Youth are key to the prosperity of cities in the developing world, yet many barriers prevent them from fulfilling this role — most notably access to education, vocational training, and employment. It is crucial that governments and institutions assist youth to overcome these barriers by facilitating equitable access to education and employment. This report focuses on the nexus between employment, cities, and youth: areas that drive economic prosperity in the developing world. The report analyzes those factors that increase the ability of youth to secure employment. Mobile communication technologies as well emerge as supporting asset development among young people and equalizing wealth disparities. The conclusion considers policy and program implications.
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Cities of Youth: Cities of Prosperity is a background report for the upcoming *State of the Urban Youth Report (SUYR) 2011/2012—Prosperous Cities*. Youth are key to the prosperity of cities in the developing world, yet many barriers—most notably under and unemployment and a lack of access to basic services such as healthcare and education—prevent them from fulfilling this role. Youth from 15–24 are societies’ most essential and dynamic resource; if supported to create secure livelihoods, they, their families, and their communities will prosper. It is the responsibility of governments and institutions to assist youth in overcoming the barriers to their success, for example through the facilitation of equitable access to education and employment. This report focuses on the nexus between employment, cities, and youth: areas that drive economic prosperity in the developing world. The report analyzes those factors that increase the ability of youth to secure employment. Mobile communication technologies appear to emerge as supporting asset development among young people and equalizing wealth disparities. The conclusion considers policy and program implications.

Chapter 1 will analyze pertinent research on youth and employment. It will situate youth employment globally, identify its current state, and review the barriers that youth face. Chapter 2 will analyze the Demographic and Health Surveys (DHS) of six geographically diverse urban areas. The analysis will focus on human capital (skills), income composition,
employment, sector structure, and policies. These issues will be viewed in relation to the demographic youth bulge in the developing world. The data will be reviewed with a focus on the importance on youth’s access to basic infrastructure such as water and sanitation, their access to educational institutions, and their access to telecommunications and digital technology. Chapter 3 will summarize the findings of this report.
CHAPTER 1: YOUTH AND THE URBAN ADVANTAGE

Urbanization is the engine that propels the world towards prosperity in the 21st century and youth are the engineers. Youth are society’s most essential and dynamic human resource. There are more people under the age of 25 today than ever, totalling nearly three billion or almost half of the total global population; 1.3 billion of that total are between the age of 12 and 24 (World Bank, 2006). These youth live, by and large, in cities and towns; the cities of the developing world account for over 90% of the world’s urban growth and youth account for a large percentage of those inhabitants. It is estimated that as many as 60% of all urban dwellers will be under the age of 18 by 2030 (Woodrow Wilson International Center for Scholars, 2003).

Historically, youth have not been seen as a demographic important enough to engage with—this is even true for the world’s most youthful regions such as Africa—and they are not a focus for governments or funding agencies (Bennell, 2000; Mulenga, 2000). Yet there has been a growing understanding and concern over the declining socio-economic situation of young people and their lack of livelihood opportunities (Mayor & Binde, 2001; Curtain, 2000; Grierson, 1997; Mkandawire, 1996; Schnurr, 1998), especially in regions such as sub-Saharan Africa (Mayor & Binde, 2001; Sarr, 2004). These youth often grow up in poverty and they are excluded from the economic, political, and social life of their countries, which in turn breeds disillusionment and
hopelessness, violence, and upheaval (Cincotta, 2005, 2008; Urdal, 2006). Indeed, much research has been done on youth violence in the developing world, especially in the Middle East and North Africa (Cincotta, 2005; NIC, 2008; Urdal, 2006). This research found links between youth unemployment and social exclusion, and suggests that this may lead to political and social instability (ILO, 2010) and possibly violence and terrorism. Yet violence has not always been the last refuge, with vibrant and peaceful youth-led revolutions taking place, most recently in the Middle East and North Africa.

In the last decade, there has also been a recognition that urban youth in the developing world are growing at an explosive rate. Between 2000 and 2030, Africa’s urban population, which is to a great percentage youth, will grow from 294 million to 742 million, an increase of 152%; Asia’s by 94%, and Latin America’s by 55% (UNFPA, 2007). Should these youth transition into adulthood in an environment that supports equal opportunities, representation in governance, education, and secure employment opportunities, then they can become the engine for the creation of the economic and social capital that is needed to jump-start development in many regions of the world. This demographic “youth bulge” can be a “demographic gift” to the countries where it is occurring (UNDP, 2002, p.38), and it was this gift—a condition in which an economically active population exceeded the economically dependent—that fuelled the economic success of the Asian Tigers in the 1980s. Even halving the world’s youth unemployment rate may add an estimated USD 2.2 and 3.5 trillion, or between 4.4 and 7.0%, to the global GDP (ILO, 2004).
Youth, who are in the most productive times of their lives, can leverage the “urban advantage” (UN-Habitat, 2010), a concept relating to the abundance of goods, services such as health, recreation and education, amenities, and opportunities found in cities. No developed country has achieved any level of prosperity without urbanization; cities account for approximately 70% of global GDP, and as much as 55% of the GDP in low-income countries (UN-Habitat and DFID, 2002). It is anticipated that 80% of future economic growth will take place in cities (SIDA, 2006).

