

# **What to do when jobs are scarce:**

## **Promoting young people's livelihoods in Timor-Leste, Papua New Guinea and Pacific Island countries**

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## Acronyms and abbreviations

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ADB	Asian Development Bank
AHD	Adolescent Health and Development
AIDS	Acquired immunodeficiency syndrome
AGO	Attorney General Office
AusAID	The Australian Agency for International Development
CRC	Convention on the Rights of the Child
DFID	United Kingdom Department for International Development
EAP	UNICEF East Asia and Pacific Region
EdStats	Education Statistics database, Education Group, Human Development Network, World Bank
FSPI	Foundation for Peoples of the South Pacific International
GDP	Gross domestic product
HIV/AIDS	Human immunodeficiency virus
IATFY	Inter-Agency Task Force on Youth
IDP	Internally displaced persons
IPCC	UN Intergovernmental Panel on Climate Change
ILO	International Labour Organisation
MDGs	Millennium Development Goals
MoJ	Ministry of Justice
NACC	National Aids Control Council
NGO	Non-Governmental Organisation
NSL	Nurturing sustainable livelihoods
NYC	National Youth Council
NZAID	The New Zealand Agency for International Development
PILL	Pacific Island Literacy Levels (PILL) tests
PICs	Pacific Island countries
SPBEA	South Pacific Board for Educational Assessment
SPC	Secretariat of the Pacific Community
SPCYCC	South Pacific Youth and Children's Courts
SPREP	Secretariat of the Pacific Regional Environment Programme
TOR	Terms of Reference
UN	United Nations
UNDAF	UN Development Assistance Framework.
UNDESA	Department of Economic and Social Affairs, United Nations Secretariat
UNDP	United Nations Development Programme
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
UNFPA	United Nations Populations Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
USAID	US Agency for International Development
YEN	Youth Employment Network

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## Executive summary

Young people reaching physical maturity in their second decade of life usually face five major challenges.<sup>1</sup> They need to gain adequate learning, find a decent job or livelihood, form a family, stay healthy and start to participate politically. However, in stagnant economies with a large youth cohort, these transitions are much more difficult to make. In these settings, failure to overcome one hurdle greatly increases a young person's vulnerability to poverty. If a young person, for example, is denied access to basic education or fails to attain literacy or numeracy at school, their chances of earning a reliable income as an adult are much lower. This in turn shapes other life choices, such as whether they can form a family, the age at which they marry, who they marry and the number, spacing and health of their children. In contrast, success in achieving a sustainable livelihood greatly reduces a young person's vulnerability to poverty by making it much easier to achieve the other transitions.

Young people's access to livelihood opportunities through employment is particularly difficult in the Pacific region. Globalisation may be benefiting most East Asian economies but it is having little impact on the Pacific island countries. Few new jobs are available due to the small scale and low growth of their formal sectors. Nor are there opportunities further afield. Despite the boom conditions and persistent skills shortages in the high-income economies of the region, access to these labour markets for seasonal work is denied to people from Solomon Islands, Papua New Guinea, Kiribati and Timor-Leste. However, even if opportunities to migrate for work were made available, many young people from these countries would not benefit as they lack the basic education level and language skills to live and work in Australia or New Zealand.

The economies of Timor-Leste, Papua New Guinea and most Pacific island countries face four overlapping sets of problems which severely limit their capacity to create new jobs. First, the smallness of these countries (excepting Papua New Guinea) and their isolation from major markets make them unattractive to foreign investors. Smallness also affects the capacity of the state to carry out a range of functions effectively - six countries covered by this report have been defined as 'fragile states'. In addition, environmental changes are undermining livelihoods. In the coastal areas where most people live, rural livelihoods are becoming more volatile and uncertain due to an increasing incidence of natural disasters and exposure to severe environmental change. Third, these countries face strong demographic pressures on their scarce resources from the growing numbers of young people pursuing fewer livelihood opportunities.

