turnover.	1) Serve as a standards and competency board, that allows trainees to acquire institutionally defined and nationally recognised skills that are potable with occupations. 2) Undertake impact assessments on the different types of training centres and programs and the impact they have on enhancing employability of trainees.		- Ministry of education and the secretariat of state for vocational training and employment should be the lead government agencies in the development of a national qualifications framework. - Impact assessment carried out independently by LFDI, or out-sourced / in partnership with NGO / UN agencies.
2.4 Youth career centre (YCC)	Formal labour market intermediary that facilitates in matching youth skills with prospective jobs, reducing length of job search time by providing accurate information, reduce uncertainties linked to incorrect LMI. Provision of counselling and guidance to youth on ways to enhance their employability.	1) Brokerage function matching jobs with youth job seekers 2) Consultation and guidance service - provision of LMI and information on potential employment opportunities, advice on educational / training attainment for youth joining labour force 3) Facilitate youth internships, apprenticeship schemes, OJTs.	1) General recruitment practice is informal, hence difficulties in changing procedures and encouraging both employers and job seekers to use formal labour market intermediary services as a means to hire and seek work.	- Ministry of education and secretariat of state for vocational training and employment need to facilitate in establishing affiliations between i) career centres and educational institutions, and ii) career centres and employers/firms. - Support from the employers association would be crucial in encouraging industry/firms to use YCC as recruitment agency.

Policy / Program	Objectives	Potential benefits	Potential drawbacks	Key issues / implementation partners
2.5 Provision of soft-skills training programs	Enhance employability of unemployed youth and improve productivity of working youth.	1) Better employment prospects by improving skills credentials of youth	1) If demand for employing young workers or employment opportunities in the labour market remain stagnant, then the affect of training for increasing employability will also be limited.	Key agencies: Secretariat of State for Vocational Training and Employment, Employers Organisations, NGOs, UN agencies.
3.1 Entrepreneurial training	Promote a vibrant entrepreneurial spirit, develop an active business mindset.	1) Increase productivity and enhance youth workers skills,- allowing youth to apply technical expertise to entrepreneurial activities.	1) Entrepreneurship is not suitable for all youth as it is highly risky and may impact the confidence and future prospects of youth	Ministry of education, training institutions, Secretariat of state for vocational training and employment and NGO/UN agencies should work in tandem to develop appropriate entrepreneurial curricula.
3.2 Institutional and individual support for young entrepreneurs and micro-enterprise development	Technical assistance and support to start-up small-scale / micro-enterprises and self employment activities for youth. YCC serve as institution to provide such support.	1) Can assist in developing entrepreneurial spirit, business acumen and know-how. 2) Sharpen 'soft' and 'hard' skills to run a business, e.g. capitalizing opportunities, developing a business plan, management, marketing. 3) Access to work space, setting up business incubators.	1) Entrepreneurship is not suitable for all youth as it is highly risky and may impact the confidence and future prospects of youth	No issues and no actors?
3.3 Correcting credit market failures, finance and credit for self-employed youth / entrepreneurial activities	Address credit market failures by provision of formal credit access for youth entrepreneurs – assistance in start-up capital, expansion of business.	1) Introduce formal lending schemes that do not necessarily require collateral, e.g. financial grants, soft loans, and micro-finance. 2) Establish finance and support networks that can provide advice on formal sources and processes to acquire capital. 3) Review	1) Issues pertaining to high risk of default. 2) Distort regular credit system, if terms and conditions for loans are less stringent.	Key agencies for formulation of youth oriented finance schemes: Ministry of finance and development, banks, micro-finance institutions, NGOs / UN agencies, secretariat for youth and sport, the secretariat of state for vocational training and employment.

Policy / Program	Objectives	Potential benefits	Potential drawbacks	Key issues / implementation partners
		possibility to have funds for credit schemes sourced through a youth employment fund.		
4.1 Gender sensitive curricula and guidance	Equal opportunity for young women in acquiring educational credentials, and pursuing desired career aspirations.	1) Ensure educational curricula and career guidance at schools and employment centres is gender sensitive. 2) Continue gender awareness raising campaigns targeting policy makers, educational institutions, employers and youth to promote an environment that encourages an equal opportunity to educate and hire regardless of sex.	1) Lack of institutional capacity and practical experience in taking action for gender equality 2) Uncertainty regarding support from senior management in relevant institutions	Key agencies: Ministry of education, Secretariat of state for vocational training and employment, Office for the promotion of Equality (OPE), NGOs / UN.
4.2 Institutional capacity to promote equal employment opportunity	Enhanced capability of organizations to monitor gender imbalances in the labour market, vocational, and educational system and to formulate corrective measures	1) Incentives for government agencies to act as model employers who provide equal opportunity for young women and men in their recruitment, remuneration and promotion policies. 2) Assist and develop tools for government agencies to collect data, and evaluate programs that promote gender equality in the labour market.	Same as above	Gender pyramid in organizational structures whereby women are overconcentrated in the low-level positions. Insufficient labour pools of qualified women in leadership position Key agencies: Ministry of education, Secretariat of state for vocational training and employment, Office for the promotion of Equality (OPE), NGOs / UN



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