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Youth and Economic Opportunities

Produced in partnership with Making Cents International and the Citi Foundation

Lead Essays

Arnest Sebbumba Finding the Word for Entrepreneur in Luganda

Judith Rodin & Eme Essien Lore Rethinking Youth Opportunity

Ángel Cabrera & Callie Le Renard “Go to college...!”

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About *Innovations*

***Innovations* is about entrepreneurial solutions to global challenges.**

The journal features cases authored by exceptional innovators; commentary and research from leading academics; and essays from globally recognized executives and political leaders. The journal is jointly hosted at George Mason University's School of Public Policy, Harvard's Kennedy School of Government, and MIT's Legatum Center for Development and Entrepreneurship. Topics of interest include entrepreneurship and global development, the revolution in mobile communications, global public health, water and sanitation, and energy and climate.

Authors published in *Innovations* to date include three former and one current head of state (including U.S. Presidents Carter and Clinton); a Nobel Laureate in Economics; founders and executive directors of some of the world’s leading companies, venture capital firms, and foundations; and MacArthur Fellows, Skoll awardees, and Ashoka Fellows. Recently the journal has published special editions in collaboration with the Clinton Global Initiative, the World Economic Forum, the Rockefeller Foundation, Ashoka, the Lemelson Foundation, and Social Capital Markets.

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Introduction to the Special Issue

This youth-focused double issue is the product of a shared passion to improve livelihoods and economic opportunities among the world's 1.8 billion youth. The publication is particularly timely given the increased focus being given to programming, funding, and research on the contributions of young people in a time of economic volatility. As the economy shows signs of recovery, the International Labor Organization reports that the global rate of youth unemployment hovers around 13%, just below the jobless rate at the peak of the crisis—this still represents an estimated 73 million young people. Despite staggering unemployment, our concern is not the scale of the problem. Instead, we are encouraged by the scale of the opportunity before us.

With the support and collaboration of the Citi Foundation, Making Cents International will leverage this *Innovations* issue as well as the annual conference, funder meetings, “Apply It!” webinars, blogs, crowd-sourced solution events, and other tools to engage a global network of partners to galvanize dialog, collaboration, and knowledge-building toward a collective global agenda for youth. Through its Collaborative Learning and Action Institute (Co-Lab), Making Cents will promote and improve economic opportunities for youth around the world. This year, the Co-Lab aims to strengthen knowledge management in the field, enhancing the scope and depth, diversity, and quality of how and what our people learn. Co-Lab gives our stakeholders and partners a new platform to both add value and benefit from knowledge management that translates ideas into solutions.

The following collection of analyses, research, and remarkable stories is a part of our new vision. In searching for authors, we weren't searching for all the answers. We looked across diverse sectors for authors who could connect disparate concepts, innovations, theories, stories, or research results that move the youth economic opportunities agenda forward.

To highlight a few authors, first and foremost, we hear the voices of young people describing the hard work, ambition, fortitude, and support needed from others to bring innovations to old problems. Arnest Sebbumba, a young farmer, takes us into rural Africa and reveals the choices, challenges and opportunities facing agricultural entrepreneurs in Uganda. Social entrepreneur and Founder of Souktel, Jacob Korenblum, shares the thrills and spills of navigating entrepreneurship and identifying new opportunities in conflict-environments.

Featuring best practices and innovations in youth employment, Jamie McAuliffe's case study of Employment for Education demonstrates how the NGO created a youth jobs model that reverses conventional supply-driven education processes that often widens unemployment. Meanwhile, Michael Chertok and Jeremy Hockenstein, of Digital Divide Data, highlight a growing \$300 billion business process outsourcing industry, and the economic potential of Impact Sourcing

as a "game-changer" for scaling skilled jobs among youth.

This youth-focused double issue is the product of a shared passion to improve livelihoods and economic opportunities among the world's 1.8 billion youth.

Innovations aimed at increasing financial education, access, and inclusion among young people is critical. Research from Jamie Zimmerman and Julia Arnold of the New America Foundation chronicles various models that incorporate mobile technology into youth financial services programs, illustrating both the promise and, notably, high-cost and regulatory barriers to implementation.

Underscoring the critical role of the private sector, Branka Minic, Nicholas Davis, and Ebba Hansmeyer and their team approach youth capacity from the perspective of developing talent within the corporate workforce. Their model enables businesses to find and develop talent to fuel growth, productivity, efficiency, and innovation while providing young people with the skills and knowledge they need to more easily secure employment. Simultaneously, Akhtar Badshah and Yvonne Thomas of Microsoft, reflect upon the company's core philanthropic philosophy—providing information and communications technology (ICT) training that empowers individuals with high-demand skills.

