



# The role of youth in sustainable development

Perspectives from South Asia

Anam Khan, Asif Javed, Samavia Batool, Fazal Hussain, Hamid Mahmood and Vaqar Ahmed

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**Contact**

<http://www.sdpi.org/>

**Vaqar Ahmed: [vaqar@sdpi.org](mailto:vaqar@sdpi.org)**

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# Contents

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List of acronyms	5
Abstract	6
1. Introduction	7
2. Methodology	9
3. Situation analysis: growth, public expenditure and employment	10
4. Policies and programmes for youth employment	18
4.1 Bangladesh	18
4.2 India	20
4.3 Pakistan	22
5. Qualitative assessment and findings	25
6. Policy recommendations	28
6.1 Starting today: agenda for the first 1,000 days	28
6.2 Implementing the SDGs: a long-term context	28
7. Conclusion	30
References	31
Annex: Sustainable Development Goal 8	33

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# List of tables, figures and boxes

## Tables

<b>Table 1:</b> Size of informal economy (percentage of total national income)	<b>11</b>
<b>Table 2:</b> Child labour in South Asia	<b>17</b>

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## Figures

<b>Figure 1a:</b> Growth and public finance – economic growth (real GDP)	<b>12</b>
<b>Figure 1b:</b> Growth and public finance – public health expenditure	<b>12</b>
<b>Figure 1c:</b> Growth and public finance – education spending	<b>13</b>
<b>Figure 1d:</b> Growth and public finance – tax revenues	<b>13</b>
<b>Figure 2a:</b> Overall and youth unemployment – overall unemployment	<b>14</b>
<b>Figure 2b:</b> Overall and youth unemployment – youth unemployment	<b>14</b>
<b>Figure 2c:</b> Overall and youth unemployment – share of youth not in education, employment, or training	<b>15</b>
<b>Figure 2d:</b> Overall and youth unemployment – ratio of female to male youth unemployment, 2014	<b>15</b>
<b>Figure 3:</b> Ratio of youth to overall unemployed	<b>16</b>
<b>Figure 4:</b> Firms offering formal training, 2014	<b>16</b>
<b>Figure 5:</b> Bangladesh: public spending on education	<b>19</b>
<b>Figure 6:</b> India: public spending on education	<b>21</b>
<b>Figure 7:</b> Pakistan: public spending on education	<b>23</b>

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## Box

<b>Box 1:</b> Size of informal economy (percentage of total national income)	<b>17</b>
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## List of acronyms

<b>AA</b>	Assessment agency	<b>NSDF</b>	National Skill Development Fund
<b>BISP</b>	Benazir Income Support Programme	<b>NSQF</b>	National Skill Qualification Framework
<b>BMET</b>	Bureau of Manpower, Employment and Training	<b>NTB</b>	National Training Bureau
<b>BRDB</b>	Bangladesh Rural Development Board	<b>PMKVY</b>	Pradhan Mantri Kaushal Vikas Yojana
<b>DGET</b>	Directorate General of Employment and Training	<b>PPP</b>	Public–private partnership
<b>LMIS</b>	Labour market information system	<b>PSDP</b>	Public Sector Development Programme
<b>M&amp;E</b>	Monitoring and evaluation	<b>RMG</b>	Ready-made garment
<b>MDG</b>	Millennium Development Goal	<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>MGNREGA</b>	Mahatma Gandhi National Rural Employment Guarantee Act	<b>SDG</b>	Sustainable Development Goal
<b>MSDE</b>	Ministry of Skill Development and Entrepreneurship	<b>SJG-SY</b>	Swarna Jayanti Gram Swarozgar Yojana
<b>NAVTCC</b>	National Vocational and Technical Training Commission	<b>SSC</b>	Sector Skills Council
<b>NSDA</b>	National Skill Development Agency	<b>STAR</b>	Standard Training Assessment and Reward
<b>NSDC</b>	National Skill Development Corporation (India)	<b>TP</b>	Training provider
<b>NSDC</b>	National Skills Development Council (Bangladesh)	<b>TVET</b>	Technical and Vocational Education and Training
		<b>VGD</b>	Vulnerable Group Development

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# Abstract

The Sustainable Development Goals (SDGs) address the importance of developing the skills of the labour force and the required reform of labour markets for poverty reduction. SDG 8 aims to ‘promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all’. The corresponding targets aim to achieve and sustain a decent per capita economic growth and productivity in developing economies. In order to achieve this, market and competition reforms will be required to unlock creativity, innovation and entrepreneurship. Goal 8’s focus is also on reducing youth unemployment. This is particularly important in South Asia, where one-fifth of the population are 15- to 24-year-olds; young adults continue to account for half of the unemployed; and young people are six times more likely than older workers to be jobless (World Bank, 2016). Among young people, women in particular are being left behind due to: constraints on their geographic and occupational mobility, access to education and training, and discriminatory cultural norms (Hunt and Samman, 2016).

