YOUTH AND SKILLS
Putting education to work

EMBARGO UNTIL 16 OCTOBER 2012
Overview

With just three years to go until the deadline for the Education for All goals that were set in Dakar, Senegal, it is vitally urgent to ensure that the collective commitments made by 164 countries in 2000 are met. Lessons also need to be drawn to inform the definition of future international education goals and the design of mechanisms to make sure that all partners live up to their promises.

Unfortunately, this year’s EFA Global Monitoring Report shows that progress towards many of the goals is slowing down, and that most EFA goals are unlikely to be met. Despite the gloomy outlook overall, progress in some of the world’s poorest countries shows what can be achieved with the commitment of national governments and aid donors, including greater numbers of children attending pre-school, completing primary school and making the transition to secondary education.

The 2012 EFA Global Monitoring Report is divided into two parts. Part I provides a snapshot of progress towards the six EFA goals, and towards spending on education to finance the goals. Part II turns to the third EFA goal, paying particular attention to the skills needs of young people.

Monitoring the Education for All goals

The six Education for All goals

Expand early childhood care and education

Early childhood is the critical period in which to lay the foundations for success in education and beyond, so early childhood care and education should be at the centre of EFA and broader development agendas.

Children who are hungry, malnourished or ill are not in a position to gain the skills needed for later learning and employment. There are signs that early childhood health is improving, but from a very low base in some countries and not fast enough to meet international development goals. The annual rate of decline in child mortality accelerated from 1.9% in 1990–2000 to 2.5% in 2000–2010. Recent estimates suggest that just over half the decline in child deaths can be attributed to more education among women of reproductive age.

While it is encouraging that today 3 more children survive for every 100 born than in 1990,
there are still 28 countries, 25 of which are in sub-Saharan Africa, where more than 10 in 100 children die before the age of 5.

An important factor behind child deaths is malnutrition, which also hinders children’s cognitive development and capacity to learn. Stunting, or being short for one’s age, is the clearest sign of malnutrition. Globally, 171 million children under age 5 were affected by moderate or severe stunting in 2010. By 2015, on current trends, the number of children suffering from stunting will still be as high as 157 million, or around one in four children under 5.

Children in rural areas and from poor households suffer more because nutrition is not just a matter of general availability of food. Rather it is also a matter of access to food, good health care, water and sanitation services, from which the poorest are often denied. For example, in Nepal, the stunting rate was 26% among the richest children and 56% among the poorest, with corresponding rates of 27% in urban and 42% in rural areas. Ongoing food price instability, climate change and conflict make improving nutrition a challenge in many parts of the world.

But the contrasting experience of many countries shows that political commitment can markedly improve nutrition. Within less than two decades, Brazil managed to eliminate an urban-rural gap in malnutrition thanks to a combination of improved education of mothers, access to maternal and child health services, provision of water and sanitation, and targeted social transfers. Over the same period, rates of malnutrition, particularly in rural areas, in countries such as the Plurinational State of Bolivia, Guatemala and Peru, remained higher than expected for their income level.

Good quality pre-school programmes are also vital to prepare young children for school. Evidence from places as diverse as Australia, India, Mozambique, Turkey and Uruguay demonstrates the short- and long-term benefits of pre-primary education. These range from a head-start in literacy and numeracy skills to improved attention, effort and initiative – all of which lead to better education and employment outcomes.

Recent evidence based on the 2009 survey in the OECD Programme for International Student Assessment (PISA) shows that in fifty-eight out of sixty-five countries, 15-year-old students who had attended at least a year of pre-primary school outperformed students who had not, even after accounting for socio-economic background. In Australia, Brazil and Germany, the average benefit after controlling for socio-economic background was equivalent to one year of schooling.

Since 1999, the number of children enrolled in pre-school has risen by almost half. However, this still leaves more than one in two children not attending, rising to five out of six in the poorest countries. The groups that would benefit the most from pre-school are missing out the most.

In Nigeria, about two out of three children from the richest 20% of households attend pre-school, compared with less than one in ten from the poorest 20% of households.

Underinvestment is a key reason for low coverage of pre-schooling. This level accounts for less than 10% of the education budget in most countries, and its share tends to be particularly low in poor countries. Nepal and the Niger spend under 0.1% of GNP on pre-school, and Madagascar and Senegal less than 0.02%.

One consequence of low government investment is that the average share of enrolment in private pre-school is 33%. In the Syrian Arab Republic, with a pre-primary gross enrolment ratio of 10%, the share of private provision was 72%. This indicates demand that is not met by the public sector.

It seems unlikely that expanding fee-charging private pre-schools will reach more of the poorest households, whose children are those least likely to be enrolled. In India’s Andhra Pradesh state, pre-school enrolment in rural areas is highest among the richest 20% of households, where almost one-third of children attend private institutions. Almost all children in pre-school from the poorest households are served by government providers.

Where children live can also determine the quality of the service. In rural areas of China,
Peru and the United Republic of Tanzania, children who make it to pre-school are more likely than urban children to be in an overcrowded class with fewer qualified teachers and fewer learning resources.

To ensure that all children reap the benefits of pre-school, reforms are needed, including expanding facilities and making sure they are affordable, identifying appropriate ways to link pre-schools with primary schools, and coordinating pre-school activities with wider early childhood interventions.

The importance of making balanced efforts to improve conditions for young children is further highlighted by a new index developed for this year’s Report, which evaluates progress on this goal and its three main components: health, nutrition and education.

Some countries score almost equally well on all three indicators (such as Chile) or equally poorly (such as the Niger). Others have a very high or very low score for one dimension relative to their overall standing in the index scale, which reveals specific challenges. For example, Jamaica and the Philippines both have a child mortality rate of about 30 per thousand live births but have very different education records. Only 38% of children aged 3 to 7 were enrolled in a pre-primary or primary school programme in the Philippines, compared with 90% in Jamaica. This highlights the need to invest in integrated approaches that give equal importance to all aspects of early childhood development.

**Achieve universal primary education**

On current trends, the goal of universal primary education (UPE) will be missed by a large margin. The major push towards getting more children into school that was kick-started at the World Education Forum in Dakar in 2000 is grinding to a halt. The number of primary school age children out of school has fallen from 108 million to 61 million since 1999, but three-quarters of this reduction was achieved between 1999 and 2004. Between 2008 and 2010, progress stalled altogether.

South and West Asia and sub-Saharan Africa started from similar positions in 1999 with around 40 million children of primary school age out of school, but have subsequently progressed at very different speeds. Between 1999 and 2008, the number of out-of-school children in South and West Asia fell by 29 million, while the reduction in sub-Saharan Africa was a more modest 11 million. Between 2008 and 2010, out-of-school numbers increased in sub-Saharan Africa by 1.6 million, but declined by 0.6 million in South and West Asia. Sub-Saharan Africa now accounts for half of the world’s out-of-school children.

Among countries with data, twelve account for almost half of the global out-of-school population, Nigeria heads the list with one in six of the world’s out-of-school children, a total of 10.5 million. It had 3.6 million more children out of school in 2010 than in 2000. By contrast, Ethiopia and India managed to reduce their numbers of out-of-school children dramatically. In India, there were 18 million fewer children out of school in 2008 than in 2001.

Among those out of school, some may enter late, while others may have dropped out and may never enrol. In 2010, 47% of children out of school were likely never to enrol. The proportion was highest in low income countries, where 57% of out-of-school children could expect never to enrol. Girls were more likely than boys to belong to this group.

Just five years before 2015, twenty-nine countries had a net enrolment ratio of less than 85%. These countries are very unlikely to achieve the goal of UPE by the deadline.

Children of official school starting age who did not enter school by 2010 will not be able to complete the primary cycle by 2015. In 2010, there were seventy countries with a net intake rate below 80%.

The challenge of UPE is to get children into school at the correct age and to ensure that they progress through the system and complete the education cycle. Analysis for this Report shows that, across twenty-two countries with household survey data between 2005 and 2010, 38% of students entering school were two or more years older than the official age. In the sub-Saharan African countries included in the analysis, 41% of the children starting primary
school were two or more years older than the official school entry age.

More children from poor households start late, usually because they live too far from school, their health and nutritional status is worse and/or their parents may be less aware of the importance of sending children to school on time. In Colombia, 42% from the poorest households started two or more years late, compared with 11% from the richest households.

Late entry influences whether children complete the education cycle. By grade 3, children who have entered late can be four times as likely to drop out as children who started school at the correct age.

Poverty also has a negative effect on children’s likelihood of leaving school early. In Uganda, 97 out of every 100 children from the richest quintile entered primary school and 80 reached the last grade in 2006; of children from the bottom quintile, 90 out of 100 entered school but only 49 reached the last grade.

To tackle the barriers that prevent disadvantaged children from entering on time and progressing through school, system-wide reforms are needed. In many countries, cost is the primary reason parents do not enrol their children in school or take them out of school. Even after school fees have been formally abolished, official or unofficial fees still accounted for almost 15% of such spending in eight countries analysed for this Report.

Richer households are able to spend significantly more on their children’s education, improving their opportunities for better quality schooling. This includes spending more on private schooling or private tuition. In Nigeria, the richest 20% of households spend more than ten times as much as the poorest 20% for children to attend primary school. Even low fee private schooling is out of reach for the poorest households. Sending three children to a school in a Lagos slum costs the equivalent of 46% of the minimum wage. In Bangladesh and Egypt, the richest households spend four times as much as the poorest households on supplementary tuition, and are more likely to invest in such tuition in the first place.

Abolishing formal school fees has been a fundamental step towards realizing UPE. But it is also important for governments to take complementary measures, such as grants for schools to help them cover their costs so that they do not informally impose other charges on parents. Social protection measures, such as cash transfers, are vital to ensure that poor households have the financial means to cover all school costs without compromising their spending on other basic needs. Steps also need to be taken to ensure that the ability of richer households to spend more on private schooling and private tuition does not lead to widening of inequality.

**Promote learning and life skills for young people and adults**

The social and economic challenges of recent years have focused attention on the availability of skills and learning opportunities for the young. As the thematic part of this Report details, these challenges are bringing a sense of urgency to an important goal that has not been given the attention it deserves because of the ambiguity of the commitments made when the EFA goals were established in 2000.

Formal secondary schooling is the most effective way to develop the skills needed for work and life. Despite a global increase in the number of children enrolling in secondary school, the gross enrolment ratio for lower secondary school was just 52% in low income countries in 2010, leaving millions of young people to face life without the foundation skills they need to earn a decent living. Worldwide, 71 million adolescents of lower secondary school age were out of school in 2010. The number has stagnated since 2007. Three out of four out-of-school adolescents live in South and West Asia and sub-Saharan Africa.

