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Policy Paper

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Economic Empowerment of Youths in Yemen

General Introduction

The economic empowerment of youths is defined as: “Control of social, economic, political and cultural life conditions that would contribute to strengthening of youths' capacities to achieve their self-fulfillment⁽¹⁾”. According to this definition, empowerment of youths implies various forms. It is a multi-dimensional social process of political, economic and cultural levels. It is also a change process aiming at empowering youths through providing them with information on their environment and society. Further, it is an interaction of experiences among individuals and institutions. Ultimately, it is a development process focusing on individuals' awareness of their abilities and how to develop them so as to become qualified to cope pace with development.

In Yemen, the economic empowerment of youths comes as a priority of development-related concerns as youths are the main human source of development and represent one of the effective elements of positive economic and social change for realizing sustainable development goals. The economic empowerment of youths has become more important as the young people (24-15 years old) represent %31 of population⁽²⁾ in 2015. In addition, the economic, political and social changes witnessed by the Yemeni society throughout the last four years in which armed conflict got escalated, have resulted in a significant halt of productive operations of economy, absence of State from the economic scene, full suspension of public investment programs; let alone the transfer of a substantial part of the local capital abroad to explore investment opportunities in safe countries and, thus resulted in closing down many productive and service institutions on top of which are the small-scale enterprises and associated layoffs, reduction of daily working hours and increase of unemployment and poverty rates within the society in general and among youths in particular.

This paper has been prepared within the framework of “Development Leaders Project” carried out by “Resonate! Yemen” in partnership with International Law Group and General Policies with a view to creating active youth groups concerned with the issues of their local communities and working on tackling them in coordination with local authorities. This paper aims at analyzing the actual economic empowerment and the reflections of conflict and war on youths and providing them with proposed priorities and necessary interventions to promote the economic empowerment of youths. This paper has combined the descriptive (office) analysis based on the methods, ways and tools provided by the previous study and the participatory methodology, which is based on feedback of beneficiaries themselves and stakeholders through conducting focus group discussions among the youths and making individual interviews with some dignitaries concerned with economic empowerment of youths.

1- Konrad Adenauer Foundation, Equality Center for Civil Society Development: Youth Economic Empowerment Under Syrian Migration, Amman 2015.

2- National Population Council and Central Statistical Organization, Population Projections, 20052015-.

Necessity of Youth Economic Empowerment under Existing Unbalanced Labor Market

The high population growth in Yemen during the past period witnessed an increase of youths of age group (29-15 years old from 5,9 million people in 2005 to nearly 8,3 million people in 2015) i.e. equal to %31 of the total population, which is expected to reach 8.7 million people⁽³⁾ in 2020. As a result, the active population has been maximized. The youths working in economic activities are about 1,7 million people in 2014/2013, constituting %40 of total workers (15 years old and above), majority of whom are working for others forming %50.3 of total working youths whereas around %27 with their families i.e. they are irregular employment, mostly working in agricultural sector. The youths, who are running their own businesses, mostly in informal sector, constituting about %20.1 whereas the youths, who are employers and creating job opportunities for others do not exceed %2 of the total working youths.

Most of working youths are in the service sector (%49.3) of total workers followed by the workers in the agricultural sector (%35.4) and then the workers in the industrial sector (%14.2) whereas the rest of youths are working in building and general administration sectors (%8) each⁽⁴⁾. The high employment of youths in both service (mainly in wholesale and retail shops) and agriculture sectors shows decline in the skills and qualifications of youths as these two sectors are classical and do not require skills, experiences or specific specializations .