Based on this, and in light of the ongoing discourse on possible institutional arrangements for SDGs, this review paper discusses constraints to youth employment in South Asia and priority actions needed to accelerate progress on Goal 8. In particular, we focus on: youth employment, implementation and policy interventions to achieve priority actions, and the possibility of sharing regional experiences on mobilising youth.

Our key policy recommendations start with an initial country-wide assessment to identify those segments

of society that are left behind and that need timely intervention from a social safety net as well as youth engagement programmes. We also recommend setting up a national high-level advisory group to devise national strategies for youth employment and a monitoring framework to support policy implementation. Further, we advise: revisiting taxes and regulations that may limit youth-led start-ups and established businesses’ capacity to invest in developing workforce skills; initiating a large-scale seed-grant programme designed by local-level civil society organisations; and localised vocational training programmes, aimed at youth in the informal sector. Finally, sub-national governments will need to ground youth employment programmes in the overall framework of youth engagement through community service and youth advisory services. They should also use fiscal measures to encourage public secondary schools, colleges and universities to open their technical and vocational training subsidiaries for working youth. The findings of this study would help policy makers across South Asia to align national and local youth development plans, focus on long-term labour market interventions and rational spending on youth development programmes. Not only this, these findings would also be relevant to the private sector, being the largest employer of the youth, for building capacities of the employed labour force and to explore the opportunities for public-private partnerships for promoting youth employment in South Asia.



# 1. Introduction



Children in India. Photo: © Kiwi 3rd/Flickr.

The Millennium Development Goals (MDGs) identified employment as a critical link between growth and poverty reduction. Inclusive employment policies, programmes and projects particularly aim to get the marginalised and vulnerable segments of the population into work. While investing in skill development is important, equally essential is reforming goods and labour markets to create new jobs so that economic expansion is able to absorb both existing unemployment and incremental increases in the labour force (Ahmed, 2012).

The Sustainable Development Goals (SDGs) recognise the importance of inclusive employment in Goal 8, which aims to ‘promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all’.<sup>1</sup> Such growth should be broad based and help boost both wage- and self-employment. Governments are expected to carry out market and competition reforms so that creativity, innovation and entrepreneurship can be embraced (Mehta, 2015). The targets under Goal 8 also focus on reducing youth unemployment and providing equal access to work for

women, minorities and other marginalised communities. There is also an emphasis on promoting self-employment through financial-sector reform to provide credit swiftly. This will enable new entrepreneurs to access the funds they need to activate their innovative ideas.

It is also important to discuss Goal 8 - particularly the youth-unemployment target - in the context of South Asia. According to the World Bank (2016), the South Asian region has:

- one-fifth of its population aged from 15 to 24 years
- the largest number of young people ever to transition into adulthood across the world
- acute youth unemployment, with young adults accounting for half of the unemployed population and young people six times more likely to be jobless than older workers.

The demographic challenges also highlight how important education and skills are for employment. A key message in SDG Goal 3 is to ensure healthy lives and promote well-being for all ages; long-term unemployment can be a threat to both physical and mental quality of life.

<sup>1</sup> There are 12 targets under this goal. See Annexe 1 for details on the targets.

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Recent literature cites two important reasons for the challenges youth unemployment brings in South Asia. First, the slow growth in formal jobs in relation to growth in the real sector's value addition. Second, the skills employers demand do not match the skills of graduates from universities and training institutions (Khan and Ahmed, 2014; Wahab et al., 2013). Among other implications, this means that many young people, even those with training, cannot find decent work.

SDG Goal 8 sets out ambitious targets and, drawing on the recent literature, we argue that South Asian policies and programmes will need to be carefully adapted to meet its agenda. The existing institutions responsible for implementing policies under Goal 8 will need to revamp their business processes to meet the expectations of a large youth population. Such a revamping may require legislative changes, e.g. ensuring gender parity in educational institutions and workplaces. This could also involve increasing the capacity-building of the administration responsible for implementing the legislative changes as well as new policies and programmes towards active and passive labour-market reforms (Ahmed et al., 2015c).

Existing planning and budgeting processes will also need to be aligned with SDGs. National and sub-national budgets can be monitored (and evaluated for impact) only if they are aligned with national or sub-national goals and targets. This is particularly important for marginalised areas in South Asia which will require greater public investment, given market failures in the provision of health and education services. Apart from generating productive employment, this is also important for poverty reduction

and equity-related goals (Atteridge, 2015; Martin and Walker, 2015; Ahmed, 2016a).

Based on the above, and reflecting the ongoing discourse on possible institutional arrangements for SDGs, this review paper discusses:

- constraints to youth employment in South Asia
- priority actions needed to accelerate progress on Goal 8, particularly youth employment
- means of implementation and policy interventions to achieve these priority actions
- possible sharing of experiences on mobilising youth engagement within member countries of the South Asian Association for Regional Cooperation (SAARC).