There are 25% more children in secondary school today than in 1999. Sub-Saharan Africa has doubled the number of students enrolling over the period, yet has the world’s lowest total secondary enrolment ratio, at 40% in 2010.

Some young people develop skills through technical and vocational education. The proportion of secondary school pupils enrolled in such programmes has remained at 11% since 1999.
Skills are not only developed in school. International organizations have a range of frameworks for categorizing skills and skills development programmes. But twelve years after the EFA goals were established in Dakar, the international community is still a long way from agreeing what constitutes progress in ‘equitable access to appropriate learning and life skills programmes’ (the core of goal 3), agreeing on a coherent set of internationally comparable indicators and assessing whether progress is being made. There are promising signs that the situation may be changing, but recent developments will not produce sufficient data in time to measure goal 3 adequately before the deadline has passed.

Any post-2015 international goals for skills development need to be more precisely defined and to set out clearly how progress can be measured. This should be based on a realistic assessment of information that can be collected, in order to avoid the problems that have plagued efforts to monitor goal 3.

The Dakar Framework for Action specified some risks from which young people need to be protected by developing the relevant life skills. One of those risks was HIV and AIDS. HIV-related knowledge remains low. Recent global estimates based on 119 countries show only 24% of young women and 36% of young men aged 15 to 24 being able to identify ways of preventing the sexual transmission of HIV and to reject major misconceptions about its transmission.

Knowledge of HIV and AIDS is low even in countries with high prevalence rates. In 2007, about 60,000 grade 6 students [aged around 13, on average] in 15 countries of southern and eastern Africa were assessed on their knowledge of HIV and AIDS. The test focused on the official curriculum frameworks for HIV education adopted by ministries of education in the participating countries. The results suggest ineffective implementation and possibly poor design of the official curriculum. On average, only 36% of students reached the minimum required knowledge levels and just 7% reached the desirable level.

It is not enough to ensure that youth know how to protect their own health and the health of others if, for example, they do not feel empowered to take the right action at the right time.

Life skills education with a focus on HIV and AIDS encourages young people to adopt attitudes and behaviour that protect their health, for example by empowering them to negotiate sexual relations. It does this by addressing psychosocial and interpersonal skills such as assertive communication, self-esteem, decision-making and negotiation. Life skills programmes that approach sensitive issues in ways that allow student engagement should be introduced to complement topics in the curriculum such as health education and broader HIV and AIDS education.

Reduce adult illiteracy by 50%

Literacy is crucial for adults’ social and economic well-being – and that of their children. Yet progress on this goal has been very limited, largely as a result of government and donor indifference. There were still 775 million adults who could not read or write in 2010. Half were in South and West Asia, and over a fifth in sub-Saharan Africa.

In 81 out of the 146 countries with data for 2005–2010, more women than men are illiterate. Of these countries, twenty-one display extreme gender disparity, with fewer than seven literate women for every ten literate men.

Globally the adult literacy rate has increased over the past two decades, from 76% in 1985–1994 to 84% in 2005–2010. But among forty-three countries with an adult literacy rate below 90% in 1998–2001 only three will reach the target of reducing illiteracy by 50% by 2015. Some countries are likely to miss the target by a very wide margin. And while some in the latter group have made significant gains – such as Mali, which doubled its literacy rate – others, like Madagascar, have experienced a decline in the last decade.

Almost three-quarters of adults who are illiterate live in just ten countries. Of the global total, 37% live in India. In Nigeria, the number of illiterate adults has increased by 10 million over the past two decades, to reach 35 million.

An important question is whether these data present the full extent of the problem. Adults are
asked whether they can read and write rather than having their abilities put to the test. Direct approaches to assessing adult skills provide richer profiles of literacy skills.

It is commonly assumed that it takes four or five years of school for children to use reading, writing and calculation with ease. New analysis of household surveys for this Report shows, however, that far more children than expected in low and lower middle income countries are completing primary school without becoming literate. In Ghana, for example, over half of women and over one-third of men aged 15 to 29 who had completed six years of school could not read a sentence at all in 2008. A further 28% of the young women and 33% of the young men could only read part of a sentence.

The environment in which people live can affect their ability to acquire and maintain literacy skills. Preliminary findings of the Literacy Assessment and Monitoring Programme in Jordan, Mongolia, Palestine and Paraguay show that literacy rates can mask large differences in the range of practices and in the environments that shape the literacy skills of adults.

In high income countries, the universal spread of schooling has consigned high levels of illiteracy to the distant past. Yet direct assessments indicate that as many as one in five adults in these countries, equivalent to around 160 million adults, have very poor literacy skills – unable to use reading, writing and calculation effectively in their day to day lives, for example to apply for jobs or interpret information on a medicine bottle. Those facing social disadvantage, including the poor, migrants and ethnic minorities, are particularly affected.

People with poor reading and writing skills are often stigmatized and suffer from low confidence. This poses a major challenge for adult literacy initiatives. Programmes that help participants benefit from using literacy skills in daily life encourages adults to participate while avoiding the stigma that can be associated with their involvement. High level political commitment and a long-term, coherent policy vision, backed by sufficient resources, are needed to tackle the problem.

Achieve gender parity and equality

Gender parity and equality in education constitute a basic human right, as well as an important means of improving other social and economic outcomes. Narrowing the gender gap in primary enrolment is one of the biggest EFA successes since 2000. Even so, many countries are still in danger of not achieving gender parity in primary and secondary education by 2015. And more needs to be done to ensure that education opportunities and outcomes are equitable.

Sixty-eight countries have still not achieved gender parity in primary education, and girls are disadvantaged in sixty of them. While countries like Ethiopia and Senegal have made tremendous progress, others, including Angola and Eritrea, have gone backwards.

The number of countries where girls face extreme disadvantage, or a gender parity index below 0.70, fell from sixteen in 1990 to eleven in 2000, and to just one in 2010 – Afghanistan. Despite its place at the bottom of the rankings, however, Afghanistan has made great progress in recent years.

Severe disadvantage – measured by a gender parity index below 0.90 – is also lower than ten years ago. Of the 167 countries with data for both 1999 and 2010, thirty-three had a gender parity index below 0.90 in 1999, including twenty-one in sub-Saharan Africa. By 2010, there were only seventeen countries in this group, including twelve in sub-Saharan Africa.

Countries that have made sufficient progress to have now achieved gender parity, such as Burundi, India and Uganda, show what can be done when strategies are put in place to improve girls’ participation in school, such as mobilizing communities, targeting financial support for girls, ensuring that gender-sensitive teaching methods and materials are used, and providing safe, healthy school environments.

Understanding the reasons for girls’ lower enrolment is necessary to achieve gender parity. Analysis for this Report of household survey data in nine countries shows that girls face larger obstacles to entering primary school than boys, but once in school they tend to have an equal
chance of completing it. In Guinea, for example, only 40 out of 100 girls from the poorest households reach the end of primary school, compared with 52 boys. This is largely due to fewer girls starting in the first place: 44 out of 100 girls from poor households enter school, compared with 57 boys.

In over half of the ninety-seven countries with gender disparity at secondary level, fewer boys than girls are in school. These countries tend to be richer and to have higher enrolment overall. They are concentrated in Latin America and the Caribbean, and East Asia and the Pacific. But there are also three low-income countries where boys are disadvantaged: Bangladesh, Myanmar and Rwanda.

The main factor driving boys out of secondary school appears to be poverty and the pull of the labour market, as can be seen in Latin America and the Caribbean. For example, in Honduras six out of ten boys aged 15 to 17 were in paid work, of whom only two were in school. By contrast, only two in ten girls were in paid work. Boys may also drop out because of the school environment, including teachers’ attitudes. Although differences in learning styles between boys and girls are less significant than the similarities, teachers need to be aware of such differences and be prepared to adjust their teaching and assessment methods accordingly. Two methods that have been tried but shown to be inappropriate in some contexts are single-sex schools and streaming classes by performance.

Boys also face disadvantages in learning outcomes, notably in reading. Over time, this gender gap has been widening in favour of girls. Boys continue to have an advantage in mathematics, but there is some evidence that the gap may be narrowing.

There is no inherent difference in the capacities of girls or boys to perform equally well in school. To close the gap in reading, parents, teachers and policy-makers should find creative ways to entice boys to read more, including harnessing their interest in digital texts. To close the gap in mathematics, progress in gender equity outside the classroom, notably in employment opportunities, could play a major role in reducing disparities.

**Improve the quality of education**

Among the world’s 650 million children of primary school age, it is time for emphasis to fall not only on who do not reach grade 4 but also on the additional in school but failing to learn the basics.

Analysing patterns of inequality in learning outcomes, and what is driving them, can help shape policies that enable children from poor backgrounds to beat the odds. In the seventy-four countries and economies that participated in the 2009 PISA survey, the higher the quartile of the socio-economic index to which a student belonged, the better the performance, with a similar pattern for boys and girls.

In middle income countries participating in the assessment, student performance was very low: on average, at least half scored below level 2 in mathematics. Even so, over time, some middle income countries have been able to increase mean scores and reduce inequality in learning outcomes. The percentage of low performers in each quartile of socio-economic status in Brazil and Mexico fell between 2003 and 2009. This is particularly impressive given that participation in secondary education increased significantly over the period. Targeted social protection policies that have been implemented in these countries since the late 1990s are a likely source of the gains made by disadvantaged students.

Teachers are the most important resource for improving learning. In many regions, a lack of teachers, and especially of trained teachers, presents a major obstacle to achieving the EFA goals. The latest estimates suggest that 112 countries need to expand their workforce by a total of 5.4 million primary school teachers by 2015. New recruits are needed to cover both the 2 million additional posts required to reach
universal primary education and the 3.4 million posts of those leaving the profession, Sub-Saharan African countries alone need to recruit more than 2 million teachers to achieve UPE.

The number of primary school teachers per pupil is one measure of the quality of education. There was a small decline in the global pupil/teacher ratio, from 26:1 in 1999 to 24:1 in 2010. In sub-Saharan Africa, despite the recruitment of more than 1.1 million teachers, the pupil/teacher ratio rose slightly, from 42:1 to 43:1, as a result of enrolment increasing at a faster pace.

Of 100 countries with data on primary education, in thirty-three less than 75% of teachers were trained to the national standard. Teachers need to be trained appropriately to ensure they are able to carry out their tasks effectively. Assessments have shown that children in many of the world’s poorest countries can spend several years in school without learning to read a word. In Mali, for instance, at least eight out of ten grade 2 students could not read a single word in a national language. Shocking results such as this have turned the spotlight on how teachers are trained, and the support they receive once they are in the classroom.

Teachers themselves may lack the necessary subject knowledge when they are admitted to teaching colleges, so courses often focus on helping teachers develop basic subject knowledge rather than learn how to teach effectively. In addition, professional development tends to stop once teachers step into the classroom.