Fourth, as noted above, most young people are unprepared for the future, lacking basic capabilities. Some never receive a basic education, and others fail to acquire sufficient literacy and numeracy to enable them to go onto further education. With the result that few young people finish high school and fewer still receive a tertiary education. Education systems rely on narrow academic knowledge to prepare young people for the small number of available white collar jobs. Quality standards in education have notably fallen compared with a generation ago, especially in terms of secondary language acquisition. Young people are aware of these deficiencies and their reactions are producing serious social strains with a high risk of long-term damaging effects.

This report offers fifteen recommendations aimed at producing transformational change to lift the prospects for young people's livelihoods. The recommendations are listed under the following priorities: invest more in young people, build young people's livelihood capabilities, create opportunities for community service, facilitate access to high-income labour markets, and measure outcomes. A summary of the recommendations follow - more detail on the recommendations is available in Part 3 of the report.

### **Advocate for greater investment in young people**

- R1. Provide evidence of the under-investment in young people in terms of their assets and capabilities:** UNICEF is well placed to advocate to governments and donors for the need to invest more in young people. The evidence could consist of a simple statistical profile highlighting their share of the adult population, and their assets and capacities. Relevant indicators are: illiteracy rate for 15 to 24 year olds by sex, rate of primary school completion, literacy attainment at end of primary schooling, the transition rates to secondary schooling; and the quality of education assessed against external benchmarks. Also needed are data on the adolescent pregnancy rate, maternal mortality for young women, the incidence by sex of HIV/AIDS and the employment status of young people compared with older age groups.
- R2. Advocate for a customised national poverty reduction strategy:** The starting point for investing more in young people has to be a national development and poverty reduction strategy. The strategy needs to be comprehensive and tailored to the strengths and weaknesses of the country's economy and society. Developing a customised national development and poverty reduction strategy requires governments to undertake an extensive consultation process which engages with citizens, including young people, at different stages of the policy development and implementation process.
- R3. Advocate for a national strategy to promote young people's livelihoods:** UNICEF, jointly with UNDP and the ILO, should propose to governments that they formulate a livelihoods strategy for young people. The terms of reference for the strategy should include both employment promotion and broader livelihoods strategies.
- R4. Create mechanisms for young people to provide extensive inputs into livelihoods strategies, policies and programmes:** UNICEF could assist young people to participate in formulating the livelihoods strategy and support them in implementing particular livelihood strategies. Also needed is a broader 'capacities for livelihoods' perspective to offset a narrow employment focus which is likely to dominate. UNICEF could provide information about ways other countries have involved young people in national poverty strategies and how these strategies have addressed the needs of young people.

### **Build young people's livelihood capabilities**

- R5. Ensure that all young people have attained basic education:** Young people need basic literacy and numeracy to function in the modern world. Illiterate young people are handicapped not only in terms of their opportunity to earn a cash income, they also have limited capacity to achieve good health. The education level of a mother, for example, has a major impact on the nutritional health of her children. UNICEF should urge governments to test and publish literacy and numeracy for both primary school students and for out-of-school young people. The MDG target of 100 percent literacy for 15 to 24 year olds should be widely promoted, with progress towards the target based on evidence of demonstrated literacy.

Literacy instruction for out-of-school young people should be linked closely to both life skills education and livelihood skills training. Young people will have a stronger incentive to improve their literacy if they can see how it will enhance their capacity to make choices and improve their livelihood prospects. A key element of basic education for out-of-school young people should be attaining financial literacy.

- R6. Build young people's livelihood capabilities through volunteering and civic engagement:** NGOs use volunteers extensively, most of whom are young people, to carry out significant elements of their work. UNICEF's use of peer educators to deliver life skills education is a good example of this practice. These volunteer work assignments can offer major opportunities for young people to acquire work experience in structured and unstructured work settings. UNICEF is well placed to work with other NGOs to formalise arrangements for engaging volunteers so as to maximise the benefits for young people.
- R7. Link community-based life skills education into other basic capabilities training:** UNICEF's Pacific Stars Life Skills Education Programme needs to be integrated with other training programmes for young people. These programmes should offer a range of skills to young people in addition to inter-personal life skills. These should include basic literacy, financial literacy, second language skills, human rights especially in relation to migration, basic business concepts and livelihoods skills such as sustainable agricultural practices.
- R8. Capture all relevant work experiences in a personal skills passport:** Young people's experiences in 'learning by doing' should be captured in the form of a personal Skills Passport. This passport can be a record of achievement that describes the demonstrated work-related competencies the individual has acquired. The skills passport, if widely promoted, can provide young people with the incentive to start with a low-status work option, such as volunteer work, knowing that it can open up more attractive work opportunities. A USAID-funded programme to create work experience positions with training for rural young people in Timor-Leste is using this concept .