With youth globally being the best educated in history, the assumption would be that this leveraging of the urban advantage can happen exponentially—especially when contextualized within rapid global urbanization.

Women play football on the 28 September Stadium grounds. These days, the venue is again used for sporting events in Conakry, Guinea. © Nancy Palus/IRIN

**FIGURE 2: YOUTH AND EMPLOYMENT, WORLD, AND REGION**

<table>
<thead>
<tr>
<th>Region</th>
<th>Youth unemployment rate 2007</th>
<th>Unemployment rate 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
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<td></td>
</tr>
<tr>
<td>North Africa</td>
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<tr>
<td>Latin America and Caribbean</td>
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<tr>
<td>Central and South Eastern Europe (non-EU) &amp; CIS</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td><img src="chart.png" alt="Bar Chart" /></td>
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<tr>
<td>Developed Economies and European Union</td>
<td><img src="chart.png" alt="Bar Chart" /></td>
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<tr>
<td>South-East Asia and the Pacific</td>
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<td></td>
</tr>
<tr>
<td>South Asia</td>
<td><img src="chart.png" alt="Bar Chart" /></td>
<td></td>
</tr>
<tr>
<td>East Asia</td>
<td><img src="chart.png" alt="Bar Chart" /></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td><img src="chart.png" alt="Bar Chart" /></td>
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</tbody>
</table>

*2007 are preliminary estimates,

**Source:** ILO, Global Employment Trends Model, November 2007
The Urban Disadvantage

Many of the youth who live in cities in the developing world live in slums or otherwise marginalized urban areas. In Africa, most youth lack secondary education, with only a third of boys and just over a quarter of girls completing secondary school in sub-Saharan Africa (Population Reference Bureau, 2006). Children and youth who grow up in slums are less likely to attend school than non-slum youth, as they face a range of factors hindering their attendance: distance from school, living in prohibitive landscapes such as abutting highways or on the sides of hills, high crime rates, prohibitive school fees, and segregation by ethnicity or religion (Mugisha, 2006; Huismann & Smits, 2009). Children from slums have lower attendance rates than non-slum youth, but higher than rural youth. Yet, starting at the age of 13 for males and 14 for females enrolment levels are higher in rural areas.
than in urban areas, and starting at nine for females and 11 for males, the enrolment for slum children starts to decline while that of rural children increases or remains constant (Mugisha, 2006.) As Figure 1 demonstrates, slums are predominantly inhabited by young people. The advantages that accrue to urban youth do not necessarily accrue to slum children and youth.

In addition, while 85% of those of working age live in the developing world, most countries in the developing world have youth unemployment rates that are two to three times greater than among adults; of the approximately ten countries that have less than two times the adult rate, five are in sub-Saharan Africa (SSA), and two are unique in having more adults unemployed than youth—Liberia and Madagascar (ILO, 2010).

The share of youth in the working age population will decline in all regions of the world by 2015, yet in comparison only marginally in SSA (ILO, 2007). The ILO estimates that youth unemployment is higher now than ever before; globally, youth labour participation rates dropped between 1998 and 2008. Even though there was an increase of 34 million youth participating in the labour force, this did not keep pace with population growth, thus the share of youth who are employed fell from 47.9 to 44.7% (ILO 2010). Youth unemployment is a global phenomenon, increased by weak labour markets. While, as shown in Table 1, those aged 15-24 increase their presence in the market, they are not employed in decent work.

Currently, nearly 90 million youth are unemployed (47% of the total number of unemployed persons) and an additional 300 million

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Industrialized economies</td>
<td>64,284</td>
<td>64,431</td>
<td>147</td>
</tr>
<tr>
<td>Transition economies</td>
<td>2,163</td>
<td>19,814</td>
<td>-7,349</td>
</tr>
<tr>
<td>East Asia</td>
<td>161,822</td>
<td>155,926</td>
<td>-5,896</td>
</tr>
<tr>
<td>South-East Asia</td>
<td>60,979</td>
<td>63,662</td>
<td>2,683</td>
</tr>
<tr>
<td>South Asia</td>
<td>122,347</td>
<td>144,272</td>
<td>21,925</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>56,986</td>
<td>58,772</td>
<td>1,786</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>31,952</td>
<td>35,277</td>
<td>3,325</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>88,692</td>
<td>117,515</td>
<td>28,823</td>
</tr>
<tr>
<td>World</td>
<td>614,225</td>
<td>659,669</td>
<td>45,444</td>
</tr>
</tbody>
</table>

**Note:** Growth of the labour force is calculated by subtracting the estimate for 2003 from the projection for 2015.

youth are “working poor”—they are unskilled and have insecure jobs that they do in unsatisfactory conditions. Nearly 45% of all youth globally—almost 515 million young people—live on less than USD 2 a day (UNDESA, 2005). Figure 4 demonstrates that in many countries in Africa, a vast majority of youth work in the informal sector and live in slums (Gora, 2004). Indeed, 85% of the new employment around the world is offered by the slums based informal economy (UN-Habitat, 2006); these are low-income jobs with little possibility for advancement. The largest number of youth in this situation is in Africa.