Governments should take active steps to strengthen teaching in early grades. Pre-service training programmes need to increase the emphasis on effective classroom techniques. In-service training programmes, in turn, can engage teachers interactively to ensure that knowledge is converted into better classroom practice. Benefits are likely to be most noticeable when training is combined with other interventions, such as improvement of instructional materials.

**Education for All Development Index**

The EFA Development Index provides a snapshot of overall progress of national education systems towards Education for All. For a subset of fifty-two countries, it is possible to observe the evolution of the EDI since the World Education Forum in Dakar. The EDI improved in forty-one of the fifty-two countries between 1999 and 2010. A particularly large increase took place in the twelve sub-Saharan African countries in this group, with Ethiopia and Mozambique recording the greatest increases.

Similar scores may mask differences in the effort a country is putting into EFA. Colombia and Tunisia, for example, have the same EDI score. Tunisia has high primary enrolment and survival rates but a low adult literacy rate. Colombia has a much higher adult literacy rate but a low primary adjusted net enrolment ratio and an especially low survival rate. Tunisia’s low adult literacy may reflect in part a historical legacy and not necessarily its current effort, while Colombia’s lower scores on indicators associated with primary school age children suggest that it could face lower adult literacy rates in the future.

Extending the EDI to include the ECCE Index developed for this Report reveals which countries have put more emphasis on early childhood. Some countries – notably in Central Asia, such as Kyrgyzstan and Uzbekistan, and in East Asia, such as Indonesia and the Philippines – drop in ranking, while countries such as Jamaica and Mexico improve their ranking.

EFA will not be achieved unless equal attention is paid to all goals. This requires particular attention to those considered the most neglected, including ECCE and adult literacy. Breaking the intergenerational cycle of education deprivation by providing quality education to all children, including in their early life years, and to their parents, is key.
Financing EFA: shortfalls and opportunities
The experience of the last decade shows that increasing the financing of education can go a long way towards meeting the Education for All goals. But just as the numbers of children out of school are stagnating, there are worrying signs that donor contributions may also be slowing down. More money alone will not ensure that the EFA goals are reached, but less money will certainly be harmful. A renewed and concerted effort by aid donors is urgently needed. At the same time, it is vital to explore the potential of new sources to fill financing gaps and to strengthen the way in which aid money is spent.

Spending more matters
Total government spending on education has been rising steadily since Dakar. The greatest increase in spending has been in low income countries, where it grew by 7.2% a year, on average, since 1999. In sub-Saharan Africa, the annual increase was 5%. Among low and middle income countries with comparable data, 63% increased the share of national income spent on education in the past decade.

Most countries that accelerated progress towards EFA over the last decade did so by increasing spending on education substantially or maintaining it at already high levels. For example, in the United Republic of Tanzania, the share of national income spent on education more than tripled, and the primary net enrolment ratio doubled. In Senegal, an increase in spending from 3.2% of GNP to 5.7% allowed impressive growth in primary enrolment and the elimination of the gender gap.

Despite this promising global trend, some countries that are a long way from achieving EFA, such as the Central African Republic, Guinea and Pakistan, have maintained a low level of spending, allocating less than 3% of GNP to education. Pakistan has the second largest number of children out of school – 5.1 million – yet reduced its spending on education from 2.6% to 2.3% of GNP over the decade.

Fears that the recent food and financial crises could counter the generally positive trend in education spending do not seem to have been realized, although the longer-term impact needs to be monitored. Two-thirds of low and lower middle income countries with available data continued to expand their education budget through the crises. But some countries that are furthest from EFA, such as Chad and the Niger, made cuts in 2010 following negative economic growth in 2009.

New analysis for this Report identifies the extent to which some of the poorest countries have benefited from aid. In nine countries, all in sub-Saharan Africa, donors fund more than a quarter of public spending on education. For example, in Mozambique, numbers out of school declined from 1.6 million in 1999 to less than 0.5 million in 2010. During much of this period, aid made up 42% of the total education budget.
Has aid to education reached its peak?

The largest increase in aid to education since 2002 was recorded in 2009. It was to a large extent driven by the World Bank and International Monetary Fund’s early disbursement of pledged funds to help vulnerable countries cope with possible consequences of the financial crisis. However, aid to education stagnated at US$13.5 billion in 2010. Of that amount, US$5.8 billion was for basic education. While that was almost double the 2002–2003 level, just US$1.9 billion was allocated to basic education in low income countries. This is insufficient to fill the US$16 billion financing gap these countries face. Aid for basic education to low income countries grew by just US$16 million in 2010. Not all countries benefited equally. The increase between 2009 and 2010 was mainly concentrated in Afghanistan and Bangladesh, which received 55% of the additional funding for the sixteen low income countries that experienced an increase. By contrast, funding to nineteen low income countries grew by just US$1.9 billion. New donors, such as Brazil, China and India, are receiving greater attention. But they are not yet providing large volumes of aid, nor are they prioritizing aid to basic education for low income countries.

Despite the increases in aid over the last decade, donors failed to fulfil the promise they made at the Group of 8 Gleneagles Summit in 2005 to increase aid by US$50 billion by 2010. Sub-Saharan Africa received only around half the increase it was promised. Assuming a similar share going to education as in previous years, this failure was equivalent to US$1.9 billion less for schools that year, or around one-third of current aid to basic education.

Of even greater concern, the outlook for aid for the years to 2015 is not positive. In 2011, total aid decreased in real terms by 3%. This is the first time aid has fallen since 1997. Aid budgets have been singled out for cuts as part of austerity packages primarily as a consequence of continuing economic downturn in rich countries. From 2010 to 2011, aid as a share of national income decreased in fourteen out of twenty-three countries that belong to the OECD’s Development Assistance Committee (DAC).

Some key donors are not only reducing their overall aid budgets, but may also be making education a lower priority, which would result in education aid falling faster than overall aid levels. The Netherlands, one of the top three donors to basic education in the past decade, no longer considers education one of its priority areas and is expected to cut aid to education by 60% between 2010 and 2015. This could have serious implications in some of the poorest countries. The Netherlands is set to withdraw from Burkina Faso, for example, at the same time as four other donors have said they also intend to pull out of education in the country.

New donors, such as Brazil, China and India, are receiving greater attention. But they are not yet providing large volumes of aid, nor are they prioritizing aid to basic education for low income countries.

Spending aid effectively

Figures on aid to education tell only part of the story. Ensuring that money is spent effectively is just as vital. Of the thirteen targets on aid effectiveness established by the OECD-DAC in Paris in 2005, just one was reached by the agreed 2010 deadline.

The education sector has been at the forefront of the aid effectiveness agenda. In Kenya, Mozambique, Rwanda and Uganda, for example, significant amounts of aid deployed in conjunction with government plans contributed to unprecedented increases in access to primary education.

Despite this positive experience, there is still a need for more and better spending of aid to many of the poorest countries. One potential vehicle for aid effectiveness principles, the Global Partnership for Education (formerly the EFA Fast Track Initiative), remains underused. It is the only global pooled fund mechanism for aid to education, but it disbursed only US$1.5 billion between 2003 and 2011, equivalent to 6% of the share of total aid to basic education in low and lower middle income countries. This compares poorly with corresponding funds in the health sector. The partnership was established not only to increase aid volumes, but also to fill gaps left by national governments and aid donors. The potential of the partnership to ensure that aid is better coordinated and more effective needs to be monitored closely in coming years in order to inform a post-2015 financing framework.
More broadly, donors are calling for more tangible results from their aid investments as budgets tighten and the pressure for accountability increases. A new approach that aims to provide aid based on results gives recipient country governments more responsibility for achieving their education policy objectives. For example, the United Kingdom has piloted a complementary aid mechanism rewarding the Ethiopian Government for each extra student passing a secondary school examination. This approach carries risks, however, especially for poor countries that cannot cover the cost of achieving these results if external factors prevent a given plan from running smoothly.

**Turning the ‘resource curse’ into a blessing for education**

One of the most striking paradoxes of development is the ‘resource curse’: countries well endowed with non-renewable natural resources, such as oil and minerals, have experienced slower economic growth than resource-poor countries. Many are far from reaching the EFA goals and other development targets. But the curse is escapable, provided resources are invested in future generations.

Nigeria, one of the largest exporters of oil and gas, also has the largest number of children out of school. Chad redirected its newfound wealth away from priority sectors such as education and towards military purposes. In Liberia and Sierra Leone, competition for natural resources was at the centre of armed conflict. Mismanagement of natural resource revenue can reach grave proportions. In the Democratic Republic of the Congo, for example, it is estimated to have led to a loss equivalent to US$450 million in 2008, a sum larger than the country’s entire education budget and enough to send 7.2 million children to primary school.

Natural resources, if turned into government revenue and utilized efficiently, could help many countries reach the EFA goals. Botswana has financed education over the past few decades thanks to diamond wealth that has made it one of the richest countries in Sub-Saharan Africa. Not only has it achieved universal primary education but its secondary gross enrolment ratio stands at 82%, double the average for the continent. Ghana has built political consensus around ensuring that its wealth is used effectively, including in investment in education.

An analysis for this Report demonstrates the potential to increase spending on education in seventeen countries that are either already resource-rich or about to begin exporting oil, gas and minerals. If revenue generated from their non-renewable natural resources were maximized and 20% of the extra resources were devoted to education, more than US$5 billion a year could be generated for the sector. This could fund schooling for 86% of these countries’ 12 million out-of-school children and 42% of their 9 million out-of-school adolescents. Several countries, including Ghana, Guinea, the Lao People’s Democratic Republic, Malawi, Uganda and Zambia, could reach universal primary education without needing any more aid from donors.

To encourage fair and productive use of natural resource revenue, education advocates and support measures aimed at ensuring that governments comply with high standards of transparency and fair taxation. They should also get involved in national debates on the use of natural resource revenue, and make the case for education as a long-term investment essential to diversify the economy and avoid the resource curse.

**Harnessing the potential of private organizations**

Given the acute need for resources to support EFA and the gloomy outlook for international aid filling this gap, private organizations are increasingly being seen as a potential alternative source of finance. One estimate suggests that total private contributions to developing countries were over US$50 billion on average between 2008 and 2010, compared with around US$120 billion of official aid. However, most of this went to the health sector. For example, of the total amount of grants made by US foundations in the period, about 53% went to health and only 8% to education.
New analysis conducted for this Report, based on publicly available information, shows that private foundations and corporations have been contributing about US$683 million per year to education in developing countries, equivalent to just 5% of education aid from DAC donors.