### **Create opportunities for community service**

- R9. As part of the livelihoods strategy, use volunteer work opportunities to set up a basic, low-cost form of community service for young people:** Governments, in association with international NGOs, could use volunteer work opportunities to offer young people the opportunity to perform community service on an extended and systematic basis. An easy way to do this is to expand existing volunteer work for not-for-profit organisations delivering services aimed at poverty reduction or social protection. Examples of donor-funded volunteer work that could be expanded are: participating in a national antimalarial campaign; undertaking disaster preparedness appraisal, education and mitigation work; or joining emergency assessment, management and recovery teams. Government would need to set up an enabling framework to give the volunteer work assignments national status, coverage and protection from abuse.
- R10. Investigate setting up a larger-scale community service programme for young people:** Once the viability of community service for young people based on volunteer work is demonstrated, the scope for implementing a national community service programme for young people should be investigated. This programme could aim to meet three objectives: reduce poverty in nominated areas such as education and health on a large-scale by mobilising young people capacities; build social capital with and between communities by helping large numbers of young people to perform for their community a valued role; and build skills by giving young people the incentive and opportunities to acquire and exercise their capabilities. A successful model for the community service programme run by young people already exists in the form of the Youth Challenge International in Vanuatu.

**R11. Support existing youth-based organisations:** UNICEF could work more closely with youth-based organisations, such as the scouts and guides to support them to involve more out-of-school young people. UNICEF support could help youth-based organisations to attract more funding from donors, especially in relation to rights-based initiatives and to support them in undertaking simple poverty reduction activities for the wider community.

**R12. Give youth-based associations access to resources to perform community service work:** Setting up a national youth fund in each country in the region could provide small grants to established youth associations. This would enable youth-based associations to undertake activities to meet the Millennium Development Goal targets.

#### **Provide access to high-income labour markets**

**R13. Provide access to high-income job markets as a key element of a livelihoods strategy for young people:** Migration for temporary work in high-income countries acts not only as a safety valve for demographic pressures. It also provides young people with a strong incentive to upgrade their skills and literacy. The prospect of well-paid work will create a strong and persistent demand for education and training providers to improve their education standards to match those of the high-income labour markets. Returning migrants will also deepen their country's shallow skills pool. Migrant remittances can have a major development impact because they help the poorest, most vulnerable households and can also stimulate local business activity and lift participation in secondary education.

It is essential that young people migrating for work overseas are aware of their rights and entitlements. UNICEF could take the lead in ensuring that young people as potential migrants are fully informed of their rights and entitlements in their new work setting. Research is also needed into how governments can put in place supporting policies to minimise the costs and maximise the benefits of short-term migration for work. Governments need to ensure that there are strong incentives to return. In the host country, supporting policies should include a register of good employers.

#### **Measure performance and outcomes**

**R14. Focus on performance and outcomes:** A small number of outcome measures could be used to monitor changes to young people's livelihood prospects. UNICEF could utilise existing data or commission new data collection to report on the results each year, and to publish the results. Four proposed measures are: basic literacy and numeracy, the adolescent pregnancy rate and changes in average rural and urban incomes of young people over a nominated period. The literacy measure should be based on demonstrated ability to read and write and not use years at school as a proxy measure. Also where possible, it is important to seek the information directly rather than rely on administrative data.