We extend our sincere thanks and appreciation to the authors who invested their time, energy, and expertise to produce this special issue, which both embodies and inspires a guiding theme of collaboration. And, in that spirit, we ask readers to consider how they might apply these lessons and innovations to their own work, and share their results with us. Many of these authors will be featured in "Apply It" learning events throughout the coming year at www.YouthEconomicOpportunities.org. We look forward to your participation.

Making Cents International

Citi Foundation

Investing in the Economic Progress of Youth

Building stable and sustainable economic growth is dependent on a predictable and capable pipeline of talent, producers, innovators, and buyers. In a globalizing world, it is increasingly hard to grasp how this pipeline will be developed without better ideas, targeted investment, and more inclusive models supporting young people. We know that many countries' populations are aging, and that there are economic consequences to falling short in our response. Just look at Japan and most of Western Europe as they struggle to overcome economic stagnation. While much of this stagnation can be attributed to insufficient economic and industrial policy, having low-to-no population growth in many countries may also play a role. Many growing economies, despite significant global headwinds, fundamentally have population growth on their side. Whether it is through the slow, methodical pace of the United States or through the astonishing speed of some African markets, young people and young businesses are increasingly the foundations of this growth.

Population growth alone, however, is not the answer and does not always involve young people. As we have seen in much of the turbulence in the Middle East and North Africa, younger populations with limited ability to formally contribute to the economy become disenfranchised. Growth must be inclusive, particularly for youth, to be sustained over time. We consistently see these issues when considering grant investments in countries around the world. The Citi Foundation invests in best-in-class community organizations that support economic empowerment and financial inclusion in most of the countries where Citi operates. Our ability to fund innovative programs in nearly 90 countries gives us a global perspective unmatched by most other philanthropic institutions. Further, our close collaboration with our Citi colleagues makes us acutely aware of the negative consequences of limited economic growth and poorly trained talent. Now, more than ever, we recognize an urgent need for investment in and support of programs that drive youth economic opportunities. Sharing this vision are millions of practition-

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ers, researchers, educators, as well as government and business leaders who collaborate with us to source and deliver pathways to entrepreneurship and employment for youth.

To assess our own efforts to invest in and support youth economic opportunities, the Citi Foundation examined its existing investments in organizations supporting young people to understand how its funding improved their lives and economic circumstances, as well as where further improvement was needed. Across the portfolio, it became apparent that there were some investments that stood out from the others. These investments fund non-governmental organization (NGO) partners that were breaking away from traditional concepts and adopting new approaches that frequently packaged inputs in education, on-the-job training, direct access to hiring employers, and access to finance for entrepreneurs. This suite of services made for more efficient implementation, which often reduced operational cost while creating a “one-stop shop” experience for the young person. At the systems change level, we also continued to see a need to better understand and improve the broader ecosystems that support these programs. How is it that countries, like Israel, and communities, like Silicon Valley, are developing so many innovative and high-growth companies that are frequently led by and employing young people? It is advantageous for countries to develop a culture with a supportive regulatory environment that cultivates entrepreneurial activity, allows products and services to be efficiently produced, and protects financial assets. Several grantee partners are working at this level to shape the dialogue and influence how policymakers consider new, more effective approaches.

THE CITI FOUNDATION'S NEW YOUTH ECONOMIC OPPORTUNITIES PORTFOLIO

This year, the Citi Foundation will award nearly \$80 million in grants to NGOs implementing programs across 90 countries. Outside of the U.S., \$7 million in grant funding will help young people obtain training, secure jobs, and start businesses that will increase their earning potential. In our Youth Economic Opportunities portfolio, we have refreshed our focus and approach toward a greater emphasis on income-generation opportunities, and will support organizations with a goal of increasing the number of young people, ages 13-25, who actively generate an income through a quality, living-wage job or through entrepreneurship. Many of these programs will likely provide a combination of academic, livelihood, and vocational skills training as well as entrepreneurship preparation necessary for youth to achieve their goals and contribute to the economy.

Each of the Citi Foundation's six portfolio areas has a set of results and impact assessments that help us to analyze the effectiveness of the programs we fund. For instance, in our portfolio aimed at helping young people generate or earn an income, we measure the extent to which participants:

- Obtain academic and/or training qualifications and acquire new skills, like secondary school credentials or financial knowledge and skills;

Advancing Economic Opportunity for Young People

- Implement new or enhanced skills gained through experiential education or on-the-job training toward a tangible end goal, such as completing a feasible business plan or career development plan; and
- Successfully access financial or employment resources to launch a business or secure a job.