Around 20% of these resources were provided by foundations, whose aims are most closely aligned with those of traditional aid donors. Only five of the foundations reviewed contributed more than US$5 million a year, which is equal to aid to education by some of the smallest bilateral donors, such as Luxembourg or New Zealand.

Similarly, 71% of the contributions from corporations came from just five companies, each giving more than US$20 million a year. Most corporations that contribute the largest amounts to education are information and communication technology (ICT) or energy companies.

Only a small share of these contributions is being spent on EFA objectives or on the countries that are furthest from achieving the EFA goals. In terms of funding, higher education receives the most attention. In geographical terms, corporations – notably those in the ICT industry – focus their programmes on middle income countries, such as Brazil, India and China, that are often of strategic interest to them. Frequently, moreover, their interventions are short term and fragmented.

Several foundations and corporations have made genuinely successful and often innovative education interventions in areas including early childhood care and education, primary schooling, skills development for young people and measurement of learning outcomes. In general, however, their success is hard to gauge: private organizations tend to make bold statements about the effectiveness of their programmes without providing sufficient information or adequate impact evaluations.

The engagement of some corporations in EFA activities gives them an opportunity to influence public policy in ways that may benefit their business interests. While this can be beneficial to education, their interventions should be scrutinized as closely as those of aid donors.

As a crucial first step, all private organizations seeking to contribute to EFA should provide information on their commitments, including the amounts allocated and how they are spent. This would allow scrutiny to ensure that business interests do not override collective goals, while also giving information on the amount of resources available to fill the EFA financing gap.

Their contributions would also be more effective if they were coordinated with governments and driven by countries’ needs. The Global Business Coalition for Education is a particularly promising way forward since it operates within the framework of EFA goals.

Another way private organizations could support government education efforts would be to channel some of their funding through a pooled mechanism. Global health funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, have been successful in this regard. But the main existing mechanism in the education sector, the Global Partnership for Education, has not yet played this role effectively. At present, the private sector has a say in the partnership’s policy direction via a seat on its board, yet pledges made by foundations and corporations at the partnership’s replenishment meeting will not be disbursed through the pooled funding mechanism.

**Bridging the gap**

After a period of expanding education budgets, which have contributed to some spectacular outcomes, a period of uncertainty looms. The economic downturn has hit richer countries, with repercussions for aid to the poorest countries that are furthest from achieving the EFA goals.

The decline in aid is likely to widen the education financing gap, so innovative solutions will be required to make up the shortfall. Aid from emerging donors such as Brazil, China and India is one possible resource, but is currently not sufficiently targeted at those countries most in need, so other sources of funding need to be found. Natural resource revenues and private organizations are two possible sources, but for such contributions to be effective, more attention must be paid to transparency and alignment with EFA objectives.
Youth and skills: Putting education to work

If someone can give me the skills and the opportunity to work, I know I can achieve my goals.

– young woman, Ethiopia

The need to develop young people’s skills for work has become urgent. Governments around the world are grappling with the long-term consequences of the financial crisis and the challenges posed by increasingly knowledge-based economies. If countries are to grow and prosper in a rapidly changing world, they need to pay even greater attention to developing a skilled workforce. And all young people, wherever they live and whatever their background, require skills that prepare them for decent jobs so they can thrive and participate fully in society.

The essential need for skills development for youth was recognized in the third EFA goal, focusing on ‘the learning needs of all young people and adults’. Because of the vagueness of the goal and uncertainty over how it should be measured, however, it has not received the attention it deserves from governments, aid donors, the education community or the private sector – and it is now more critical than ever.

Young people are more numerous than ever, and their numbers are increasing rapidly in some parts of the world. In developing countries alone, the population aged 15 to 24 reached over 1 billion in 2010. But jobs are not being created fast enough to meet the needs of this large youth population. Around one in eight people aged 15 to 24 are unemployed. Young people are about three times as likely as adults to be unemployed. With youth unemployment threatening to rise still higher, many young people face the prospect of remaining without secure work for years to come.

Youth unemployment is rightly rising up the agenda, leading policy-makers to prioritize job creation in private enterprises. While this focus is warranted, the needs of millions of young people who lack basic literacy and numeracy skills continue to be ignored. These young people are often working but earning wages below the poverty line in the urban informal sector, or farming smallholdings in a context of ever-decreasing access to land. Their voices are seldom heard in protests. Providing them with opportunities to escape from low skilled, low paid work should be at the core of every skills development strategy.

All too often, access to skills is unequal, perpetuating and exacerbating the disadvantage that attends being poor, female or a member of a marginalized social group. Young people who have grown up in poverty and exclusion are more likely to have had little education or to have dropped out of school. As a result, they have
fewer opportunities to develop skills for decent jobs and hence risk further marginalization in the labour market. That is why this Report takes a special interest in identifying and understanding the access disadvantaged young people have to skills development that can lead to better jobs – secure work that pays enough to buy food and put money in their pockets, jobs that can lift them out of poverty.

This Report identifies three main types of skills that all young people need – foundation, transferable, and technical and vocational skills – and the contexts in which they may be acquired:

**Foundation skills:** At their most elemental, foundation skills include the literacy and numeracy skills necessary for getting work that can pay enough to meet daily needs. These skills are also a prerequisite for continuing in education and training, and for acquiring transferable and technical and vocational skills that enhance the prospect of getting good jobs.

**Transferable skills:** Transferable skills include the ability to solve problems, communicate ideas and information effectively, be creative, show leadership and conscientiousness, and demonstrate entrepreneurial capabilities. People need these skills to be able to adapt to different work environments and so improve their chances of staying in gainful employment.

**Technical and vocational skills:** Many jobs require specific technical know-how, from growing vegetables to using a sewing machine, laying bricks or using a computer.

The ‘Pathways to Skills’ illustrated in the Report can act as a tool for understanding skills development needs and the areas where policy action should be targeted. Young people can acquire the three types of skills through formal general education and its extension, technical and vocational education. Alternatively, those who have missed out on formal schooling can benefit from skills training opportunities ranging from a second chance to acquire foundation skills to work-based training, including apprenticeships and farm-based training.

**Youth, skills and work – building stronger foundations**

In many countries, the youth generation is among the largest ever. These young people will become an engine of growth if countries can provide them with opportunities. But many are not being adequately prepared for this role. Unequal access to education locks many young people, particularly young women from poor households, into a life of disadvantage.

Providing equal opportunities in schooling, while strengthening the quality of education, is an important first step to ensure that young people have the wide range of skills needed to improve their job prospects. Yet many young people have not had access to such opportunities. These young people are the most likely to be consigned to unemployment or working for low pay.

**A large youth population presents challenges**

Every year the number of unemployed youth is increasing, not decreasing. Many students are coming out of school every year and this increases the number of unemployed youth while the job opportunities are the same.

– young man, Ethiopia

Around one in six of the world’s people are aged 15 to 24. They are disproportionately concentrated in some of the poorest countries. The youth population is particularly large and fast-growing in sub-Saharan Africa. Around two-thirds of Africans are under 25, compared with less than one-third in rich countries such as France, Japan, the United Kingdom and the United States. By 2030, there will be three and a half times as many young people in sub-Saharan Africa as there were in 1980. There are also large numbers of young people living in the Arab States and South and West Asia, where around half are under the age of 25.

To accommodate the growing youth population in the Arab States, South and West Asia, and sub-Saharan Africa, an additional 57 million jobs need to be created by 2020 just to prevent unemployment rates from rising above current levels.
First, however, governments must address the enormous skills deficit that leaves young people unemployable or trapped in subsistence work. Creating more jobs will not fix the problem if a sizeable proportion of young people do not have the skills needed to fill them.

Wide inequalities leave many young people lacking foundation skills

If I want to be someone high up I would have to keep studying but, for economic reasons, I can’t keep studying. I thought that I would drop out to stop being a burden and pay for my things, but I can’t find a job – how am I supposed to keep studying?

– young man, Mexico

To be prepared for employment, all young people need foundation skills acquired through education that continues at least as far as lower secondary school. But in thirty of the fifty-nine countries covered by analysis carried out for this Report, at least half of 15- to 19-year-olds lack foundation skills. This is the case for twenty-three of the thirty sub-Saharan African countries in the data set.

Reasons for not achieving foundation skills vary, requiring different policy responses. In Burkina Faso, Mali and the Niger, around three in five young people have never been to school by the time they reach age 15 to 19, and so are highly unlikely to ever have the opportunity. In many sub-Saharan African countries, those who make it to school often drop out before completing primary school. In Rwanda, while most have some experience of primary schooling, almost half drop out before the end of the primary cycle.

In many low income countries, large numbers are still in primary school at 15 to 19, an age by which they should have at least completed lower secondary education. For the 35% still in primary school in Uganda at this age, for example, the chances of getting beyond this level are limited.

Even in countries where half of those aged 15 to 19 have completed lower secondary, such as India, Indonesia and the Syrian Arab Republic, there are many who have never been to school, who dropped out before completing secondary school, or who are still only in primary school.

Poverty is a barrier to education and skills. In Egypt, one in five of the poorest do not make it into primary school at all, while almost all rich children get through to upper secondary.

Many children and adolescents not in school because of poverty are working instead. In 2008, an estimated 115 million 5- to 17-year-olds were in hazardous work worldwide. Without the ability to acquire skills, they are trapped in low paid, insecure jobs for life.

Gaps between rich and poor tend to widen as children get older, as those from disadvantaged backgrounds increasingly need to contribute to household income. In Colombia and Viet Nam, almost all children go to primary school. But while most young people from rich households make it to lower secondary school, only around two-thirds from poor households do in Viet Nam, and around half in Colombia.

In most poor countries, girls are less likely than boys to achieve foundation skills. In low income countries, larger gender gaps appear for richer families while opportunities are extremely limited for both boys and girls from poor households. In Burkina Faso, almost 60% of boys from richer households reach lower secondary school, compared with 40% of girls. Among the poorest households, only 5% of children reach lower secondary, but the same proportion of poor girls and boys enrol.

The reverse is true in middle income countries, where gender discrimination occurs among the poorest households but most young people from rich households, whether boys or girls, are able to acquire foundation skills. In Turkey, there is gender parity among rich families, but for poor households, 64% of boys attain foundation skills compared with 30% of girls.

Where young people live can further determine their education opportunities, with rural/urban or regional divisions reinforced by gender. Young women living in rural areas are least likely to acquire foundation skills. In Pakistan, the share of 15- to 19-year-olds who have made it to upper secondary is roughly twice as high in urban areas as in rural areas. Nearly half of rural females in the country have never been to school, while this is true for only 14% of urban
males. In Kerala, India, there is almost universal coverage to foundation skills level but only 45% get the same chance in Bihar: 57% of boys and 37% of girls.