**R15. Encourage young people to collect performance data on basic services:** Performance data are essential to assess progress toward meeting the targets of national development strategies. Within a suitable supporting framework, young people could be encouraged to collect data on education and health outcomes. Examples of former could measures of education outcomes such as literacy and numeracy attainment or student satisfaction; education outputs, such as school retention rate compared to national data; and education inputs, such as teacher attendance and whether the school's allocated budget matches its actual budget.

*Perhaps the most critical issue confronting Pacific Island Countries is how to provide all people with a secure, sustainable livelihood that meets their aspirations and counters the growth of poverty (UNDP).<sup>2</sup>*

## **Introduction**

UNICEF commissioned this study to identify ways to help young people to achieve their economic and social rights. Primary among these is the economic right to a sustainable livelihood and an adequate standard of living, as well as social rights to adequate housing, good health and education.<sup>3</sup> The study focuses on young people's livelihood prospects in the three country groupings of Polynesia, Micronesia and Melanesia.<sup>4</sup> They share for the most part the common characteristics of being small island countries with a number of distinctive features. These include large youth cohorts, slow economic growth, low skill levels, high youth joblessness and, for a number of countries, few opportunities for migration. The report discusses the limitations of existing policies and programs and outlines the specifics of a new approach to promoting youth employment and livelihood opportunities.

The livelihoods approach goes beyond a focus on employment alone to highlight the importance of acquiring a basic education, fostering livelihood skills, and identifying opportunities for work in community services aimed at poverty reduction. Important also is preparing for opportunities to work in high-income labour markets. The livelihoods approach also highlights the value of involving young people in decisions about the allocation of public investment resources. The paper includes information about the types and magnitude of investments proposed and concludes with a series of practical steps for follow-up

The study is based on detailed assessments, from a youth livelihoods perspective, of UNICEF programming in four countries: Kiribati, Solomon Islands, Vanuatu and Timor-Leste. The three Pacific island countries were chosen because they are the poorest countries in the Pacific with the lowest Human Development Indicators. These three countries are also the main UNICEF programme countries for the Pacific subregion, each with a UNICEF office. The country visits, with the strong support of the UNICEF offices, provided the opportunity to conduct an extensive round of interviews with key stakeholders and young people. However, the study is not restricted to these countries, drawing where it is applicable on relevant information from Papua New Guinea and other Pacific island countries. It also makes use of information collected during three periods working in Timor-Leste: September to April 2005-06, two weeks in September 2006 and over three weeks in October 2007.

Part 1 of the report identifies the main obstacles young people are facing in these countries to accessing the opportunities and capabilities to achieve sustainable livelihoods. Part 2 offers reasons for the weak opportunity structure and failure by governments in preparing young people for the future and the implications for the livelihoods of young people. Part 3 outlines the key elements of the proposed new approach in the form of a set of recommendations. Part 4 offers information about the magnitude of the types of investments proposed and some guidance on the conditions needed to implement the new approach.

## **Background to the study**

The origins of this paper started with the author's assignment by UNICEF Timor-Leste to help develop a national youth policy. This assignment involved designing, supervising in the field and analysing the results of a national youth survey, based on a random sample of over 1,100 young people aged 15 to 35 years. Extensive consultations through focus group discussions were also carried out at the same time.

An initial draft national youth policy was completed in April 2006, just before the crisis in mid-

2006. It warned of the dangers of the lack of opportunities for young people and highlighted six strategies which could promote the potential that young people could offer the new nation.<sup>5</sup> The draft policy was circulated, discussed and modified by the Council of Ministers, but the elections of 2007 intervened. However, after the appointment of a new government, the national youth policy was adopted on 14 November 2007.

UNICEF's East Asia and Pacific Regional Office commissioned this study with the following five objectives. First, develop a conceptual and programming framework for understanding young people's livelihoods. Second, offer an overview of the situation of young people's livelihoods in the nominated countries. Third, map existing initiatives and successful examples for young people's livelihoods. Fourth, identify potential areas for UNICEF to support the expansion of young people's opportunities; and fifth, suggest possible partnerships and synergies for promoting young people's livelihood opportunities (see the terms of reference in Attachment IV).