Employment in the informal economy does not necessarily bring about a higher standard of living. In the informal economy, youth do not have basic protections. There are no safety standards or health benefits; they can be summarily fired or forced to work long hours. Sub-Saharan Africa for example, has a youth labour force participation rate of 57.5%, the second highest in the world, and much higher than the Middle East and North Africa (MENA) region (ILO, 2010). Yet this high rate does not represent wealth; it represents a level of poverty that forces youth to work regardless of the quality of work, while at the same time eliminating educational opportunities. Informal jobs can end up trapping youth in perpetual poverty, degrading them physically and emotionally.
Figure 5 and 6 demonstrate how though there are almost equal unemployment rates in the MENA and SSA (9 and 10% respectively), SSA has an almost 10% higher underemployment than in the MENA region (Clifton & Marlar, 2010).

Though it is unemployment that is most often used to characterize developing countries’ labour markets, it is underemployment that better reflects the situation of youth (Cling et al., 2006; Fares et al., 2006). Youth who are underemployed are in the most vulnerable position economically, work under the poorest working conditions, and for the lowest wages (World Bank, 2009). This fact underlines the need for governments and international agencies to better understand the nuances of youth employment.
Global Responses and Mandates

The findings of the State of the Urban Youth Report 2010/2011 show that equal opportunities lead to equal outcomes. Governments at all levels urgently need to create equal opportunities through policies, investment, and other interventions. Governments can impact youth prosperity through the implementation of effective employment policies and practices. Employment is crucial to bringing about prosperity in the developing world.

The formal sector is unable to provide enough employment opportunities for young people, and this is one of the root causes of economic and social exclusion and a significant driver of informal economies (UN-Habitat, 2006). Paradoxically, the cities that are a poverty trap for youth are also the places in which prosperity can flourish, where economies of scale allow for burgeoning and sometimes exponential growth. The international community has begun to recognize the importance of employment as a way to combat poverty and marginalization. The United Nations Millennium Declaration, adopted by the General Assembly in 2000, includes a commitment to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work.” It was in recognition of the urgent need to address youth unemployment that Kofi Annan included the following text in paragraph 24 on the further development of the MDG targets in his last Secretary-General’s Report to the General Assembly in August 2006:

**Box 1: International Mandates and Youth Employment**

**International Mandates:**
- 1995 Social Summit
- Millennium Declaration 2000
- Millennium Development Goal 8
- UN General Assembly Resolution A/RES/57/165
- Other UN Resolutions on Youth (2004, 2005)
- International Labor Organization (ILO) Conventions relating to Youth
- International Labor Congress Recommendation 2005 (others)
- ECOSOC HLS 2006

**National Mandates:**
- Poverty Reduction Plans
- National Development Plans
- National Laws and Policies

There are numerous international, national, and regional mandates for a response to youth concerns. Box 1 summarizes mandates related to youth employment.
Despite the mandates listed in Box 1, and despite the growing understanding within multilateral agencies and developing countries that there is a need to focus on youth employment, the actions that have been taken are in the formative stages. The needs of young people are not given sufficient priority in Poverty Reduction Strategy Plans (PRSPs) of nation states (SIDA, 2009). Initiatives proposed and implemented are often piecemeal, and limited in time and scope. Mentioning youth employment in national policies or plans is not of much use without the implementation and monitoring of action plans that are linked to specific targets and budget outlays (ILO, 2006).

There has been an attempt to expand the knowledge of employment interventions for youth through the World Bank’s Labour Markets Team who produced a new study,

**TABLE 2: SHARE OF VULNERABLE EMPLOYMENT, NORTH VS. SUB-SAHARAN AFRICA (IN %)**

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<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Africa</td>
<td>42.9</td>
<td>40.3</td>
<td>39.8</td>
<td>41.1</td>
<td>40.9</td>
<td>38.6</td>
<td>37.1</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>80.9</td>
<td>79.3</td>
<td>79</td>
<td>77.3</td>
<td>77.7</td>
<td>78.3</td>
<td>77.4</td>
</tr>
<tr>
<td><strong>Males</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Africa</td>
<td>39.3</td>
<td>38.4</td>
<td>36.9</td>
<td>36.7</td>
<td>37.2</td>
<td>34.5</td>
<td>33.1</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>76.2</td>
<td>74</td>
<td>73.4</td>
<td>70.7</td>
<td>71.7</td>
<td>73</td>
<td>72</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Africa</td>
<td>55</td>
<td>46.2</td>
<td>48.8</td>
<td>54.2</td>
<td>52</td>
<td>50.3</td>
<td>48.5</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>86.9</td>
<td>86.2</td>
<td>86.4</td>
<td>85.8</td>
<td>85.3</td>
<td>85.1</td>
<td>84.4</td>
</tr>
</tbody>
</table>

*Source: ILO 2009a, January.*
the *Global Inventory of Interventions to Support Young Workers* (World Bank, 2007). The researchers found that there were very few evidence-based evaluations done on the programs reviewed. Though policy-makers consider measures to help young people make the transition into the labour market and obtain decent work, they are hampered by a lack of information on what their options are, what works in different situations, and what has been tried and failed.