Such differences in opportunities are no doubt partly due to patterns of poverty, but they also reflect unequal distribution of government resources. In slums in Kenya, for example, many children cannot hope to acquire foundation skills for the simple reason that schools are not available where they live. This highlights the need to redistribute resources so that young people are not denied access to the job market because of their wealth status, gender and where they live.

Young people need a second chance to acquire basic literacy and numeracy

Currently, my education and skill level is not sufficient, but if I could go to training in the future, I believe I could achieve them [basic skills].

– young woman, Ethiopia

The scale of the challenge of providing second chances to all young people lacking foundation skills is far greater than many governments recognize.

Although there are numerous innovative second-chance programmes around the world, many of which are provided by non-governmental organizations (NGOs), the number of young people they reach only scratches the surface. An assessment of some of the largest programmes in seven countries indicates that they reach around 2.1 million children and young people. Yet this Report estimates that 15 million young people in those seven countries need a second chance to get the most basic skills.

It remains the case that the most cost-effective way to provide basic skills is to make sure all children can complete good quality primary schooling and proceed to lower secondary school. As long as this is still not a reality for many, however, there is an urgent need to ensure that all young people who miss out have a second chance to achieve this goal.

Transferable skills: preparing for the world of work

[School] teaches you how to communicate with people and how a working environment would be, in a way.

– young woman, United Kingdom

Employers want assurances that young people applying for jobs have at least strong foundation skills and can deploy their knowledge to solve problems, take the initiative and communicate with team members, rather than just follow prescribed routines. These ‘transferable skills’ are not taught from a textbook, but can be acquired through good quality education. Yet employers often indicate that these skills are lacking in new recruits to the labour market.

Evidence from rich countries shows that staying in school longer helps assure the acquisition of problem-solving skills. In Canada, around 45% of those leaving before completing upper secondary lack these skills, compared with 20% who complete the cycle.

A good quality education will also boost confidence and motivation. Transferable skills, which could help many young people working in the informal sector in poor countries become successful in their jobs, can be developed through formal education. More needs to be done for disadvantaged youth to develop these skills. Recognizing this, Akanksha, an NGO in India, has introduced programmes in the slums of Mumbai to improve disadvantaged children’s self-esteem. The impact has been positive and far-reaching – children who take part show noticeable improvements in their school performance and earnings.
Many young people face a difficult transition from school to work. The disadvantage that youth often experience in the labour market is reflected in both a lack of jobs and the low quality of jobs – including insecure, low paid work. Factors linked to disadvantage in education, such as poverty, gender and disability, are often also associated with disadvantage in the labour market. This is not a coincidence – unequal skills development, social norms and labour market discrimination combine to lead to this outcome.

Some young people, particularly in rich countries, face long spells of unemployment after leaving school. Around 13% of the world’s youth were counted as unemployed in 2011 – 75 million young people, almost 4 million more than before the economic crisis took hold in 2007. Unemployment rates are two to three times higher for young people than for adults, on average. They are six times as high for young people in Egypt, two and a half times in South Africa, four times in Italy.

While it might be expected that younger people are more likely to be out of work than older people as they wait to get their first step on the ladder, in many countries the barriers to a good job are almost insurmountable for the majority of young people. In the mid-2000s, even before the economic downturn took hold, 17% of 15- to 29-year-olds in Italy were unemployed five years after leaving education.

Since the economic downturn set in, opportunities for young people have diminished, and those with lower levels of education have been particularly affected. There were about 29 million fewer jobs globally in 2011 than before the economic crisis. For example, unemployment rates in Spain rose significantly between 2007 and 2009, particularly for those who had not completed secondary education.

Unemployment figures, however, do not give the full picture of the predicament facing many young people. They hide the fact that some young people stop looking for work because they do not believe they will find any. People who are neither in education or employment nor actively seeking work are often classified as ‘inactive’, even though their inactivity reflects the labour market more than their own motivation. If those feeling discouraged from finding work were to be counted, unemployment rates of young people would increase substantially, doubling in Cameroon, for example.

Women are often a majority of those classified as inactive. The gender gap is often very large among young people who have dropped out of the education system after completing only primary school. In Jordan, over 80% of young women with only primary education were not actively seeking employment, compared with 20% of young men.

Young women also often work long hours in household and informal work that is less visible to policy-makers. Analysis for this Report of recent labour force surveys in nine countries found that more young women than men were classed as inactive in all nine, often significantly so. Fewer women than men try to find work, often because of the unequal division of domestic work and discrimination in recruitment practices.

Women who do find work are often paid less than men. In India and Pakistan, men earn 60% more than women, on average. The wage gap is widest for those with low levels of literacy and numeracy. Yet education can make a big difference to women’s earnings. In Pakistan, women with a high level of literacy earned 95% more than women with no literacy skills, whereas the differential was only 33% among men.

Young people with disabilities have particular difficulty gaining access to both education and work. Very few young people in Kenya living with disabilities study beyond primary level. They face constraints in employment because of their low level of education, little or no adaptation of their workplaces, and limited expectations among families and employers.

Many young people do not have the luxury of remaining unemployed and are obliged to take poor quality jobs that are insecure, low paid and often require long hours. For some, this may be
a stepping stone to more stable and fulfilling employment. But for many, such work is a trap that is difficult to escape.

Globally, an estimated 152 million young people – 28% of all young workers – are paid less than US$1.25 per day. In countries such as Burkina Faso, Cambodia, Ethiopia and Uganda, working below the poverty line is a much more widespread phenomenon than not working at all.

Young people are more likely than adults to be earning very low wages. In Ouagadougou, Burkina Faso, older adults earn almost two and a half times as much as young adults, on average. While young people can usually expect their pay to increase as they get older, earning less than the minimum wage leaves them with insufficient money to meet their daily needs.

In low income countries, less educated young people, who cannot afford to wait for the right kind of job, are at greatest risk of being in low paid work. While this may be partly because education levels tend to be low where there are other barriers to finding work that pays well, it is also likely that low levels of education are often the main reason young people are in poorly paid jobs. In Cambodia, for instance, 91% of young people with no education work below the poverty line, compared with less than 67% of those with secondary education.

Young people living in rural areas in poor countries are more likely to have left school early, and to be in low paid work rather than unemployed. In rural areas of Cameroon, for example, the unemployment rate is only around 1%. Agriculture provides jobs for large numbers of young people with lower levels of education, but many are poorly paid. Two-thirds of rural youth with no education work for less than US$1.25 per day, with rural, uneducated women the worst off.

The effects of completing secondary education on young people’s ability to find adequately paid work vary by gender. In Nepal, young men who have not completed secondary education are more likely to earn an adequate wage than better-educated young women – over 40% earn above the poverty line, compared with fewer than 30% of young women who have completed secondary schooling.

**Investing in skills for prosperity**

*There is a lack of education so we don’t get jobs and can’t improve our life. There is no growth for us.*

– young man, India

Skills development is vital in reducing unemployment, inequality and poverty, and promoting growth. It is also a wise investment – for every US$1 spent on education, as much as US$10 to US$15 can be generated in economic growth. If 75% more 15-year-olds in forty-six of the world’s poorest countries were to reach the lowest OECD benchmark for mathematics, economic growth could improve by 2.1% from its baseline and 104 million people could be lifted out of extreme poverty.

The Republic of Korea went from being poor to wealthy in just thirty years, partly by emphasizing and planning for skills development. The state upgraded the skills of the whole population by achieving universal primary, then secondary, education. It then focused on supporting industries with skills training. In short, the state played a key role in matching skills supply to demand.

After decades of low or no growth, sub-Saharan African countries experienced strong growth in the 2000s. Over a third of countries in the region have achieved growth rates of at least 6%, and some hope to achieve middle income status in the first half of the twenty-first century. Experience from the Republic of Korea and the other East Asian ‘tigers’ suggests that sustained growth in sub-Saharan Africa will depend on sound economic policies coordinated with government investment in education and skills training that meets the needs of the labour market.

**Many governments neglect skills and the disadvantaged lose out most**

Despite clear evidence of the value of investing in skills development, it is still not getting the priority attention it merits. In an analysis of forty-six countries with large youth populations, most of them low and lower middle income, just over half had, or were developing, some form of policy document focusing on skills development – either a technical and vocational education.
and training strategy, or a broader skills development strategy.

Where there are skills development plans, many are fragmentary, poorly coordinated, and inadequately aligned with labour market demands and countries’ development priorities. Responsibility for skills development is split between several agencies and accountability is lost.

The lack of strategic planning for skills development, including targets for reaching the disadvantaged, shows the short-sightedness of many development strategies. Of forty-six countries reviewed for this Report, fewer than half address skills development among youth in the informal sector. A few, however, recognize the need and are attempting to address it.

Ethiopia, for example, is making skills development a cornerstone of its ambitious and inclusive growth strategy, with the hope of attaining middle income country status by 2025. It aims to achieve universal secondary school enrolment by 2020 while emphasizing skills in the agricultural and industrial sectors. There is also substantial emphasis on increasing productivity of micro- and small enterprises, where many disadvantaged young people work.

Only around a quarter of country strategies analysed seek to re-engage young people who have dropped out of primary school in education or training. Sierra Leone, for example, developed a well-intentioned youth employment strategy aimed at training in entrepreneurial skills. In a context where about 57% of 15- to 19-year-olds dropped out before completing lower secondary education, the strategy did not give sufficient attention to youth who lack foundation skills and therefore need second-chance education programmes.

Young people are rarely able to contribute to policy-making, but it is important for their voices to be heard. Those aged 15 to 24 constitute almost a sixth of the global population, and often form the most dynamic section of society, as well as its most vulnerable and most powerless. They have a deeper understanding than policy-makers do of the realities of their own lives, including the experience of education and training and the challenge of finding a good job. Even where youth are invited to participate, the voices of the disadvantaged are unlikely to be heard. Youth
consultations tend to be dominated by educated and privileged urban youth, while the voices of the poor majority are rarely included.

**Boosting finance to bring skills to disadvantaged youth**

There is an urgent need for donors to commit to skills development in three ways: by supporting country programmes to ensure that all young people can stay in school at least until lower secondary level, by supporting second-chance programmes for young people who have not had the opportunity to gain basic literacy and numeracy skills, and by giving disadvantaged youth training to improve their chances of earning a decent wage.

This approach requires more and better-targeted funding. Simply enrolling all young people in education up to lower secondary level would cost US$8 billion annually, in addition to the US$16 billion needed to achieve universal basic education by 2015. Those needing education and training are mainly from the poorest households, so they cannot bear the cost themselves. Governments, with the support of aid donors, need to extend their support to make sure all young people get a chance to acquire foundation skills either through formal schooling or second-chance education.