The next section describes our methodology, and Section 3 presents a situation analysis of economic growth and employment in South Asia. We focus our analysis on Bangladesh, India and Pakistan, three countries that share a similar pre-colonial legal, regulatory and policy history. In Section 4, we highlight the policies and programmes initiated in these countries to help improve youth employment. As well as focusing on employment policies in the region, we will discuss the wider growth and sustainable development initiatives that can support employment objectives. Section 5 draws upon a brief survey conducted by the Sustainable Development Policy Institute (SDPI) to capture key debates around challenges to youth employment, policy discourse and possible options to promote youth employment across South Asia. Section 6 presents our policy recommendations for institutions at regional, national and sub-national levels.



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## 2. Methodology

This paper's approach is both quantitative and qualitative in exploring barriers and constraints to youth unemployment. To provide a regional perspective, we have adopted a comparative case study approach. This allows us to compare and contrast the issues and constraints to productive employment of youth for our three case studies in: Bangladesh, India and Pakistan. We use a three-step process to derive priority policy actions for each country and for the South Asian region as a whole.

In the first step, we make use of secondary data already available across the three countries to discuss growth and employment patterns. This is accessed from: the World Bank's World Development Indicators, national five-year development plans, in-country planning departments and national government websites. In analysing the current economic situation at country level, we look at GDP growth, public expenditures on health and education, and tax revenue indicators. Labour markets are assessed on a number of variables including unemployment, female-specific youth unemployment, share of youth not in education, and proportion of total unemployed youth in each country. We also explore the role of public expenditure in directly supporting human development outcomes and indirectly influencing long-term employment. The private sector's role in providing jobs and necessary on-the-job training for youth employment is also discussed in light of available data.

Second, we take stock of policies, programmes and projects for youth employment across the three countries. Our main source is national planning documents and year-end review reports from the finance ministries. As it is harder to get an estimate of these projects' actual

progress and completion, we have tried to validate some of the information on youth programmes through national budget documents. A limitation of our approach is that we do not fully cover the emerging private-sector-led support for youth in these countries. This may be in the form of corporate social responsibility, vocational training programmes and various forms of partnerships with civil society organisations (CSOs) responsible for youth mobilisation at local level. The CSOs in their own right have been mentors for innovative social enterprise in this region, an area not fully discussed in this paper.

Third, we provide an independent assessment of youth employment initiatives and their impact, based on key informant interviews (KIIs) and focus group discussions (FGDs) organised by the Sustainable Development Policy Institute (SDPI). While the interviews focused on key challenges to youth employment, policy discourse and possible options, they also covered ongoing youth engagement, and employment and skills enhancement programmes. The interviews covered a larger set of countries in the region but we limit our discussion in this section to responses from Bangladesh, India and Pakistan. In total there were 24 interviews and two FGDs relevant to these countries. The interviews were completed during December 2015.

Most of the semi-structured responses from our KIIs were requested around factors obstructing productive youth employment in South Asia, and desired policy measures to boost full and productive youth employment. We asked also about the necessary reform of institutions to ensure productive youth employment, implementation of gender-sensitive policies and on-the-job training.

# 3. Situation analysis: growth, public expenditure and employment



Young women at a community meeting in Aurangabad, India. Photo: © Simone D. McCourtie/World Bank.

In this section we rely on the descriptive statistics available for Bangladesh, India and Pakistan to explain links between growth, public finance and unemployment. The longer-term growth pattern (Box 1, page 17) reveals that growth in these economies has been characterised by boom-bust cycles. While there have been instances of short- and medium-term growth spurts, it has been difficult to sustain these successes over the longer term (GoP, 2011). The average annual economic growth since 1972 was recorded at 4.3%, 5.6% and 4.8%, for Bangladesh, India and Pakistan respectively. During the same time period China grew at a double-digit growth rate and achieved tangible gains towards employment and poverty reduction.

This growth pattern has implications for managing public finances. Collecting tax revenues has remained well below the potential level. This is attributed to a large informal sector, exemptions or preferential treatment

allowed to certain sectors, and weak tax administration capacities (Reva, 2015; Ahmed et al., 2015b). Tax collection does not keep pace with expansion in the real sector, which can be attributed to tax authorities' inability to tap in to high-growth sectors such as IT and telecoms. Low tax-to-GDP ratios in Bangladesh (10.5%) and Pakistan (10.2%), compared to India (17.1%), result in lower development and welfare spending by these states. All three states have tax-to-GDP ratios below the low- and middle-income countries' average of 22% (IMF, 2016). All three countries have also found it hard to tax the high-income quintiles and transition towards a more progressive tax structure (Ahmed and Talpur, 2016).