**Women, Poverty, and Employment**

Urbanization and feminization of poverty going hand in hand. The impoverishment of women is revealed in their increased labour in the home, the social and cultural barriers to women’s employment, and the exploitation of women and girls (Aitken et al., 2006). More young women than young men are unemployed, with female unemployment upwards of 20% higher than male unemployment in some countries (World Youth Report, 2003). In 2009, female eclipsed male unemployment by 7.3% in Latin America and the Caribbean, 10.5% in the Middle East, and 11.4% in North Africa. Even though there has been an increase in the education of women, this has not translated into greater participation in the labour force (ILO, 2010).

As Table 2 demonstrates, SSA had, from 1997 to 2007, approximately double the rate of vulnerable employed than North Africa. In the case of women, in both regions their rate was higher than men, and women in SSA were on average 43% higher than women in North Africa.

Women work more hours than males and are more likely to engage in non-market activities. In Ethiopia, women work 48-hour workweeks versus 32 for males. Of those hours they spend 36 in household activities in contrast to the 15 males work in these tasks (Ethiopia LFS, 2005). Women as well face more job insecurity than men—especially jobs in industries that employ a large number of women are highly precarious with little job security, lower pay, few benefits, and weak social protection. International labour agencies such as the International Metalworkers Federation (IMF) and the Food, Agricultural, Hotel, and Restaurant Workers International (IUF) found that women’s jobs in industries such as food processing and electronics tend to be more precarious in general, with less security, lower pay, fewer
benefits, and weaker social protection than the jobs of men in these industries. Many of these workers are young female migrant workers, often from rural areas, with little bargaining power (IUF, 2010).

Often times young educated women in the developing world leave their home countries in search of work, such as is the case for nurses in the Caribbean. For example, in Jamaica, 8% of generalist nurses and 20% of specialist nurses leave for the developed world each year. Between 2002 and 2006, more than 1,800 nurses left the Caribbean to work abroad for a number of reasons, including higher salaries, better working conditions, more opportunities to advance their careers, and better training. In regards to training, the faculty-student ratio in developing countries is reported to be as high as 1:45 compared with a 1:12 ratio in developed countries. In Kenya, there is only enough teaching staff to train 100 nurses and midwives per year, meaning it would take hundreds of years to teach the required number to provide quality health care (WHO, 2010).

What becomes clear from these statistics is that for cities to prosper women need to be able to have a level platform from which to access education and employment so as to build better livelihoods. Access to education, training and support will smooth their path to productive employment.

In Closing

This chapter reviewed the state of urban youth globally within the context of the role of youth in the creation of prosperous cities. It touched on key issues such as the demographics of youth regionally and globally, the global policy response to youth employment by international agencies, the urban advantage and disadvantage, and the challenges faced by youth in their transition to employment. Special attention was given to the challenges of youth living in slums and employment challenges faced by women. Chapter 2 will analyze six urban areas in regards to urban prosperity and youth. The report will conclude with a series of policy and practice recommendations.
CHAPTER 2: CITIES OF YOUTH

This chapter analyzes the factors that help create prosperous cities. It analyzes youth’s relation to employment and wealth, referencing data from five urban areas as well as from the larger literature on the issue. Key to understanding employment and wealth is to understand the demographics of the developing world; more specifically, looking at the ability of youth to access decent and dignified employment, and the need for governments and institutions to facilitate this. The analysis of these countries is done using the Demographic and Health Survey (DHS). As there are no employment data captured in the DHS, this chapter utilizes a wealth index as a proxy, which is compiled of assets owned by households, such as TVs, electricity, appliances, cars, cycles, bikes, quality of housing, and access to sanitation facilities.

Summary Profile of Six Urban Regions

This chapter analyzes pertinent literature on youth employment and data from the Demographic and Health Surveys (DHS) from five urban regions: Bogota, Columbia; Cairo, Egypt; Accra, Ghana; Karnataka State, India; and Lusaka, Zambia. These urban regions have been chosen because they are regionally representative and experiencing—though in varying degrees—a demographic “youth bulge.” Because there are limited countries that have disaggregated data for specific cities, urban regional data from Karnataka State, India and the Punjab, Pakistan is included. The primary goal of the analysis of these urban regions is to move from the broader global review of research to a more fine-grained picture of the
state of youth prosperity and the factors that impact it. The following section is a summary of the urban regions under review.

Summary of Urban Regions

Bogota, COLOMBIA

Columbia has an estimated population of 44,725,543, and an annual population growth rate of 1.2%. Three quarters of the total population is urban and growing at an annual rate of 1.7%. Slum dwellers make up 16.1% (or 7,200,000) of the urbanites of Columbia (UN Statistics, 2010). Bogotá, with a population 8,262,000 million, is the capital of Columbia and its main economic and industrial center.

Cairo, EGYPT

Egypt has an estimated population of 82,079,636 and an annual growth rate of 1.96%. Forty-three percent of the total population lives in urban centres, which are growing at an annual rate of 2.1%. The proportion of urban residents living in slums is 17.1% (UN, 2010).

Greater Accra, GHANA

The country’s youth make up 28% of the total population (or 13,200,000). Twenty-one percent of youth (aged 15–24) were unemployed in 2007 (Population Reference Bureau, 2006). Sixteen percent of those were boys and 27% girls (UN Statistics, 2010). The youth unemployment rate is two and a half times that of adults.