Although there is undoubtedly more that can be done, many poor countries have increased their support for education over the past decade. Even so, spending on secondary education is often squeezed in favour of higher education. In addition, some donors provide significant support to the development of foundation skills. An estimated US$3 billion was spent last year by all donors on skills development, around 40% of which was on formal secondary general education and vocational training.

Some donors prioritize spending in this area, with Germany being the biggest, followed by the World Bank, France and Japan. Some smaller donors, including Luxembourg and Switzerland, have also concentrated their education support on skills development. Countries such as Japan have built on their own experience of achieving impressive growth through skills development.

Much of France’s funding does not reach developing countries, however: over 60% of the US$248 million that France disbursed for secondary general education and vocational training in 2010 went to two overseas French territories.

There are two potential avenues for increasing external financing for education: redistributing funds currently spent on scholarships that bring young people from developing countries to study at tertiary level in developed countries, and encouraging emerging donors to engage more effectively in skills development, with a greater focus on disadvantaged youth.

While aid to higher education can in some circumstances play an important role in supporting capacity development, it unfortunately rarely reaches developing countries. In 2012, for the first time, the OECD-DAC required donors to report the share of aid disbursed for post-secondary education that was allocated to scholarships and imputed student costs (costs incurred by donor-country institutions when they receive students from developing countries). Around three-quarters of direct aid to post-secondary education – equivalent to about US$3.1 billion – disbursed in 2010 fell into those categories.

In 2010, almost 40% of Japan’s direct aid to education went to scholarships for students studying in Japan. For the amount it costs for one Nepalese student to study on scholarship in Japan, as many as 229 young people could have access to secondary education in Nepal. Germany’s aid disbursements to scholarships and imputed student costs were almost eleven times the amount it spent on direct aid to secondary general education and vocational training in 2010. France’s aid disbursements to scholarships and imputed student costs were four times the amount it spent on direct aid to secondary general education and vocational training in 2010. If some of the US$3.1 billion currently being spent by donors on students to study in their countries were redirected back to developing countries, it could help address the huge gap in foundation skills.
Emerging donors such as Brazil, China and India could become important players in aid to skills development. To do so, they will need to focus more on education and target their financing at disadvantaged young people, learning from their own experience of linking investment in skills development with labour market reforms and poverty reduction. Just 2% of India’s commitment of around US$950 million annually to other developing countries from 2008 to 2010 was directed at education. As with other emerging donors, much of this will focus on higher levels of education that are not within the reach of disadvantaged young people.

The private sector also needs to invest more in skills training, particularly as it stands to gain from a skilled workforce capable of boosting productivity and competitiveness, as industries in Germany and Switzerland that have engaged youth in apprenticeships have found. Private foundations are supporting innovative projects. Notably, the MasterCard Foundation provides funding for programmes that help youth gain the skills they need to find employment. However, the amount foundations currently provide is very small compared with the scale of the challenge.

With funds coming from several different sources, governments must coordinate to maximize the impact of these resources and ensure that disadvantaged youth receive due attention. One way of streamlining spending is through well-managed training funds that pool financing from different sources – including earmarked taxes and levies on companies, as well as funds from aid donors – for governments to manage and disburse, while the private sector provides training. Nepal’s Employment Fund is one example of such an approach to extending training to disadvantaged young people. Where training funds have been well-managed, the impact has been positive. Tunisia set up a training fund in 1999 and has reached over a quarter of all unemployed young people with skills development.

Secondary education: paving the way to work

Secondary school is a crucial way for young people to acquire skills that improve their opportunities for good jobs. High quality secondary education that caters for the widest possible range of abilities, interests and backgrounds is vital not just to set young people on the path to the world of work, but also to give countries the educated workforce they need to compete in today’s technologically driven world.

Worldwide, 71 million adolescents are not enrolled in school. Even in countries where overall enrolment is high, significant numbers leave school early. On average, 14% of young people in European Union countries reach no further than lower secondary education. In Spain, as many as one in three drop out of secondary school, which is a cause for concern given the severity of the economic crisis and an unemployment level among young people of 31% in March 2012. Attention is needed in all countries to assure the relevance of secondary education to the world of work.

Removing the barriers to secondary education

I had no money for books and uniform. The financial situation of the family was bad. I had to supplement family income by working for daily wages, for the very survival of the family. Earning money was more important for me than going to school.

— young man, India

In many poor countries that need to expand secondary enrolment from a low level, the immediate problem is still ensuring that children complete the primary cycle. In the Niger, where only one in five are enrolled in lower secondary school, the primary net enrolment ratio is just 62%.

For children who do complete primary school, the costs of secondary schooling can be prohibitive. Secondary schools are often located in urban areas, limiting access for those from
rural poor households who cannot afford the cost of transport. Social and cultural barriers can prevent girls from continuing with schooling once they reach adolescence. Governments need to carry out reforms to specifically address these barriers, and so enable young people to consolidate foundation skills.

Some sub-Saharan African countries have boosted lower secondary enrolment by linking primary and lower secondary education. In Rwanda, for instance, the introduction of a nine-year basic education cycle and the elimination of fees for lower secondary school in 2009 boosted the number of lower secondary students by 25% within a year. In addition, the curriculum was redesigned to focus on fewer core subjects, and a new assessment system was introduced.

Fees, whether official or unofficial, disproportionately affect youth from poor families, preventing them from enrolling and continuing with secondary education. If measures to remove fees are not targeted to reach the disadvantaged, they can favour the non-poor. Kenya abolished fees for secondary school, for example, increasing enrolment from 1.2 million in 2007 to 1.4 million in 2008. Governments compensated schools with US$164 per student – ten times the amount received per pupil for primary school. Because fewer poor children make it to secondary school, they stand to benefit least from this policy.

Deeply engrained social, cultural and economic barriers, such as early marriage, often prevent young women from continuing education. Becoming a mother cuts education short for many, and they face considerable obstacles against returning to school. More than one in ten women aged 15 to 19 are pregnant or mothers in sub-Saharan Africa, Latin America, and South Asia, and the proportion rises to 30% or more in Bangladesh, Liberia and Mozambique.

Even where the law assures the right to education of young mothers, more has to be done to empower them to take advantage of that right. In Jamaica, a foundation provides support, including food and transport costs, to help mostly poor pregnant girls and mothers under age 16 to re-enter school after giving birth. The programmes have increased the
likelihood of young mothers completing high school from 20% to 32%.

**Making secondary education more relevant to the world of work**

Secondary education should build on foundation skills and provide equal opportunities for all youth to develop transferable and technical and vocational skills to find a good job or for further education. A common curriculum in lower secondary school helps all children an equal chance of consolidating foundation skills. When students at greater risk of school failure are grouped together, lower expectations, a less stimulating learning environment and peer effects often diminish their learning achievement. For this reason, some low and middle income countries, such as Botswana, Ghana, South Africa and Uganda, have developed a common curriculum framework, together with new assessment practices, learning materials and teacher training activities.

At upper secondary level, young people need to learn transferable skills to smooth the transition from school to work, and technical and vocational skills for specific trades or sectors of work. Combining all these skills equally and tailoring them to the needs of the local market provides a good curriculum balance that can benefit all.

Pushing low performing students into technical and vocational training can cement social inequality and result in employers devaluing these programmes. In eighteen of twenty-two countries in the 2009 PISA survey, students streamed into vocational schools had lower performance gaps were widest between peers in general education. The four countries where performance gaps were widest between those in secondary general education and technical and vocational education were those where the proportion of those from disadvantaged backgrounds in technical and vocational education was greatest.

Experience from OECD countries suggests that when technical and vocational subjects are introduced alongside general subjects and made more relevant to the labour market, enrolment and completion rates can increase.

Making the curriculum more flexible in upper secondary schools in terms of subject choices and allowing a route back to further education can result in benefits for all students, as Singapore’s experience has shown. There are some impediments to this approach, however. Many developing countries lack the resources, materials and qualified teachers to offer such flexibility effectively. After Ghana introduced a diversified secondary curriculum, numbers in vocational courses rose by about 50% but the cost of delivering the new courses was as much as twenty times more in rural schools than in urban schools even though quality in rural areas was poor. If it is not possible to train and supply teachers for technical and vocational subjects and distribute resources equitably, students in rural areas may end up with low quality training.

**Strengthening the links between school and work**

In colleges and in schools as well, they should do more, not just a day release where you go off and do a bit of work experience; they should do it like if they have two days in school, three days in placement, just balance it out. That way you’re in school, you’re learning what you need to learn and you’re out there trying to get some experience.

– young woman, United Kingdom

School leavers are often told they are not suitable for a job because they have no work experience. Linking schooling with work-based programmes through internships and apprenticeships has the potential to help young people learn practical problem-solving skills and practise crucial workplace skills. Apprenticeships have proven particularly successful in some contexts. The German dual model, for example, combines structured training within a company and part-time classroom tuition. It works well in Germany because of strong regulation and partnerships between government, employers and employees.

Because apprenticeships often lead to employment, they can also motivate young people to stay in school and complete their education. In France, going through an apprenticeship increases the likelihood of being employed three years after completion.
Apprenticeships can be of particular benefit to the disadvantaged, but apprenticeship programmes can be discriminatory. In the United Kingdom, 32% of black and other ethnic minority youth enter apprenticeships, compared with 44% of young white people. Women are less likely to find apprenticeships, and those who do earn 21% less from these opportunities than men. Career counselling can help more disadvantaged young people find and stay in apprenticeships, or ease the transition to work as experience from Japan has shown.

Formal apprenticeships are much more difficult to implement in poorer countries, but can work under appropriate conditions. Egypt adapted the German model to its own context, with business associations playing a key role in providing training places. A third of graduates from the programme were able to find work immediately and about 40% continued in further education. Such systems, however, rely strongly on trust between government and employers, which is not easy to find in many low income countries that have a large informal sector.

Transferable skills for all: a desirable but challenging goal
Skills learned at school need to extend beyond subject knowledge. Applying knowledge to real work situations, analysing and solving problems, and communicating effectively with colleagues are all crucial elements of skills development that young people need if they are to obtain good jobs in a global economy increasingly driven by technology. Recognizing this, some countries are striving to incorporate transferable skills into their curricula. Denmark, New Zealand and Hong Kong (China), for example, all specify problem solving as a key curriculum feature.

The use of ICT in education is gathering momentum across the world. It not only improves the learning experience and reduces dropout, but also prepares young people for work. Computers may be too expensive or scarce for some schools, especially in poorer countries, but radio and mobile phones have wide reach in remote areas. Interactive radio instruction, as used in Honduras and South Sudan, for example, offers opportunities to improve learning for disadvantaged groups at low cost. Its use has enhanced performance by up to 20%.