Individual country reports have been prepared for Timor-Leste and Vanuatu, and two are yet to be produced for Kiribati and Solomon Islands (see Curtain 2007a & 2007b). These detail the livelihood situations facing young people in each country, and profile existing programming initiatives. They also provide specific recommendations for promoting young people's livelihoods for UNICEF, alone and through partnerships. The purpose of this report is to provide an overview of the issues, based on the detailed country assessments and other relevant information.

### **Focus on promoting youth livelihoods**

The value of the livelihoods concept is that it refers to more than a narrow focus on employment or income generation opportunities. As the Pacific Youth Strategy 2010 notes:

*Economic growth in Pacific countries does not provide enough paid employment opportunities to absorb the high number of students leaving the formal education system each year. This leaves many young people disillusioned, with little hope of self-sufficiency and therefore limited capacity to be productive members of society.*<sup>6</sup>

The term 'livelihood' refers to efforts to achieve self sufficiency as a basic human need. Achieving a sustainable means of living for young people is a precondition for independent existence as an adult. The concept emphasises the importance of a person's capabilities, based on access to assets as well as to opportunities.<sup>7</sup>

The capability approach to livelihoods starts with a person's command over economic resources, of which personal income is only one possible resource. It also involves looking at a person's access to publicly provided goods and services, such as communally owned and managed resources. It also involves assessing a person's access to formal and informal networks of mutual support. People can be counted as poor if their lack of access to any of these resources causes them to experience basic capability failures.<sup>8</sup> A young person has developed a sustainable livelihood when he or she can deal with economic uncertainties, recover from unexpected shocks and maintain their financial capability without depleting their asset base.<sup>9</sup>

The best starting point for a livelihoods perspective is to identify an individual's or community's real or potential assets. Five types of assets, natural, physical, human, social and financial, can be identified which help young people make a living.<sup>10</sup> The UN Commission on Human Security highlights the importance of many of these assets:

*Developing livelihoods outside typical formal arrangements must involve creative ways of securing both income and meaningful work that build on the capacity and ingenuity of poor people themselves. Critical aspects to be addressed include access to land, credit, training and education.<sup>11</sup>*

Natural assets refer to access to land, forests, water and public goods,, such as rivers and common land. As the UN Commission on Human Security notes:

*Particularly for those who live in rural areas, economic security is intimately connected to the natural environment. People in rural areas rely on forests for fuel and on agriculture for subsistence. ...When these resources are degraded, the effect is direct and immediate: poor families are forced to migrate to ever more marginal lands, household income falls as non-timber forest products become depleted, and human security plunges.<sup>12</sup>*

Physical assets cover basic infrastructure, such as housing, means of transport, water supply and communications. Human capital refers to not only a young person's capacity to work in terms of their health and attitude to work. It also refers to their capacity to add value in terms of their skill level, which is usually measured in terms of the level and quality of the formal education received. Social capital refers to the extent of livelihood support people can get from their social networks, especially in times of severe need. Financial assets refer to the monetary resources that a person can tap through access to such sources of finance as savings, credit and remittances.

### **Collective capabilities are also important**

Young people living in the close knit societies of the Pacific and Timor-Leste are embedded in a network of social relationships which impose a set of rights and obligations.<sup>13</sup> In these social settings, young people like to exercise their sense of responsibility by preferring to act collectively rather than as lone individuals.<sup>14</sup> While this may limit the freedom of young people to choose, it can also be a major source of collective capability. One implication of this in relation to youth programming is the need to focus on more than merely enhancing the capabilities of individuals.<sup>15</sup>

In low-income communities with limited access to resources, young people are severely constrained in what they can do and achieve. However, where programs can tap the collective strength of communities, they can enhance young people's own capabilities as well as their community's capabilities. This is not to suggest that working through group activities is easy. Hurdles to overcome include individuals' lack of self-esteem and feelings of dependency, internal community conflicts and lack of support from overly centralised governments.