Over 1,000 teens and their advocates marched on the Massachusetts State in support of jobs programs for young people.
© Jason Pramas/World Bank

One third of Egypt’s population is between 10 and 24 years of age (Population Reference Bureau, 2006). Ninety-five percent of all young people in Egypt complete primary school, and 69% of girls and 72% of boys attend secondary school. Youth unemployment rate in Egypt was 67% in 2006. This rate is over eight times (8.2) the unemployment rate among adults (UNICEF, 2010). Most unemployed are young women, whose employment rate has for the first time in a decade gone below 20%. Many of Egypt’s young educated females have either exited or never entered the labour market due to poor working conditions, low wages, and long hours.

The population of Ghana is estimated at 24 million with 16% of the population living in urban centres in 2005 (Population Reference Bureau, 2006). Almost 43% of Ghanaian ur-
banites live in slums (4,945,298) (UN Statistics, 2010). The population of the capital city, Accra, is estimated at 3,963,264 as of 2011.

Thirty-four percent (7,500,00) of the population is between 15 and 24 years of age (Population Reference Bureau, 2006), and 56% of the population of Accra is under the age of 24 years. Seventy-seven percent of Ghana's children completed primary school in 2008, an improvement of over 60% since 2000 (UN Statistics, 2010). Forty-two percent of children attend secondary school, an equal amount of boys and girls (UNICEF, 2010). Youth unemployment stood at 16.6% in 2000, which is 1.9 times higher than adult unemployment (United Nations Statistics, 2010). In Accra the unemployment rate is 12.2%.

Karnataka State, INDIA

Karnataka State has an estimated population of 52,850,562. Forty percent of Karnataka state is urban, with 7.6% (or 4,049,000) of citizens living in slums, which are growing at 6.3% each year. Twenty-eight percent (or 20,500,000) of the Indian population is between 10–24 years of age (Population Reference Bureau, 2006).

Though 93% of Indian children complete primary school and 54% of Indian children enter secondary school (UNICEF, 2010), there is still a wide gap between the education that Indian youth receive and the needs of the labour market; thus effecting negatively both the aspirations of Indian youth and society in general.
The Punjab, Pakistan

Pakistan has an estimated population of 187,342,721. Thirty-six percent of the total population is urban and this is growing at 3.1% a year (2010–15 est., UN, 2008). Forty-seven percent (or 89,000,000) of the urban population lives in slums. Young people (10–24) make up 34% of Pakistan’s population (54,200,000) (Population Reference Bureau, 2006).

The unemployment rate is 15%. Of youth, 7.5% are unemployed and the ratio youth unemployment to adult unemployment was 2.5 in 2007. Sixty percent of young people complete primary school of boys, while only 30% graduate from secondary school (World Bank, 2010). Lahore is the largest city in Punjab, the most populous province of Pakistan and the education capital of the country. The city has a growing computer assembly industry and is the country’s premier software producing center.

Lusaka, Zambia

Lusaka is the capital and largest city of Zambia with a population of 1,413,000 or a tenth of Zambia’s population. The country’s youth number 4,200,000 or 36% of the population (Population Reference Bureau, 2006). Thirty-six percent of the total population is urban and growing at a rate of 3.2% per year, with slum dwellers making up 57.3% (or 7,950,000) of this urban population. The per capita GDP of Zambia is USD 1,500 (2010 est.) and Zambia has an unemployment rate of 50% (2009 est.). The ratio youth (15–24) unemployment rate to adult unemployment rate in Zambia was 2.5 in 2001 (UN, 2010b).

Each of these urban regions has a large youth demographic who face two key challenges: the lack of decent employment and access to education. The following section further expands upon the youth bulge phenomenon as it relates to prosperity and the related challenges of education and employment.

Youth as Engines of Prosperity

One of the most striking dimensions of urban growth in the developing world is the demography, which has been called the “youth bulge,” defined as a high proportion of 15–29 year olds relative to the adult population. The youth bulge has often been described in negative terms, especially in regards to the Middle East, North Africa (MENA), and the sub-Saharan African region, where it has been linked
FIGURE 7: POPULATION PYRAMIDS FOR THAILAND FROM 1960–2005

Source: UNSD WPP 2008
Recent research has shown that a youth bulge may indeed be associated with increased risk of violence and conflict and that one of the primary drivers for the violence is disenfranchised and unemployed youth (Urdal, 2006; Cincotta, 2008). Yet the youth bulge is also a window of opportunity, where the youthful labour force coincides with fewer dependants, thus providing an opportunity to maximize the rate of investment, economic growth, and employment.

Research shows that the youth bulge has different phases, depending on the relative age of the youth of the population to the non-youth population. At the beginning of a youth bulge, there are more dependent and fewer productive children and youth than there are older and more productive youth and adults. As the youth bulge progresses, more of the younger contingent becomes productive, to the point where there are more productive workers than there are dependants. This best can be seen in the example of Thailand from 1960–2005.