Providing alternative routes for early school leavers
Large numbers of young people drop out before completing secondary school, even in middle and high income countries. Those leaving school early are more likely to be from poor and disadvantaged households. Targeted support is required to enable them to continue with their learning so that they acquire the qualifications and skills needed to benefit from employment opportunities.

In the Netherlands and the Philippines, schools have adopted flexible approaches to support those at risk of dropping out, including allowing re-entry at any point in the school year. In New York City, where one in five of those aged 17 to 24 is neither in school nor in work, two programmes targeted vulnerable youth in neighbourhoods with paid internships, individual counselling and workshops. This approach resulted in over half finding work within nine months, and around a fifth re-entering courses to learn foundation skills.

Alternative approaches to learning skills outside secondary school, such as open and distance learning and community training centres, need to be carefully attuned to local labour market needs and backed by long-term financial commitment. Moreover, the skills acquired need to be ones that are formally recognized by employers.

National qualification frameworks can provide employers with information on the learning attained by youth who follow alternative learning pathways. If carefully designed, they can bring greater clarity to otherwise fragmented standards and qualifications systems operating outside formal secondary education. Implementing them effectively, however, is not easy. It requires close cooperation between interested parties, including government, training institutions, employers and trade unions.
Skills for urban youth: A chance for a better future

Today’s urban youth population, the largest in history and still growing, is better educated than previous generations and represents a powerful force for political and social change, as well as economic growth. As a result of natural increase and migration from rural areas, it is estimated that virtually all the world’s population growth will be concentrated in urban areas over the next thirty years, with more people living in urban than in rural areas in all developing regions by 2040.

Many urban poor lack foundation skills

Rapid urbanization has led to substantial urban poverty, manifested in the growth of slums and informal settlements. One in three people living in today’s cities are slum dwellers, rising to two in three in sub-Saharan Africa. In all, latest counts show more than 800 million people living in slums, a figure that is expected to rise to 889 million by 2020. Young people make up a disproportionate share of those living in these settlements. Skills training and work can offer them an alternative to the poor conditions in which they live and struggle to find decent jobs.

The extent of education deprivation among the urban poor is often overlooked. Inequalities within urban areas are often extreme – implying that slum dwellers do not necessarily live better than the rural poor – and the extent and depth of urban poverty are underestimated.

While education opportunities are more widespread in urban areas than rural ones in many developing countries, the difference in acquisition of foundation skills between the urban poor and rural poor is not large. Across forty-five low and middle income countries, the urban rich are far more likely than the urban poor to have continued at least until the end of lower secondary school. In ten of these countries, the proportion of those aged 15 to 24 lacking foundation skills is even higher among the urban poor than among the rural poor.

In Cambodia, for example, 90% of urban poor youth have not completed lower secondary education, compared with 82% of the rural poor and 31% of the urban rich. In Kenya, where 60% of Nairobi’s inhabitants live in slums, low levels of formal education for youth due to a lack of secondary schools in slums limit their opportunities of finding decent jobs.
Employment for poor urban youth is mostly informal

It is difficult to find a job that lasts long. The longest period of work is not more than a week. And for my work I earn 30 birr [US$1.70] per day.

- young man, Ethiopia

A lack of skills and education for the urban poor leaves the vast majority working in small and microbusinesses operating informally with no business records, legal status or regulations. Such informal work includes subsistence activities, such as waste-picking and street vending, as well as sewing and garment-making, car repair, construction, farm work and craft-making. Informal and unregulated, these jobs are often low paid and fragile, with bad working conditions.

While the number of people worldwide trapped in vulnerable, unregulated work is hard to measure accurately, the International Labour Organization (ILO) estimates it at 1.53 billion. The informal sector accounts for as much as 70% of non-agricultural employment in some sub-Saharan African countries, and more than half in poorer countries of Latin America. It is also the main employer for many workers in South and West Asia.

Discrimination both in education and in labour markets denies opportunities to certain groups. Young women in many contexts face limited mobility and access to education and training, as well as to paid work, while experiencing a heavy burden of unpaid, domestic work. More women than men are employed either in the informal sector or informally in the formal sector in twenty-five out of thirty-nine countries in a recent ILO survey. The range of activities women engage in is constrained: many are confined to home-based work, and women are overrepresented in the most informal and insecure activities, such as waste-picking and street vending. Once in work, they are also likely to earn less than men. In greater Buenos Aires, for example, women in informal companies earned 20% less than men.

The informal sector can become a more attractive option when young people have the appropriate skills. Informal sector workers in seven West African capitals who had completed primary or lower secondary education could earn 20% to 50% more than those without qualifications, in most cases. But many enter the informal sector lacking foundation skills. In Rwanda in 2006, only 12% of those working in the informal sector had studied beyond lower secondary level, compared with 40% in the formal sector.

Expanding skills training opportunities for disadvantaged youth

As the effects of the economic downturn continue, the sheer number of young people earning wages below the poverty line in low skilled informal jobs is growing. They should be a key concern in national skills development strategies, yet this is rarely the case. The review of forty-six developing countries conducted for this Report shows that most do not have a national skills development strategy that explicitly addresses the urban informal sector.

India, one of the few countries targeting this issue, has developed a strategy on informal workers. It has also developed a National Policy on Street Vendors which states that, as India’s 10 million street vendors run microenterprises, they should receive training to upgrade their technical and business skills so they can increase their income and look for alternative work.

Second-chance programmes are vital to equip the urban poor with literacy and numeracy skills. Although there are many innovative approaches run by NGOs, second-chance opportunities in the parts of the world where they are needed the most are often small in scale. They also tend to be poorly coordinated, and governments often have little information about their activities.

Extending foundation skills to those aged 15 to 24, and combining that with vocational training, can help them find secure work. The Training for Employment project in Nepal for out-of-school young people is one such programme. It has been successful in reaching marginalized groups – 66% of its students belonged to disadvantaged castes or ethnic minorities. A tracer study covering 206 project graduates reported that 73% had found employment.
A potentially effective way of delivering skills training is to combine it with microfinance or social protection programmes that help beneficiaries overcome poverty constraints in the short term. Chile Solidario, introduced in 2002, provides cash transfers together with other forms of support, including preferential access to training aimed at increasing employability, with a focus on poor women with low educational attainment and little or no professional experience. Employment grew by up to four to six percentage points among women who entered the programme in 2005, partly through increased participation in the training programmes.

Programmes that offer classroom training and work experience in basic and specific trades, alongside life skills, job search assistance, counselling and information to enhance employability, have been successful in some parts of the world, notably Latin America and the Caribbean. These programmes target disadvantaged urban youth, especially young women, with particular success. In Colombia, the wages of women who had completed the Jóvenes en Acción programme rose by an average of almost 20%. Their chances of formal employment also increased as a result of the combination of classroom training and on-the-job training in a wide range of activities that were closely linked to demand in the labour market. In Peru, the PROJoven programme improved men’s chances of finding work by up to 13%, and women’s by up to 21%.

Most Jóvenes programmes in Latin American countries have been integrated into national public training institutions or replaced by other similar interventions, notably Entra 21. They provide useful models for other countries, including in the Arab States, showing that well-targeted programmes can improve the employment fortunes of many disadvantaged young people. They can be costly, however, and require enough companies able to participate, which may not be possible in parts of sub-Saharan Africa, for example, where the numbers employed in the formal sector are small.

Beyond foundation skills for disadvantaged youth

Where young urban people already have foundation skills, governments need to target and support training in transferable and technical skills, especially in small and medium-sized informal businesses with growth potential. Traditional apprenticeships are one approach that can reach large numbers of young people employed in the informal sector. They can be cost effective, have immediate practical relevance and often lead to employment.

It is important, however, to ensure that access to apprenticeship training is equitable. In Ghana, only 11% of the poorest quintile of young people had been through an apprenticeship as opposed to 47% of the wealthiest. Similarly, apprenticeships are often in trades more accessible to male workers and so disadvantage women.

Reforms aiming to transform traditional apprenticeship into a dual apprenticeship system were developed in the 1990s and 2000s in several countries, including Benin and Togo. They combine theoretical learning with practical training. This approach requires agreement between the government, groups representing informal workers and craftsmen willing to take apprentices. If successfully implemented, dual apprenticeship can become an effective and sustainable part of national technical and vocational education and training systems. In Burkina Faso, the costs of reformed apprenticeships were about one-third as much as formal training courses, for example.

Gradually recognizing traditional apprenticeships formally may be an easier policy option than transforming them completely into dual apprenticeships for countries with limited institutional capacity, as experience in Cameroon and Senegal illustrates. Such initiatives may be particularly efficient if designed and implemented in cooperation with informal sector associations or other professional organizations.

Gradual adoption of formal status can include regulations to protect apprentices from exploitation, a common concern in traditional systems. They include limits on daily and weekly working hours, a ceiling on the number of years
of training for each type of occupation, and safety measures. Certifying apprentices’ skills and work experience through a national qualification framework can further enhance the value of this training and boost their employability.

Another route out of subsistence work is self-employment. Many young people in urban centres in the Arab States and sub-Saharan Africa see this as a viable option. In 2008, a survey in Egypt revealed that about 73% of young people would be happy to become entrepreneurs. Entrepreneurial skills, however, are lacking among poor urban youth.

Experience from Bosnia and Herzegovina and Ghana shows that the impact of entrepreneurship training is reduced where participants lack foundation skills and do not have access to other forms of support, including the assets required to set up a business, enabling them to apply their newly acquired skills.

Curriculum design of entrepreneurship training targeting disadvantaged urban youth, therefore, needs to factor in training in basic literacy and numeracy skills and combine this with resources to start a business to give young people a better chance of succeeding.

Skills for rural youth – an escape route from poverty

I am from the countryside. It is known that education is not given that much attention in rural areas; families do not encourage their children to go to school. I started learning all by myself as I had the desire. But to be a student you need educational materials and I couldn’t afford those.

– young man, Ethiopia

The majority of the poor – 70%, or about 1 billion people – live in rural areas, predominantly in low and some middle income countries. They are heavily concentrated in sub-Saharan Africa and South Asia, where most are dependent on a combination of small-scale farming, seasonal casual labour and microentrepreneurial activities with low earnings potential. As the world population continues to grow and demand for food rises while land becomes more scarce, skills development is vital so that young people in rural areas can learn to adopt new technologies in agriculture, and have greater opportunities for non-farm work.
In rural areas, young women are more disadvantaged than young men

In rural areas many poor young people, especially young women, lack foundation skills, locking young generations into subsistence work. The gender gap is most pronounced in countries where the majority of rural people do not make it to the end of lower secondary school. In Benin, Cameroon, Liberia and Sierra Leone, around 85% of young rural women lack foundation skills, compared with less than 70% of young men. Even in Turkey, a middle-income country, the gender gap is wide – 65% of young women do not complete lower secondary school, compared with 36% of young men.