Low levels of resource mobilisation constrain an expansion in the health and education budgets, which are an essential ingredient for human development and improving the future labour force's capacities (Bhattacharya

et al., 2013; Ahmed, 2016b). While India has been able to increase tax-to-GDP ratio in the recent past, this has not significantly affected relative shares of education and health in the overall budgeted and disbursed expenditures. In fact, in both Bangladesh and India, spending on education and health as a percentage of total government expenditure has fallen (Figures 1a-1d, overleaf). A rapidly growing private-school sector has emerged (Desai et al., 2008).

The available labour force statistics indicate how difficult it has been for the South Asian economies to make a strong dent in the stubborn unemployment levels (Figures 2a-2d, pages 14-15). Pakistan made some gains in the late 1990s and early 2000s; however, its overall unemployment level is still higher than those of the other two economies. Bangladesh and India made some gains between 2008 and 2010, although the trend has almost stagnated since then. In 2014 national shares of the unemployed as a percentage of the total labour force were 4.3%, 3.6% and 5% in Bangladesh, India and Pakistan respectively, which is higher than in other South Asian countries such as Nepal (2.7%) and Bhutan (2.8%). A low long-run economic growth, rising population and high inflation levels (at least in the case of Pakistan) explain the existence of longer-run unemployment (Maqbool et al., 2013).

The situation is more concerning with youth unemployment, which has continued to increase after 2010 across all three economies. In 2014 youth unemployed as a percentage of the total youth labour force was 9%, 10% and 8% for Bangladesh, India and Pakistan respectively. The long-run ratio of youth to overall unemployed (Figure 3, page 16) explains the rising level of youth unemployed for every unit increase in overall unemployment. Since 2010 this ratio has been rising across the three economies.

The gender dimension here is important as female youth unemployment has been higher in recent years. India and Pakistan have double-digit female youth unemployment. This is attributed to a lack of growing sectors able to absorb incremental increases in the youth labour force, and to the relatively lower levels of skills and competency training provided to young women. Moreover, a large number of young women have more unpaid care-responsibilities than men. This is particularly true for women who marry at an early age. Young women's mobility is also relatively more constrained due to social norms (Ebrahim and Ali, 2015). The ratio of female to male (youth) unemployment is greater than one across the

three countries, i.e. for each male youth unemployed there are more female youth unemployed. In Pakistan this ratio is 1.6%, followed by Bangladesh and India at 1.1%.

An additional challenge is the lack of information regarding young people who are part of the informal economy. They can become part of the formal economy and gain access to rights and entitlements under the law, once the formal economy expands at a rate greater than labour-force growth and there are inclusive labour market policies that ease workers' mobility. In Table 1 we observe that between 2000 and 2006 there is only a small reduction in the proportion of national income from the informal economies across Bangladesh, India and Pakistan.

**Table 1: Size of informal economy (percentage of total national income)**

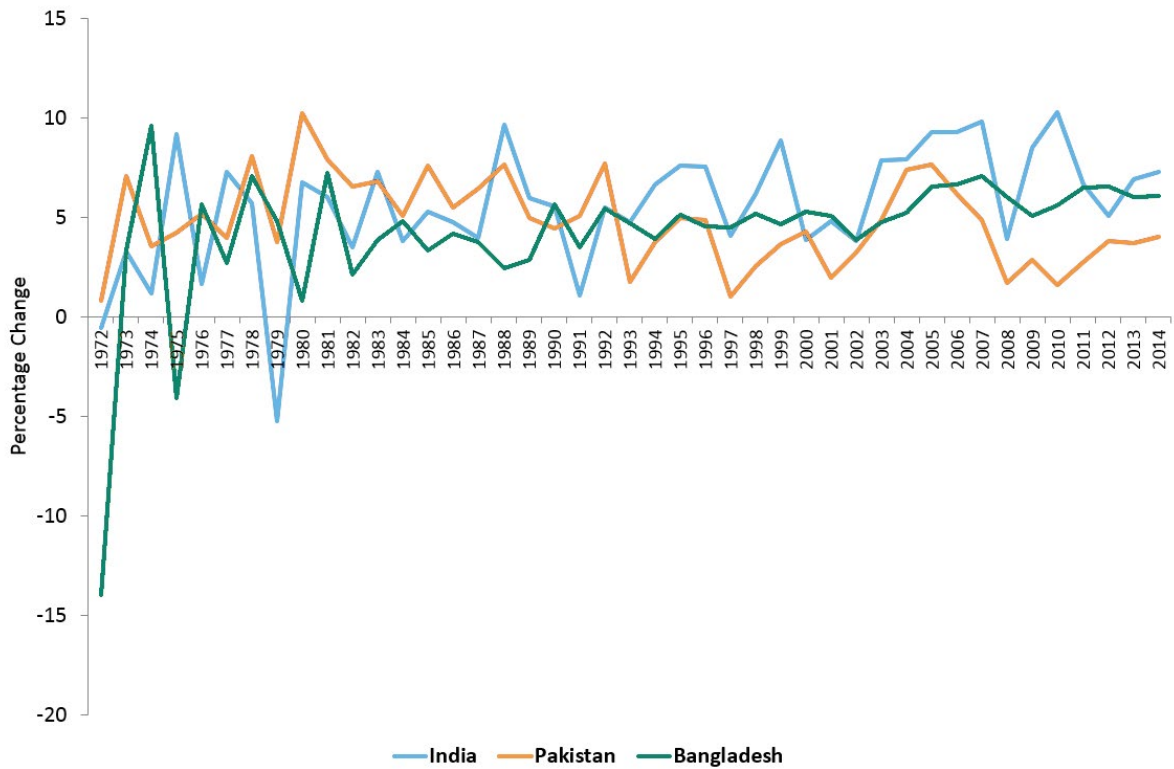
	2000	2006
Bangladesh	35.6	35.5
India	23.1	21.4
Pakistan	36.8	35.9