Figure 7 shows that from 1960 to 1980, there was a high ratio (above 50%) of unproductive youth to productive older youth and adults. This began to change in the 1990s where there was a dramatic 23% drop in the unproductive to productive youth ratio. By the year 2000 this ratio was below 50%, a condition that will last until late 2020s. This is the “window of opportunity” or “demographic gift,” where households have a greater number of productive youth, which begets more disposable income, a greater ability to save and purchase, and an increase in the standard of living. Research has confirmed this relationship – finding that there is a correlation between a youthful demographic and the advancement of GDP (Kohsaka, 2007). What is important during this stage is the country’s development of programmes and policies that improve youth’s access education and training, and their overall mainstreaming into the economy.

Education and Prosperous Cities

Research done for the previous SUYR report demonstrates that there is a positive correlation between education and the many dimensions of well-being such as improved general health and the halting of the spread of deadly diseases such as HIV/AIDS (SUUR, 2010). Though MDG 2 is focused on ensuring that all children complete a full course of primary schooling, it excludes any reference to youth and their completion of secondary or post-secondary education (UNDP, 2011). This omission demonstrates the pressing need for the global community to better understand education for children and youth as a continuum from primary through secondary and on to higher levels of education; each stage being integral to the next, without which a person cannot progress from childhood to adulthood.

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1 Working-age is defined as between 15 to 64 years while the dependent age group is defined between 0 to 14 years.
Education, Employment and Low Dependency Ratio Countries: Columbia, India, and Egypt

Countries with a lower dependency ratio such as Columbia (dependency ratio of 58), India (61), and Egypt (65), have had to focus on policies that assure the upgrading of skills training, advanced and tertiary education, and provision of skilled employment. Egypt, for example has the largest group of youth ever to enter the job market both absolutely and in relative terms. Yet Egypt, as well as other Arab countries, suffers from a brain drain, where the loss of talented young people who could contribute to nation building is serious, as is the high investment in education by the government, which ends up benefiting other countries (Lancaster, Smith, & Thomas, 2008).

Unfortunately for Egyptian youth, though there has been an expansion in education; schools have been geared towards preparing students for bureaucratic work or for jobs in state-owned enterprises rather than jobs in the market economy. The result has been that the increase in the quantity of education has been rendered almost meaningless, as the quality of education has decreased. Egyptian young people, especially women, face serious difficulties and challenges in finding a career job after leaving school, with only 17 % of youth respondents of a recent survey having completed the transition from school to work; 25% were still was in transition—that is, either unemployed or not yet in a career job—and the rest had not begun their transition (Assaad, Ragui, & Barsoum, Ghada, 2007).

India is also a low dependency ratio country. One of the primary challenges faced by Indian youth in rural areas is infrastructure—specifically the lack of secondary and higher education. Many Indian youth and their families migrate to urban areas for better education of their children. Globalization has brought many opportunities to India, yet the systematic disinvestment in higher education in recent years has yielded neither world-class research nor highly trained scholars, scientists, and managers for the growing high tech sector (Selvam, 2010). Forty-six per cent of youth between the ages of 15–24 in India are unemployed. That is three times the unemployment rate among Indian adults. This is not a problem of job unavailability, but the result of a shortage of skilled labour force.
For example, the Indian auto industry is on the rise, but auto companies have had to cut back on expansion due to a lack of adequate skilled staff. There is a shortage of skilled workers for nearly 20% of the infrastructure and construction sector. In response, some firms are taking the initiative to begin their own training centers for construction workers (UNDESA, 2010).

The inability of governments to provide education attuned to the needs of the job market combined with meaningful employment opportunities can be one of the main causes of discontent of young people globally. Though this is the principal problem for both high and low dependency ratio countries, high dependency countries face greater challenges due to the larger percentage of the population that need to be provided education and job training.

A demographic youth bulge presents itself differently for those countries with high dependency ratios in urban regions analyzed in this report such as Ghana (76), Pakistan (82), and Zambia (99). These countries face substantial challenges in that they have a disproportionate level of dependent young people who are in need of employment, health care, and education (Lam, 2007). One way in which countries have supported a dependent young population is to aim for full primary education so young people have the basic building blocks to be able to move towards higher levels of education. This has been done fairly successfully worldwide where primary school enrolment rates in low-income countries rose from 50% in 1970 to 88% in 2000 with an average of over 80% of children completing primary school (UNICEF, 2003).

In Figure 8 we see that in three out of the five urban regions, primary education was more accessible in rural areas\(^2\), but secondary or higher education was more accessible for youth in urban areas than rural areas.

\(^2\) In actuality it is three out of four as Cairo, Egypt had not primary education data.
The only urban area in which this was not the case was Bogota, where primary education was more available in rural areas. Bogota is representative of Latin America as a whole, which is in a low dependence ratio phase, having an older demographic and thus less need and lower presence of primary education.

Yet, though education is accessible, there are still regions such as in SSA where youth do not attend school, or when they do, they receive poor quality education. In Ghana and Zambia, fewer than 60% of all 15 to 19 year olds who have completed six years of education can read a simple sentence in their own language (World Bank, 2006). As well, the success of primary education has seemingly come at the cost of, or at least with the lack of foresight in, investment in secondary and tertiary education.

As shown in Figure 9, in Zambia there is a precipitous drop off in schooling after grade five of primary education, with girls and those in the poorest wealth categories declining the most.
Zambia is typical of many countries in SSA in that it is in the early stages of the youth bulge. Though there is a large number of young people who complete primary school, countries from this region have yet to capitalize on the potential through continued education. Though this region has begun establishing the fundamentals for growth by providing access to primary education, the region is unable to increase its economic growth through educating and training youth for the job market.