Chart (1) Status of Working Youths %

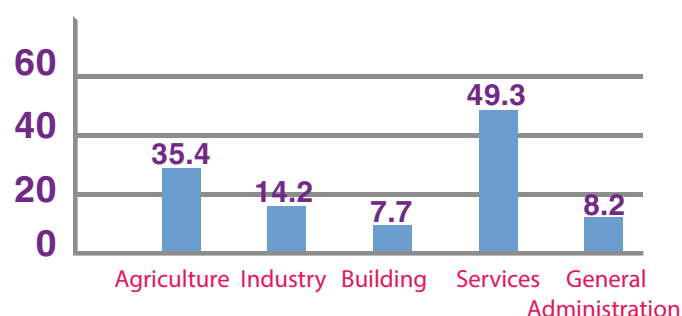
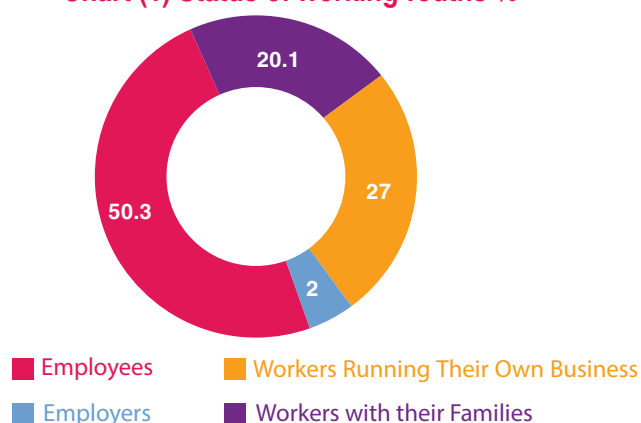


Chart (2) Youth Employment by Economic Business Activity %

In view of the educational characteristics of working youths and despite the significant development of various education technologies and the increasing number of enrolled students and graduates during the last decades, majority of working youths (%75.3) are illiterate or holders of basic education certificates, about %22.8 are holders of high school certificates and %1.6 are holders of graduate and post-graduate certificates. This, of course, reflects the school dropout to the labor market and contributes to the disruption of the labor supply; mainly the low and poor level of qualified workers, particularly with regard to foreign languages skills, know-how to operate devices and equipment and using computer⁽⁵⁾. As such, youths ought to go to the marginal (informal) sector by (%83.4) of the total youths working in economy⁽⁶⁾.

As far as the labor supply is concerned, the low job opportunities in government sector and public sector's institutions and the deteriorating role of organized private sector in generating new jobs opportunities have contributed to the reduction of employment in economy at large.

3- Central Statistical Organization, previous reference

4- International Labor Organization and Central Statistical Organization, Manpower Survey in the Republic of Yemen, 2013/2014-

5- Ministry of Planning and International Cooperation, Basic Directions of Youth Employment, Unpublished Working Paper, 2007.

6- Manpower Survey, previously mentioned reference

Conflict and War Increase Youths Suffering

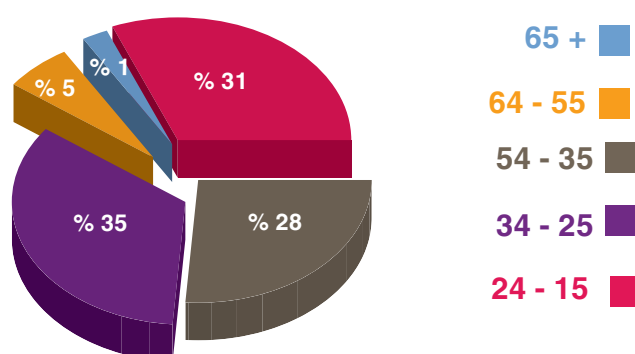
It is certain that the armed conflict in Yemen, which has been going on for the last four years in various fronts of a few governorates, has caused severe damages to all groups of society, mainly on youth group⁽¹⁾, being the most involved one in conflict and war comparing to the rest of society groups.

As far as the direct damages of conflict and war on youths are concerned, many studies and statistics show that the toll death of such fight is around 80 thousands⁽⁷⁾, mostly from youths, in addition to thousands of missing persons and prisoners.

Apart from the indirect damages of conflict and war, the laid off workers and the difficulty to find new job opportunities are among the most significant impacts on youths in Yemen. A survey on "Impact of the Yemen Crisis on Private Sector Activity"⁽⁸⁾ conducted by Small & Micro Enterprise Promotion Service (SMEPS) in cooperation with UNDP indicated that the small and medium-sized companies were the most affected by the conflict by %34 of the total number of companies in comparison with around %17 of the large companies. This took place in 2015 and the situation got worse while the war goes on with its aggravated consequences since then.

On the other hand, and since the public sector (government job) is one of the main labor-recruiting sectors in Yemen by %30.6 of the total employers, the salary crisis in the government sector i.e. a considerable number of employees in most of the government offices have not received their salaries for more than two years. As a result, the government servants including young people (%66) of the total government sector staff have severely been affected. The age group of 34-25 years old ranked first among the workers in the public sector by %35 followed by the age group of (24-15 years old) by %31⁽⁹⁾.