Source: World Bank, 2015a

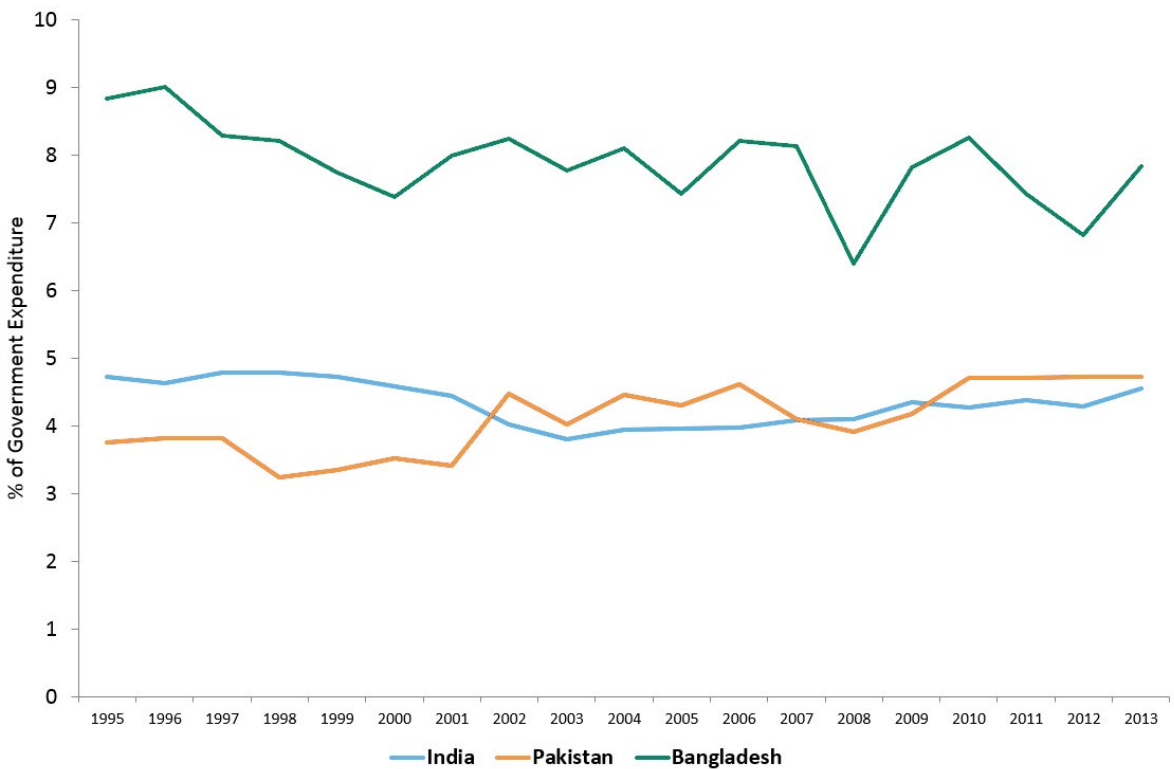
The outlook in terms of youth employability potential needs immediate attention as there are large numbers of young people not in education, employment nor training. In 2013 this was as high as 40% of youth in Bangladesh. In 2010 it was 27% in India. This information was not available for Pakistan. The numbers are higher for female youth: 62% in Bangladesh (2013) and 54% in India (2010).

Low levels of technical and vocational education and training (TVET) have been attributed to: resource constraints in the public sector, a lack of coherent national or sub-national skills policy, the inability of formal training to reach the informal sector, and a weak TVET component in social safety nets (EIU, 2013). While the private sector has realised that a public-private partnership will be important to sustain growth in the supply of skilled labour, there are still few firms that offer formal training (Figure 4, page 16).