One way in which countries such as Zambia have provided support for children and young people who may have not had quality primary education, or are currently challenged with finding quality post primary education, is to provide “second chance” opportunities such as undertaken in Ghana’s functional literacy program or through building skills in public works programs, ideally programs that focus on basic literacy. UN-Habitat has undertaken programs such as the Moonbeam Youth training centre, the One Stop Resource Centres, and the We are the Future centres in post-conflict countries in Africa (UN-Habitat, 2011).

Education is key to a peaceful and sustainable society. Yet, educational accessibility is affected by infrastructure in the case of rural areas and of slums, and by cultural and societal barriers in the case of young women. And even if education opportunities were provided, if they are of poor quality or not adapted to the needs of the job market, they will block youth from finding dignified and profitable employment, add to youth’s disillusionment and hopelessness, which in turn may lead to violence.
Education and Gender

Women face significant barriers to education as shown by DHS data analyzed for this report. Figure 10 reveals gender differences in level of completed education.

In almost all urban regions analyzed, girls and young women were represented in greater number than men in the primary and no education categories. In the high levels of education, men begin to overtake women in the secondary category, and by the higher education category they dominate; except in the case of Bogota, where both genders are almost even. As previously stated, more young women than men are unemployed in all regions of the world. The lack of access to secondary and higher for young women exacerbates the already existing barriers.

Education Accessibility, Infrastructure, and Wealth

There is a strong case for the linkage between education and employment. Barriers to education limit the ability of youth to acquire decent and well paying jobs. As mentioned previously, in regards to the urban regions analysis there is no employment data in the DHS, so a proxy indicator was found in the Wealth Index. Though clearly there is a downside to not being able to directly analyze employment in relation to education and other variables, there is an upside in that the wealth index incorporates other indicators such as infrastructure in the form of household sanitation and water, housing quality, transportation, etc. Figure 11 analyzes this Wealth Index broken into poor, middle income, and rich households, against the graduation rates of respondents in each city.

Figure 11 demonstrates how poor and middle-income respondents have been able to graduate from primary education, with the most equitable access across all income levels being respondents from the urban areas of Karnataka. Stark are the decreasing graduation levels of the poor and middle-income respondents in secondary level education, to the almost non-existence of these income levels at the higher
education level. Again, the different stages of the youth bulge play a role here, where urban regions with older demographics and lower dependency ratio (Bogota and Karnataka) have a more evenly distributed representation in secondary education than African urban regions, which have a younger demographic and higher dependency ratio. Across the board it can be inferred that the lack of representation of poor and middle-income respondents in secondary and higher education places youth in a deficit position when accessing education and training needed to achieve employment.

One aspect of infrastructure that seems to have great impact on youth’s access to employment and advancement in their livelihoods is in the area of technology, and more specifically mobile technologies.

**Urbanization, Increased Wealth, and Mobile Technologies**

Mobile technology has become increasingly important for both telephone services and a means to access the Internet. Limited access to the internet because of lack of access to fixed broadband technology is often compensated for by the growth of mobile technologies, especially in regards to youth (Halewood, 2007). With the arrival of fibre optic cables in many places in the developing world and the subsequent increase in the speed of the Internet and decrease in cost, the ability for young people to access the Internet has increased (Ragan, 2010; CP-Africa, 2011).
Though there is no specific data on mobile ownership in the DHS dataset, the wealth index captured a fixed line ownership indicator as can be seen in Figure 12. This data shows a strong correlation between household phone ownership and wealth. In the city of Accra, Ghana, for example, 97.4% of the fixed line phones are owned by very wealthy households. This suggests not only a strong link with wealth, but also with inequity, with fixed lined phones owned almost exclusively by the elite.

Communication technologies such as mobile phones enable increased social inclusion through employment generation and access social services for marginalized persons such as women (Gillwald, 2010). A high level of competition and a decrease in cost have substantially reduced the digital divide in mobile telephones. Mobile phones are more present than any other form of communication technologies. The most recent data shows that 45% of inhabitants in the developing world have a mobile phone, with one out of four Africans and one out of three Asians owning a mobile phone (ITU, 2010). Africa, which has the highest mobile growth rate, with annual growth over the past five years averaging approximately 50% and with a total of 198 million mobile subscribers (ITU, 2010), could possibly become the first “post-PC” continent, relying solely on mobile and not desktop technologies (Wanjiku, 2011). There is little data on young people’s use of mobile technology, but a survey on youth access to ICTs done for the 2007 World Bank World Development report found that in India well over 50% of youth surveyed had access to mobile phones (Halewood, 2007). Research on youth and

Students take a computer course at the Banana Center which is a private school. Cambodia. © Masaru Goto/World Bank
ICTs found that of the five billion mobile phone owners globally, 1.6 billion were youth; by 2012 one in five of the youth who own mobile phones will live in India (Rees, 2011).