Chart (3) Labor Distribution of Govt Sector by Age Group %



Source: Manpower Survey 2013-2014

7- Andrea Carbonell, Armed Conflict Location and Event Data Project (ACLED), The Yemen war death toll is five times higher than we think we can't shrug off our responsibilities any longer.

8- UNDP, Small & Micro Enterprise Promotion Service, Rapid Business Survey: Impact of the Yemen Crisis on Private Sector Activity.

9- International Labor Organization and Central Statistical Organization, previously mentioned reference

Modularity of Youth Empowerment Policies and Absence of Assessment

The government policies of youth empowerment were based on social perspective not economic. Such policies represented a part of the social security network adopted by the Yemeni government following the economic reform program mid last 1990's decade, focusing on income-generating projects, general works, various community initiatives co-financed by donors and private funds with a view to promoting the economic opportunities for population including young people.

Funding and promoting the small and microenterprises programs represented one of the most important government policies to empower youths in Yemen. Such programs aimed at reducing unemployment and raising the living standards of low-income people through developing skills and providing financial and non-financial services to the small and microfinance institutions. This was implemented by Small & Micro Enterprises Promotion Service (SMEPS) of Social Fund for Development, Small Industries and Enterprises Development Fund, Al-Kuraimi Microfinance Bank, Al-Amal Bank and other government and non-government initiatives.

Income-generating enterprises have been created to provide temporary job opportunities for unemployed and poor persons in the poor areas affected by economic and crises and shocks and climate changes through providing projects such as school constructions, health centers, highways, sanitation networks, community services at various areas and hiring skillful and unskillful manpower. Such projects have been undertaken by the Social Fund for Development and Public Works Project.

On the other hand, the NGOs along with some government bodies focused their efforts on training, individual capacity building of youths in the areas of crafts and handicrafts such as tailoring, dressmaking, housekeeping, food processing, typing, computer use and other skills through Yemen Family Care Association, Skills Development Fund and some active NGOs.

Given the significance of financing, training and providing job opportunities for youths, majority of such programs have faced many challenges and difficulties on top of which are:

- Lack of follow-up and evaluation for trainees and borrowers.
- Weak financial capabilities of institutions and empowerment programs to enable them continue their functions and provide necessary equipment for qualifying and training.
- Limited policies and programs related to entrepreneurship, admin and business capacities and youth artistic talents.
- Poor contacts between training and qualifying centers and their graduates, in addition to the former's inability to provide studies and technical consultations for their graduates to enable them set up their own enterprises and promote their marketing abilities of products and expertise.

Looking Ahead to Enhance Economic Empowerment of Youths

The economic empowerment programs implemented in recent years gained a great importance at both economic and social levels as they target a wide-range of extremely active and energetic group of population that admire to seize opportunities and make use of the surrounding political, economic and social changes. Today, under the currently Yemen-experienced conflict and war and the State's abandonment of an enormous part of its economic and social responsibilities, empowerment of youths has become a pressing need not only to provide decent jobs for youths and improve means of living for them and their families but also to protect them from being involved in the conflict and war and promote their contribution to peace-building, maintenance of security and social peace through promoting economic and social investments in the conflict areas and direct them towards youths, who are vulnerable to violence and polarization.

Given the importance of the previous government and special programs and activities in the area of youth economic empowerment, however, the upcoming phase requires new and innovative programs and activities in order to further benefit from the youth economic empowerment in future and ensure achievement of the desired goals. In this context, we view it is necessary to focus on the following important issues when adopting youth empowerment-related trends, policies and activities by the relevant government institutions and bodies, NGOs, civil society and international organizations operating in Yemen:

Enhancement of Youth Groups' Opportunities:

This can be achieved through giving more stimuli to youth groups that are working collectively on setting up and developing their own projects as the chance of success of group solidarity projects is greater than the individual ones. They also enhance the community culture based on cooperation, mutual support and shared responsibilities with a view to improving the working conditions, market access, developing income-generating business activities and encouraging the establishment of new, creative and alternative financing tools. This can also be materialized through providing group training and solidarity financing of groups, in addition to stimulation by means of providing partial or total operation tools necessary for such projects as well as establishment of partnerships between local communities, NGOs and private sector.