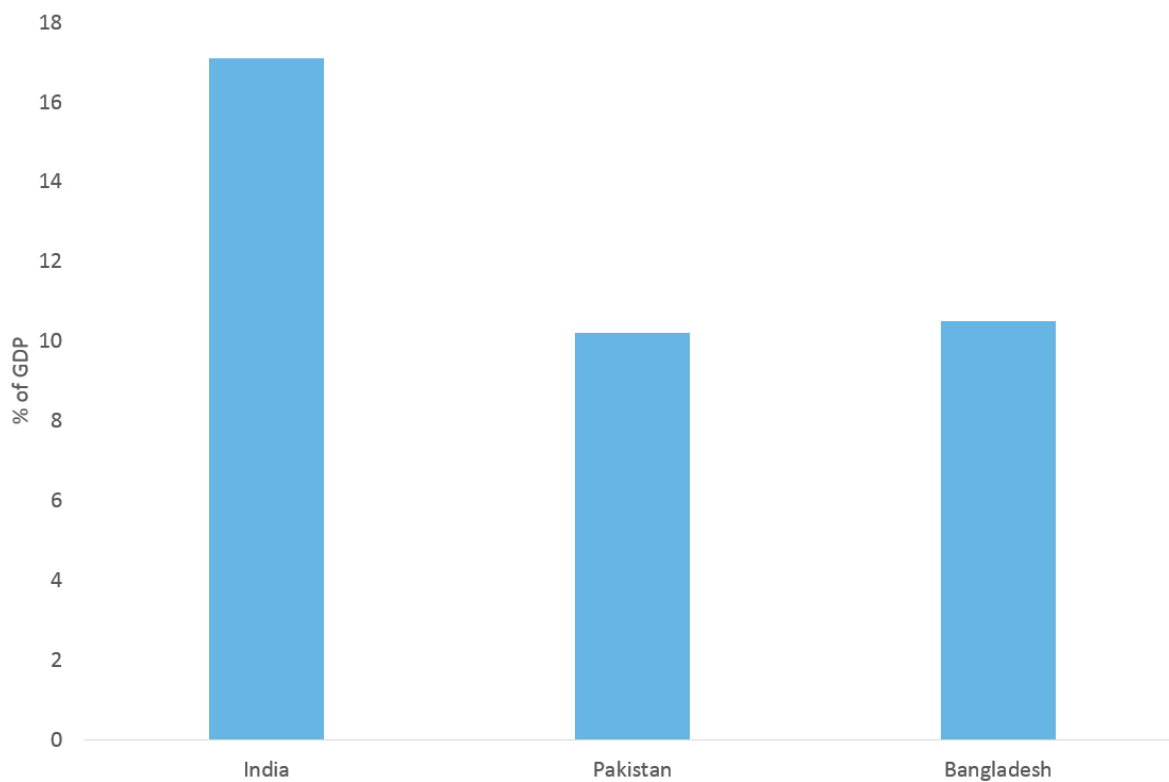
**Figure 1a: Growth and public finance – economic growth (real GDP)**



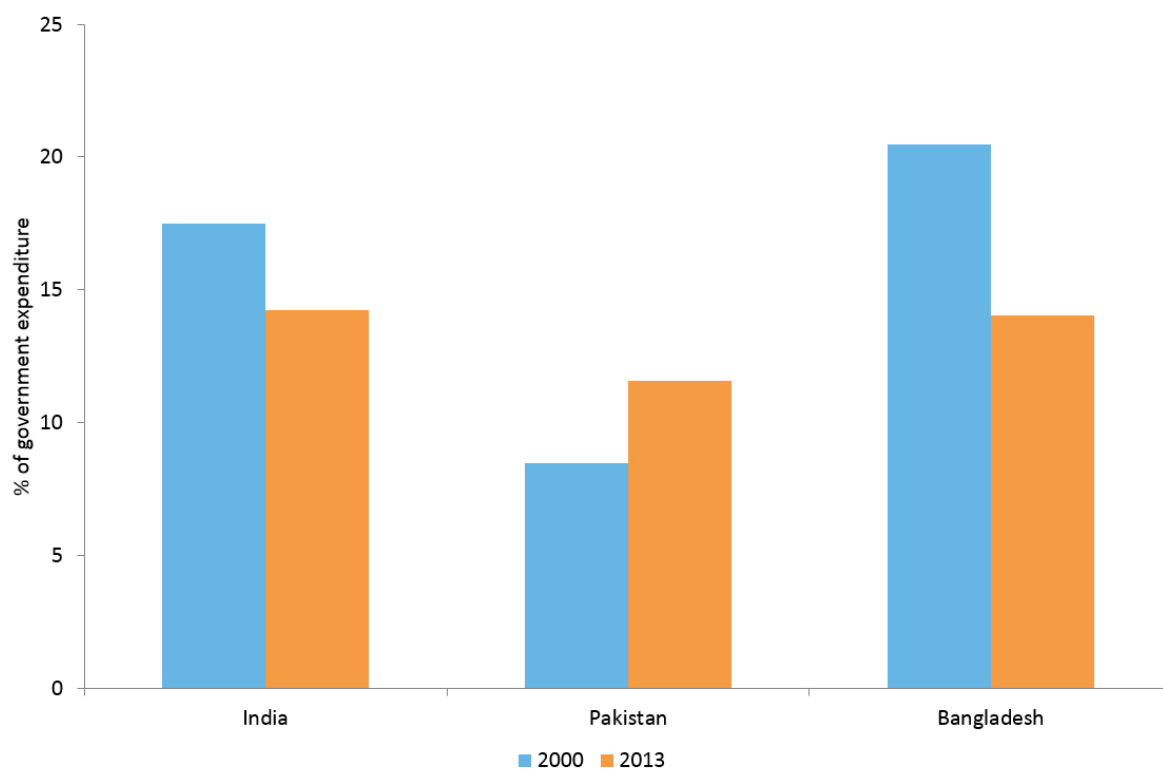
**Figure 1b: Growth and public finance – public health expenditure**