From the DHS survey it is clear that ownership of a fixed phone line correlates with wealth and home ownership. However, there is no data demonstrating similarly that mobile phones are related to wealth. Mobile phones, which are more accessible to marginalized populations, may be linked to the opportunity to increase wealth and prosperity. This, combined with their significant uptake by youth, suggests that mobile phones can offer an important vehicle through which youth can become more prosperous and begin to bridge intergenerational wealth disparities.

The Grameen Bank provides an excellent example of the potential of mobile communication technologies to narrow the wealth gap and increase income-earning capacity. Its AppLab (The Application Laboratory) develops and promotes the use of mobile phones and other ICTs (Information and Communication Technologies) to alleviate poverty. In a current implementation, known as the Community Knowledge Worker Initiative in Uganda, it uses smart phones and local workers to get ac-
tionable, relevant, local information to where workers need it, and provides the ability to collect data in real-time. A growing group of 689 Community Knowledge Workers (CKWs) presently serves 43,980 Ugandan farmers. As the program proves its value, it may expand to serve 200,000 farmers in Uganda. While this initiative is being deployed in a rural environment, it is clearly in order to explore its application in urban markets as well. Further, stronger income generation in rural areas will likely diminish urban migration by younger age groups and may spur the return of those with precarious urban livelihoods.3

In Closing

This chapter analyzed factors that help create a prosperous city, mainly youth’s access to education and infrastructure, which paves the way to decent employment. These factors are, pivotal in the capacity of governments and institutions to enact and implement supportive programs and policies. The final chapter will summarize and present the key points of this report related to the creation of prosperous cities through youth employment.

3 For more information, see http://www.grameenfoundation.applab.org/section/index and http://www.grameenfoundation.org/what-we-do/empowering-poor
CHAPTER 3: POLICY AND PRACTICE

Institutions can be strong allies of youth—if they recognize the generative potential of youth as well as the challenges faced by youth in the developing world. The following are the major findings of this report, with suggestions on further areas of research that can be taken both in the broader area of youth employment, as well as relating directly to the upcoming SUYR 2011-2012.

Youth are assets to their community and a key constituency of cities.

Youth have the capacity to be productive citizens, yet often face prejudice or indifference. In the analysis of the cities for this report we find that there are many instances where youth are working to create prosperous cities as middle to rich income heads of households or through the adoption of new technologies such as mobile phones. Policy makers and researchers should expand the knowledge base on youth’s role economically, moving beyond seeing them as clients, but as current or potential leaders in their households and their communities.

Focus on transitions: Youth as one stage in a continuum from childhood to adulthood.

Much more can be learned about the transitions from childhood to youth to adulthood. In regards to education, there is an urgent need to focus on access to secondary and ter-
tary education. Currently there is a strong focus on primary education, yet the attainment of this goal in isolation runs the risk of creating more disillusionment and anger if primary graduates can’t continue their education. All stages of transition for youth must be supported—not just the earliest.

**The youthful developing world: Tailoring the global response to employment.**

The developing world is going through a youth bulge, with each region at different stages. Regions such as Latin America and the Caribbean and Asia have a low dependency ratio versus Africa, which has high dependency ratios. For effective support from governments and institutions, aid must be tailored to the different demographic stage each region is in. For example, in addition to formal schooling, non-formal training by government and other institutions must be expanded as long as the practices can be deemed efficient and effective through the undertaking of rigorous evaluation and monitoring.

**Women are key to prosperous cities.**

To achieve socially and economically vibrant cities, women must be included. Young women face the same barriers as men, with the addition of societal and cultural norms that impede their transition to decent work. Special focus must be given to assure that women can work equal hours for equal pay, that they work in safe environments that are free from harassment and discrimination, and that family obligations are respected and taken into account. Support for women’s use of ICTs and mobile technologies would also be a positive step.

**The improvement of and increased accessibility to urban infrastructure**

The research done for this report suggests that those with greater wealth and access to infrastructure have better access to higher levels of education. To assure that there is equitable access to employment there must be equitable access to infrastructure. This can range from the provision of more and higher quality schools in slums, to the provision of roads and other basic infrastructure. Communication infrastructure, and more specifically mobile technologies, are as well key to enabling youth to smoothly transition to employment.
Initiate and expand evaluation of best practices in skill training programs.

A range of skills training programs is underway globally, yet there is little empirical data to support their effectiveness. The Youth Employment Inventory is one example of a global program looking to document and learn from ongoing programs. Further evaluations need to be done and lessons learned need to be shared in a systematic way.

Collect labour force statistics disaggregated by age and along other dimensions (gender, disability status, etc.).

There is a disturbing dearth of data on young people aged 15–24. There is an urgent need to work with governments and other institutions to collect and analyze employment data disaggregated by gender and age so as to better understand the underlying trends, identify where progress is being made, and assess the effectiveness of interventions (ECA, 2009).
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Youth are key to the prosperity of cities in the developing world, yet many barriers prevent them from fulfilling this role — most notably access to education, vocational training, and employment. It is crucial that governments and institutions assist youth to overcome these barriers by facilitating equitable access to education and employment. This report focuses on the nexus between employment, cities, and youth: areas that drive economic prosperity in the developing world. The report analyzes those factors that increase the ability of youth to secure employment. Mobile communication technologies as well emerge as supporting asset development among young people and equalizing wealth disparities. The conclusion considers policy and program implications.