Women not only have lower levels of education, but also fewer assets, and are less able to migrate. They are often left behind to do low-skilled tasks that others are unwilling to undertake.

Enhancing the education and skills of young people in rural areas, and young women in particular, would not only expand their opportunities, but could also increase their productivity, with gains for their families as well as the wider economy. In rural China, wages are significantly higher for those involved in non-farm work who have at least some post-primary education.

Rural youth with foundation skills have a better chance of non-farm work. Across eight countries analyzed for this Report, the higher the level of education, the more likely it is that a young person is involved in non-agricultural employment, with similar patterns for women and men. In Turkey, 23% of those with no education are involved in non-farm activities, compared with 40% of those with primary education and 64% of those with at least secondary education.

Addressing rural training needs

Of the national plans of forty-six countries analyzed for this Report, only about half acknowledged the specific training and skills needs of the rural poor in their national plans. Countries that do prioritize the needs of the rural poor, however, can reap rewards. In China, from the 1970s, focusing on productivity for smallholder farmers and non-farm self-employment reduced the number of those living below the poverty line.

Ensuring that all young people have access to foundation skills is an immense challenge in rural areas because of the dispersion of populations and the numbers involved. However, youth in rural areas will not benefit from training programmes if they lack basic skills that would allow them to understand and apply new technology in business and farming. Extending coverage of formal primary and secondary schooling and improving its relevance to rural environments are key priorities. Emphasis should also be given to second-chance programmes that provide basic skills combined with skills training related to agricultural and non-farm activities of rural people.

In Malawi, where 85% of the population live in rural areas, and around half of children starting primary school drop out, a second-chance skills training programme has produced remarkable success. Targeting those living in rural areas who have never been to school or dropped out, it resulted in over half the learners either completing the course or returning to primary school. Participants also achieved better results in literacy and numeracy than those in formal schooling. Similar initiatives are needed in many poor countries with large numbers of rural people who have little or no education.

Programmes also need to tackle the specific difficulties faced by young women. In Egypt in 2008, 20% of rural women aged 17 to 22 had less than two years of schooling. Many are likely to marry young. Ishraq, a programme in Egypt, tackles social stereotypes directly, working with rural families, local leaders and communities to include them in determining the rationale behind literacy and numeracy skills programmes for girls. Over nine out of ten of the first graduates of the Ishraq programme passed their final exams.

Including literacy, numeracy and other skills training in microfinance and social protection programmes for poor rural women increases their chances of moving out of poverty. Two pioneers are BRAC in Bangladesh and Camfed in Africa. BRAC provides poor rural families with an asset, such as a cow, from which to earn a
living. It also provides training in microfinance and marketing to improve the profitability of the investment. As a result, income per household member has almost tripled. Camfed targets poor rural adolescent girls, providing business management skills, a grant, microloans and peer mentoring. Its approach has resulted in over 90% of the businesses created by the young women turning a profit.

**Bringing additional skills to rural youth**

To make sure work in rural areas is attractive for young people, it is vital to provide training beyond the foundations so that smallholders can strengthen agricultural productivity and non-farm workers can enhance their business and finance skills.

Forming associations can help smallholders gain skills while strengthening their common voice. Farmer field schools and cooperatives are two approaches that have proved successful. In Kenya, Uganda and the United Republic of Tanzania, farmer field schools have led to significant improvements. The approach has been particularly beneficial for those with low levels of literacy. Crop value per acre increased by 32% on average across the three countries, and by 253% for those who had not had any formal schooling. Income increased by 61% on average, and by at 224% for households whose heads had no previous schooling.

An effective way to promote productive learning and practical use of new skills is to demonstrate them using radio and video. Experiments in Burkina Faso, India and the Niger have shown the potential benefits of augmenting training with ICT, especially radio, which can reach large numbers of disadvantaged farmers.

Innovative training programmes for non-farm work can be beneficial in encouraging young people to remain in rural areas. Several programmes aimed at providing entrepreneurship and microbusiness skills for disadvantaged young people, including indigenous youth, have been developed on a large scale in rural areas of Latin America. Many of these have shown impressive results.

In Mexico, the JERFT programme (Young Rural Entrepreneur Programme and Land Fund) began in 2004 to address young people’s lack of access to land and the need for a new generation of young rural entrepreneurs. The programme, which targeted indigenous groups, aimed to enable beneficiaries to start sustainable, profitable agribusinesses. Within a year, participants had increased their income by one-fifth.

Whether in agriculture or not, it is essential for training to be adapted to each local context, filling clear gaps in the skills base in the local area. Training for Rural Economic Empowerment (TREE), designed by the ILO, takes this approach, helping match supply with labour market demand, resulting in strong successes in very varied contexts on different continents. In Bangladesh, it has helped women enter non-traditional trades such as appliance and computer repair. The approach combines technical and business training with training in gender issues and gender sensitization sessions for trainees’ families, communities and partner organizations.
Youth skills: pathways to a better future
The need to take action in support of skills development for young people has become urgent. This Report identifies the ten most important steps that should be taken. These can be tailored to fit country-specific circumstances and needs.

1. **Provide second-chance education for those with low or no foundation skills**
   Providing second-chance education to young people in low and lower middle income countries who did not complete primary school requires well-coordinated and adequately funded programmes on a much greater scale. With the support of aid donors, governments should make this a policy priority, including it in education sector strategic planning that sets targets to reduce significantly the large number of young people without foundation skills. Budgetary allocations based on the number of disadvantaged youth requiring a second-chance education should be identified and included in the national budget forecast.

2. **Tackle the barriers that limit access to lower secondary school**
   Countries with large numbers of young people who lack foundation skills need to start by tackling the barriers that exclude many disadvantaged children and adolescents from participating and progressing in education through to at least lower secondary level. Abolishing school fees and providing targeted financial support, linking lower secondary to primary schools, providing a common core curriculum to equip all children with core skills, ensuring that there are enough government school places and assuring accessibility in rural areas are key measures that can improve access to lower secondary school.

   A global target should be set to ensure all young people benefit from lower secondary school, with the aim of achieving universal lower secondary education of acceptable quality by 2030. Long-term education plans should identify strategies and financial resources required to meet this goal.

3. **Make upper secondary education more accessible to the disadvantaged and improve its relevance to work**
   Upper secondary education must be in tune with the skills needs of the labour market. First, it has to strike a balance between technical and vocational and general subjects by providing flexibility in subject choices and links with the workplace.

   Second, secondary school curriculum reforms should focus much more on developing in learners the capacity to solve problems, and tap into the potential of ICT to help learners develop the skills required in a labour market that is increasingly dependent on technology.

   Third, flexible opportunities should be offered to students who are at risk of dropping out of secondary education. Distance education centres can be set up to cater for the learning needs of disadvantaged youth. Appropriate recognition should be given to skills gained through alternative learning pathways that offer a route back into education or provide similar secondary qualifications that are recognized in the workplace.
4 Give poor urban youth access to skills training for better jobs
Public interventions building on traditional apprenticeship systems should strengthen training by master craftspeople, improve working conditions of apprentices and ensure that skills can be certified through national qualification frameworks. As well as enhancing the legitimacy of traditional apprenticeships, such measures will ensure that they meet business and industry standards, and will improve apprentices’ access to a wider range of better-paid jobs.

Strategies should provide skills training to young people who aspire to be entrepreneurs, but must not stop there. Providing young people with access to funds to start businesses can help them use their skills successfully.

5 Aim policies and programmes at youth in deprived rural areas
Many rural young people need to be given a second chance to acquire foundation skills, together with training in agricultural techniques that can help enhance their productivity. Farmer field schools and training via cooperatives, which are attuned to the local needs of farmers, are particularly successful. Since many rural youth also work off the farm, training in entrepreneurship and financial management can widen their opportunities. This is important where farmland is becoming scarce, and to provide opportunities to encourage young people to remain in rural areas.

6 Link skills training with social protection for the poorest youth
Combining microfinance or social protection, such as productive asset transfers, with training in basic literacy and numeracy as well as livelihood skills has been shown to be successful in helping counter the multiple forms of disadvantage that can lock youth into poverty.

7 Prioritize the training needs of disadvantaged young women
Targeted programmes that address the multiple causes of disadvantage that young women face have proved effective. Providing young women with microfinance and livelihood assets, and stipends until assets start to yield income, together with the skills needed to make the most out of these assets, gives them greater control over their own resources in ways that benefit them and their families.

8 Harness the potential of technology to enhance opportunities for young people
ICT can be used to bring skills training to a larger number of youth. Even basic technology such as radio can play an important role in skills training, particularly for people in remote rural areas. Such methods should be exploited further to enhance training opportunities for young people.
9 Improve planning by strengthening data collection and coordination of skills programmes

Government leadership is important in coordinating the diverse range of actors involved in skills training and associated programmes to ensure that they reflect national priorities targeting the most disadvantaged youth. Doing so will reduce fragmentation and duplication of effort, and assure equitable access.

More and better data are needed for national governments and the international community to monitor accessibility of skills development programmes and so to plan more effectively. For reporting to the UNESCO Institute for Statistics, better information on lower and upper secondary education is needed. This should include more information on dropout and completion, and on subjects taken, including details on academic as well as technical and vocational areas, enabling analysis of choice of subject by gender.

Better data are also needed on skills development programmes beyond the formal school system, such as second-chance programmes and traditional apprenticeships, linking these data with labour market information. Given its expertise in this area, the ILO could take on the responsibility for gathering and disseminating such data from national governments. The international community should also build on recent developments to measure a range of skills of youth and adult populations more systematically.

Involving young people, especially those facing disadvantage, in planning is vital to identify constraints and appropriate solutions. Governments also need to work more closely with businesses and trade unions to improve the relevance of skills training efforts in the workplace.

10 Mobilize additional funding from diverse sources dedicated to the training needs of disadvantaged youth

There is an urgent need, especially in poor countries, for resources to make sure all young people have a good foundation in education, extending at least through to lower secondary school. National governments and aid donors should prioritize finding additional funds to support second-chance opportunities on a much larger scale. Reallocating some of the US$3.1 billion that aid donors currently spend on scholarships and imputed costs for developing country students to study in donor countries would go a long way towards helping provide the US$8 billion needed to ensure that all youth complete lower secondary school.

The private sector could extend its support to skills development programmes for disadvantaged young people through their foundations. But such support needs to be available on a much larger scale and more closely coordinated with national priorities.

Training funds that bring together resources from governments, aid donors and the private sector have had some success in reaching disadvantaged youth, including those in the informal sector. There is even greater potential for these funds to raise additional finance while improving coordination among governments, enterprises, donors, trade unions, youth groups and other interested parties.