As part of a broader learning agenda, the Citi Foundation and its partners work together to widely communicate grant outcomes with the goal of contributing toward existing knowledge in the NGO sector, highlighting promising models for integration within systems, and catalyzing improvements in policy. In addition to investing in programs that help young people generate and preserve financial gains, our new portfolio funds aim to garner field discourse and model best practices among other key stakeholder groups in the field. What is more, we believe it is important to better understand which approaches are both cost-efficient and effective in helping young people gain well-paid jobs or secure resources to launch a viable business. Many programs in the field expose youth to some sort of training, mentoring, and experiential learning. However, it is unclear which combination of these elements or other supportive resources will have the greatest impact upon the financial lives of young people and produce lasting economic stability over time. More research as well as tested models will greatly improve our knowledge of what works best for youth. As partnerships and program investments demonstrate positive results, our grant funding can make timely improvements in policies and larger systems with potential to influence their long-term outlook. For example, to create pipelines of talent and successful entrepreneurs, policy frameworks must align with local economic goals, skills and education systems, as well as the business community to dramatically increase youth employment. Enabling policy and regulatory environments are also critical to help young people access resources needed to spur entrepreneurship and grow viable businesses.

LEADING PORTFOLIO EXAMPLES

Government as an Innovator-Singapore

In some of the communities where we invest, there are unique opportunities to scale NGO program models within national initiatives and systems. Many of our government partners are leading the development of new and innovative models themselves and relying on local community organizations for execution. In a partnership with the YMCA of Singapore, the government of Singapore is promoting an agenda that invests in youth as necessary contributors to supporting low-income communities. The *Youth for Causes* initiative equips secondary school youth with employability and entrepreneurship skills to increase the capacity of local civic and social service organizations. Since its launch in 2002, Singaporean youth have been participated in delivering critical capacity-building skills and services that meet the needs of nearly 1 million low-income residents while creating a culture of community engagement throughout the country. This program

illustrates the impact that can be achieved with government leadership and the capacity and reach of a large-scale, social services provider.

Instilling Entrepreneurship and Employability Skills for Success-Middle East

Since its founding in the early 1900s in the United States, Junior Achievement Worldwide (JA) has grown into a global organization well-known for providing economic education and training to youth. Its signature entrepreneurship program, the Company Program, provides enhanced business and financial management knowledge and experience to more than 350,000 secondary school students, globally.

INJAZ Al-Arab, the regional affiliate of JA Worldwide, is one of the most recognized affiliates within the JA global network because of its track record of fostering a culture of business innovation and entrepreneurship across the Middle East and North Africa region. In less than a decade, the organization has grown to operate across 15 countries and partner with 15 education ministries to offer high-quality experiential education and training. The organization has reached more than 1.6 million students through its programs. Each year, its adapted model of JA's Company Program equips nearly 6,000 young people with financial education, job readiness, and enterprise development skills that lay a foundation for their economic success.

Harvard University's Fernando Reimers recently completed an independent impact study to determine the outcomes associated with the INJAZ Company Program implemented in Jordan, Lebanon, Morocco, Egypt, Saudi Arabia, and the United Arab Emirates. Key findings from the report indicate a seismic shift in the attitudes, beliefs, and skills of the program's alumni because of the blend of training and mentorship incorporated into the model. Some of the high level findings include:

- Increased entrepreneurial attitudes and beliefs as compared to peers.
- Viewed start-up businesses as a viable mechanism to generate new ideas, create jobs, and resolve important social problems.
- Increased recognition that women can play an important role in facilitating successful businesses.
- A vast majority successfully developed career goals and experienced increased confidence in their ability to compete for local jobs.

Further, the results of the study showed that the program model also had an impact upon the employability of participants. Nearly 90% of INJAZ alumni were successfully employed within 12-months of graduation as compared to 30% of peers.¹

Given significant unemployment among young people in the region, these findings are encouraging. INJAZ Al-Arab's program model offers evidence that entrepreneurship training along with skill-building and hands-on experience, like launching and operating a business, generates positive results for youth. The findings also emphasize the contributing role that business mentors and institutional

leaders play in the process of forming a pipeline of new young professionals and entrepreneurs. Business leaders offer youth a reflection of the characteristics and traits necessary to achieve success as well as a source of encouragement to nurture their potential as economically productive future professionals and entrepreneurs. INJAZ Al-Arab's Company Program fosters a spirit of tenacious ambition and inspires a vision of a more prosperous future for Arab youth. Yet, over time, it is important to understand if this success can be replicated in other markets or only attributed to INJAZ.