**Figure 1c: Growth and public finance – education spending**



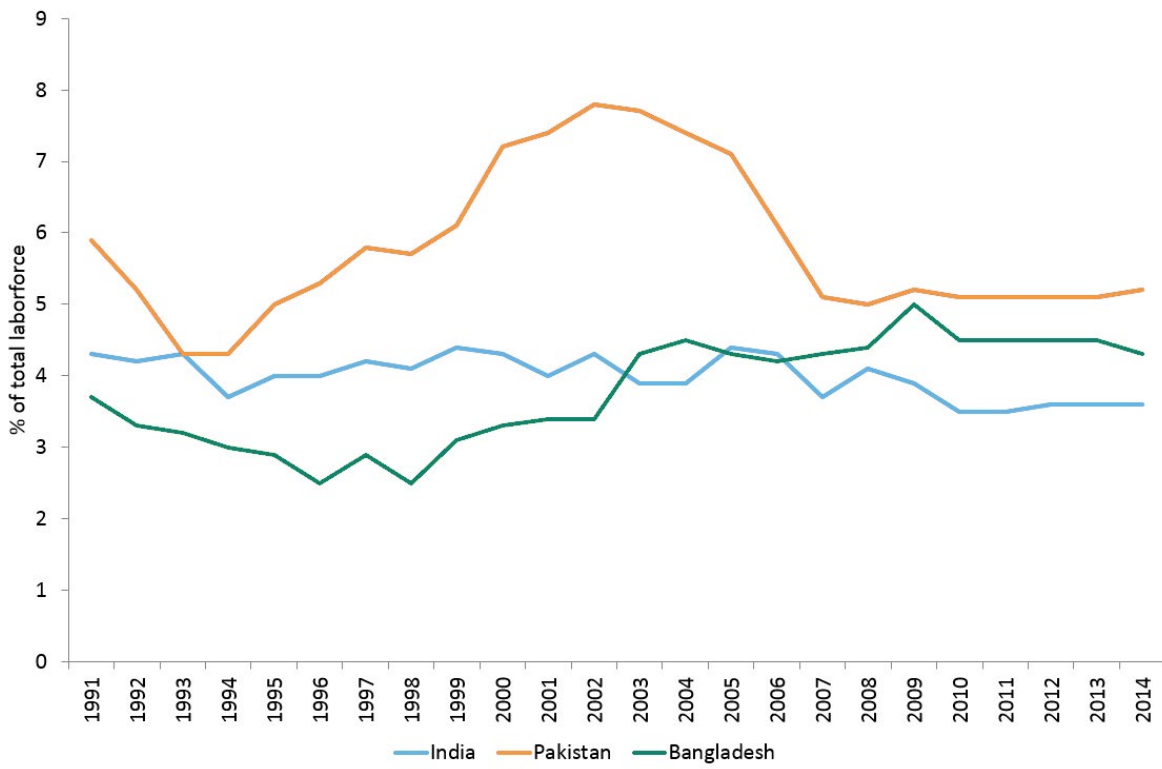
**Figure 1d: Growth and public finance – tax revenues**