Innovative Financing: Social Banks in Brazil

The social banks have emerged as an alternative to the microcredit lines to help the deprived communities. The first social bank was founded in Brazil namely; Banco Palmas in 1998. It is a local community association working on an integrated system of local development in the area. In an opinion poll by the local community members in the bank, %90 of them viewed that it contributed to improvement of their lifestyle, %98 viewed that it contributed to the community development, %26 pointed out that their families' incomes increased as a result of this bank's activities and %22 got jobs through it.

Motivating Youths to Create Job Opportunities (Entrepreneurship):

Addressing the problem of unemployment requires a more serious work to motivate youths to create job opportunities themselves. This, however, requires further greater focus on qualifying and training on matters related to building, management and development of special projects and concepts of distinction and innovation and not just job opportunity finding-related qualifying. i.e. the economic empowerment of youths is more than just finding a job opportunity for youths. It is related to the development process, which comprises expansion of options, giving opportunities and linking training, qualifying and youth capacity building with new opportunities in the light of a changing world.

Innovative Solutions to Address Unemployment Problem of Youths

Qurtoba Company is specialized in publishing digital content, having headquarters everywhere. It writes and translates almost everything into both Arabic and English using a web-based platform and a diverse network of translators and editors. It serves a group of major multinational companies, news agencies and start-up software companies. The company has more than 500 leaders in the Middle East (Content Developers), taking care of their lives with flexible cooperative mentality and using the Company's platform to create job opportunities. They also have a sense of responsibility, work for hundreds of hours with high-quality and do things for clients they do not know.

Utilizing Information Technology and Social Media:

Information technology and telecommunications are a new means to get jobs through a new and more flexible way. They create more good jobs of social, economic and positive impact on both employment and society, giving new windows for creating jobs and income and connecting people with online global labor markets such as Papajob website in India and Souktel website in the Middle East and North Africa.

Furthermore, the information technology and telecommunications give new and more flexible forms of employment and labor such as online contracting to increase access to job opportunities, particularly for the small-scale business owners.

On other hand, the rapidly spreading and strong influential social media sites have given way to young people to develop and innovate new ideas to earn their living, create alternative job opportunities and promote (electronic marketing) their goods/services produced at their plants/houses.

Recommendations

- 1- Government authorities with the support and assistance of international organizations should establish youth empowerment institutions, for instance a national authority/corporation to be in charge of raising awareness on the importance of private enterprises, providing consultative services for youth enterprises and providing business and economic information and small-scale investment opportunities, as well as a foundation to guarantee micro-credits granted by commercial and Islamic banks that would meet the objective criteria of lending. In this context, the loan guarantee program, which is being implemented by the Social Fund for Development, can be developed.
- 2- Interested NGOs should focus on youth capacity building related to skills of setting up private enterprises and ways of running them, getting fund, marketing products, promoting the culture of entrepreneurship and supporting the business administration capabilities and youth artistic talents.
- 3- Government authorities, particularly the Social Fund for Development, Public Works Projects and Small Industry and Enterprises Fund should work on expanding their financing programs of youth enterprises and establishing new funding programs.
- 4- Concerned government authorities in coordination with employers' organizations, particularly the chambers of commerce and industry should establish a group of business incubators through providing a well-equipped infrastructure that suits the youth enterprises' needs, providing production and marketing-related technical advice, in addition to establishment of a national employer development program that aims to help youths set up private enterprises, build a generation of businessmen on scientific foundations and train youths how to detect investment risks and ways of addressing them.
- 5- Government authorities should establish a job market program (permanent fairs and exhibitions) that aim at helping youths to exhibit and market their products, participate in international fairs and enable the productive youths take part in the regional and international export markets.
- 6- Media institutions with support of NGOs should promote the culture of savings and investment among the youths and encourage them to establish cooperative associations, shed light on youth-owned companies and successful models and remove barriers, which prevent them from starting up their enterprises and developing them.

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- 11- IFC JOBS STUDY NEWSLETTER – www.ifc.org/jobcreation Spring 2012

About Resonate! Yemen

Founded as a youth-run initiative in January 2010 and officially registered with Ministry of Social Affairs and Labor in August 2011, Resonate! Yemen is a non-profit NGO that endeavors to create new political climate to pave the way for developing more sustainable policies and embracing youth as key partners in public policy development and assessment. Resonate! Yemen aims to engage Yemeni youth voice in public policy discourse and to support youth action at national and international levels.



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