Finding Efficiency and Scale in a “One-Stop-Shop” Approach-China

Established in 2005, the BN Vocational School (BNVS) is China's first tuition-free, non-profit charitable vocational school. It now operates in eight cities and serves more than 600 students annually. Unlike more traditional Chinese education and teaching models, BNVS delivers a “One-Stop-Shop” approach of intensive and comprehensive education, which “up skills” and connects youth with demand-driven credentials to employers with available jobs. Youth make a two-year commitment to complete their secondary school training and certificates while mastering a viable trade and skills that employers seek.

The first year features accelerated academic courses in mathematics, Chinese and English language and literature, delivered in tandem with vocational training in jobs like hospitality, construction, and electrical maintenance, “soft” skills training in communications and professional etiquette, as well as life skills like Chinese traditional culture. Upon completion of the second year, youth receive a paid internship placement with a local employer, and obtain a secondary vocational education diploma after passing relevant vocational qualification examinations and an internship assessment. Students participating in internship placement earn monthly salaries between RMB 800-1200 (USD\$128-192). To date, more than 1,000 young people have completed the program and remain employed in a full-time position, earning well more than China's minimum average monthly salary of RMB 2,049 (USD \$330)². Some 70 percent have become a part of their employer's core technical team and more than 10 percent hold management positions.

Aligning Financial Education for Lifecycle Development-Colombia

In Latin America, Dividendo por Colombia is known for its high-quality programs, positive impact on low-income families, and commitment to the sustainability of the nation's communities. Its program, *Finanzas para el Cambio* (“Finances for Change”), provides a foundation for promoting financial education among young Colombian public school students as part of a comprehensive set of skills necessary to ensure young people succeed throughout their life. To date, the program has educated 22,000 low-income public secondary school students in Colombia's major cities. Because of the outcomes of the program, the Colombian government is seeking to scale the model by including the financial education curriculum in all of Colombia's public schools.

Beyond the direct value of consumer financial education, Dividendo's curriculum stimulated young people's interest in entrepreneurship as a result of conversations about economic opportunities with which they could participate. In 2010, Dividendo por Colombia established the Empresa Recicladora Alfredista initiative which enables young people who participated in the Finances for Change program to put their newly acquired financial skills into practice. The initiative helps youth living in Medellín start and run environmentally-friendly recycling businesses. Leveraging the Servicio Nacional de Aprendizaje, a government initiative, they have an additional opportunity to enhance their business management skills and grow their existing businesses and/or complete a national entrance exam that will enable them to continue toward post-secondary education and training costs.

CONCLUSION

The Citi Foundation's investments in promoting economic progress among young people have taught us that accessing and obtaining a quality education is critical within a life-long development process. However, formal education is only one aspect within a broader goal and purpose of increasing empowerment, becoming financially included, and productively contributing to the formal economy. Our renewed and targeted investment approach aims to help more youth generate or earn an income and achieve financial stability and assets. To complement Citi's corporate commitment to enabling progress, the Citi Foundation's philanthropic investments in the Youth Economic Opportunities portfolio aim to bring young people into the economic mainstream. Through realigned and newly crafted partnerships, our grant funding is uniquely positioned to support the growth of efficient, market-driven approaches that better connect more youth to available jobs and connect entrepreneurs to capital and other resources. Further, the importance of fostering supportive economic environments and policies cannot be taken lightly, and should be informed by initiatives with proven market-specific results for young people. Ultimately, many of these initiatives will involve multi-sector partnerships where both private and public sector actors invest in the uptake and expansion of models that directly benefit young people and the local economy. Much of the success of this new direction will largely depend on the leadership, strength and ingenuity of our partners to drive economic progress for youth around the world.

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1. Fernando Reimers, "Unlocking Arab Youth Entrepreneurship Potential: An Evaluation of the INJAZ Al-Arab Company Program" (unpublished working paper, Harvard University, 2013).
 2. National Bureau of Statistics of China,
http://www.stats.gov.cn/tjfx/grgd/t20130517_402897153.htm

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Special Issue for the 2013 Global Youth Economic Opportunities Conference

Produced in partnership with Making Cents International



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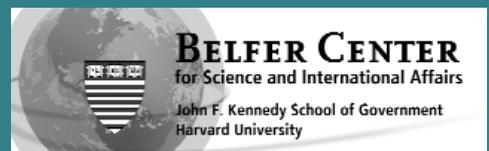


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