### **Livelihoods or employment focus?**

Should the focus be on highlighting employment-related options for young people or policies and programs that emphasise support for livelihoods? A focus on employment gives primacy to the role of governments in setting the right regulatory and incentive structures to promote employment growth. This perspective places the onus on the individual to make the most of available opportunities, especially by augmenting his or her human capital assets. From this perspective, poverty is defined in a uni-dimensional way as income-based, with poverty reduction achieved if the income levels of individuals or households are raised.

The youth employment perspective is best exemplified by the approach of the Youth Employment Network (YEN), a creation of the United Nations Secretariat, the World Bank and the ILO. YEN takes its mandate from the UN Millennium Declaration in 2000 to 'develop and implement strategies that give young people everywhere a real chance to find decent and productive work'.<sup>16</sup> Its focus has been on encouraging governments to adopt pro-youth employment policies. The advice has been based on four main themes: promoting employability, entrepreneurship, equal opportunities and employment creation. Its main activity has been to encourage governments to prepare and implement national action plans on youth employment.<sup>17</sup>

The approach of YEN has been to work through governments, hoping to improve young people's employment prospects in a top-down way. This approach has been reflected in the limited role young people have played in the YEN. Initially, there was no youth participation in the formulation of the strategy.<sup>18</sup> In-country resources to encourage youth participation in the formulation of the national action plans have been lacking.<sup>19</sup> Also absent has been funding to promote innovative ways to employ more young people. These shortcomings are demonstrated by a 2006 review of the national action plans for youth employment by the Department of Economic and Social Affairs of the United Nations Secretariat in New York (UNDESA).

In response to a call from the UN General Assembly for all governments to submit national action plans, only 41 Governments responded with action plans or progress reports on youth employment. The review makes clear that few national action plans were based on consultations with major stakeholders, especially young people.<sup>20</sup> The review also showed that few plans included an assessment of the needs of young people in relation to employment. Nor was there an acknowledgement of the weaknesses and gaps in past and current policies.<sup>21</sup> On the evidence available, the national action plans on youth employment appear to be nothing more than accounts of what governments are doing already to provide a broad framework for promoting employment in general. Most countries appear to be paying little attention to the particular difficulties young people are facing, especially disadvantaged young people.

The review found that only one country showed evidence of taking a comprehensive strategic approach to addressing youth employment.<sup>22</sup> No specific strategies to generate additional employment aimed at young people could be cited, such as the ILO's own promotion of labour-intensive methods and technologies to build and maintain basic infrastructure as a means of creating more employment, especially for unskilled workers.<sup>23</sup>

The lessons to be gained from YEN's approach to promoting youth employment are several. General calls to governments to promote youth employment have not produced specific strategies which address the particular needs of young people, neither in terms of their capabilities nor in relation to the opportunities for employment. So in terms of gaining acceptance for policies which produce youth friendly labour markets, YEN has still to prove the worth of its approach. In particular, YEN's approach of advocating that governments improve young people's employability, entrepreneurship, equal opportunity and create jobs is not applicable in all settings. These policy themes are not likely to work in poor, small and isolated economies where the prospects for generating jobs are extremely limited, especially where large numbers of young people are seeking work. Standardised policy options geared to developing countries with diversified economies, large populations and reasonable prospects of economic growth are not suitable for small, isolated economies, dependent on volatile primary commodities and with little or no prospect of attracting foreign investment.

An alternative livelihoods perspective, which starts from an assessment of young people's capabilities and assets, offers much more scope for providing a more specific and tailored

response to the conditions that countries of the bottom billion of the world's population face. These conditions, which apply in particular to the countries in the Pacific region, include being highly vulnerable to economic or environmental shocks, having government structures which are seriously overstretched and in many cases are fragile, and being at higher risk of social conflict.

A livelihoods approach is better able to identify a broad range of policy and programme options which are outside the narrow employment focus of orthodox economics. In terms of policies, these include protecting the environment that underpins livelihood sources, and setting up mechanisms to smooth out the economic and natural disaster shocks. In terms of programming, it includes building up young people's capabilities to engage in household-based livelihood activities in agriculture and fishing, as well as self-employment in the informal sector. It includes support for a universal of basic education attainment in literacy, including financial literacy, and how to access resources, such as microfinance.