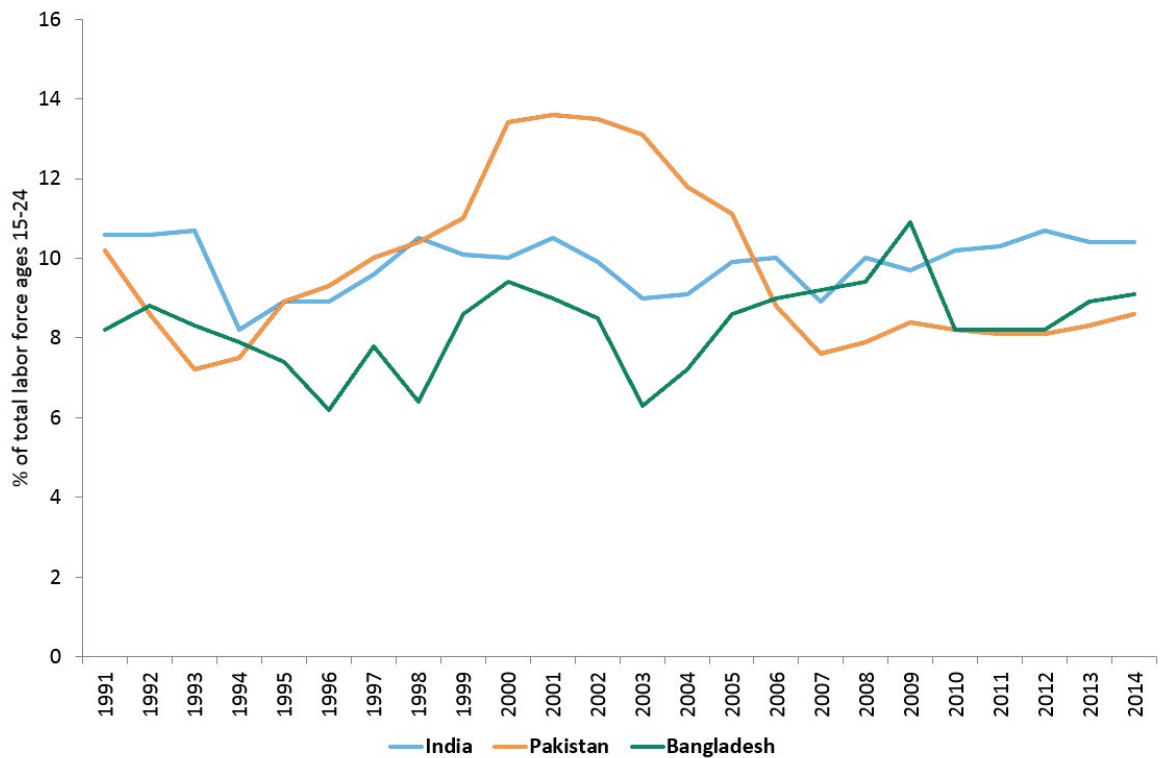
Source: World Bank, 2015a



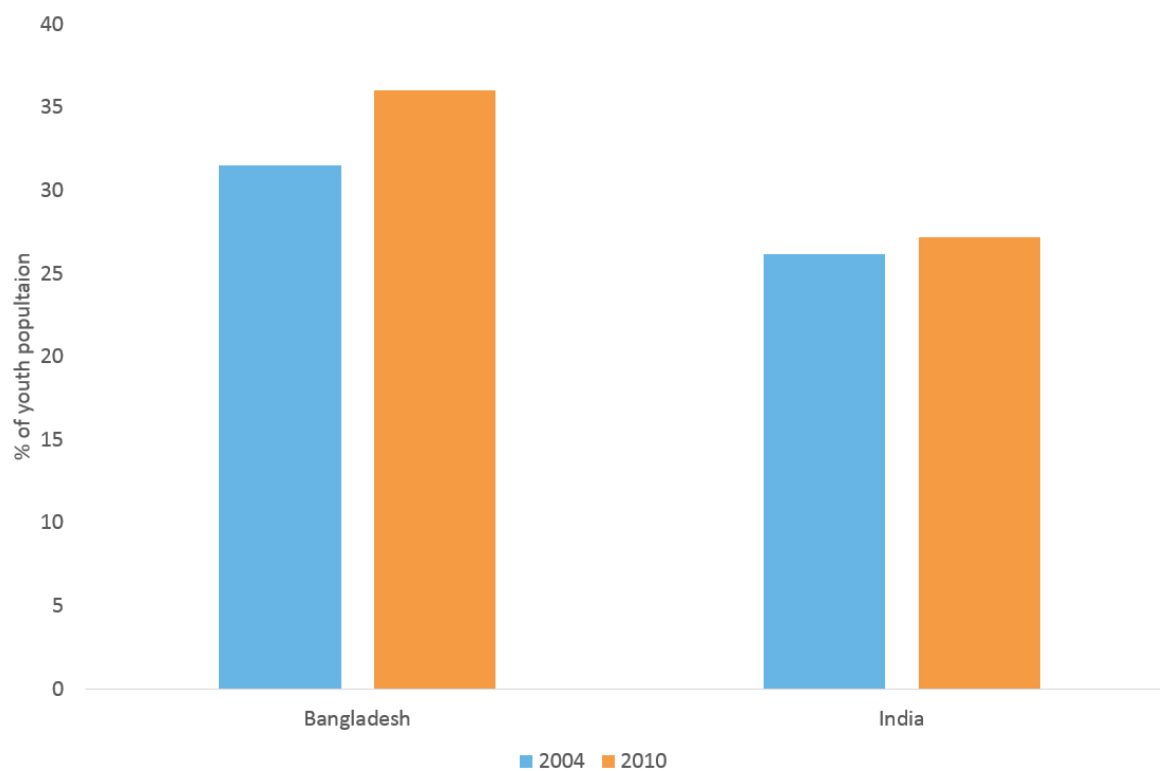
**Figure 2a: Overall and youth unemployment – overall unemployment**



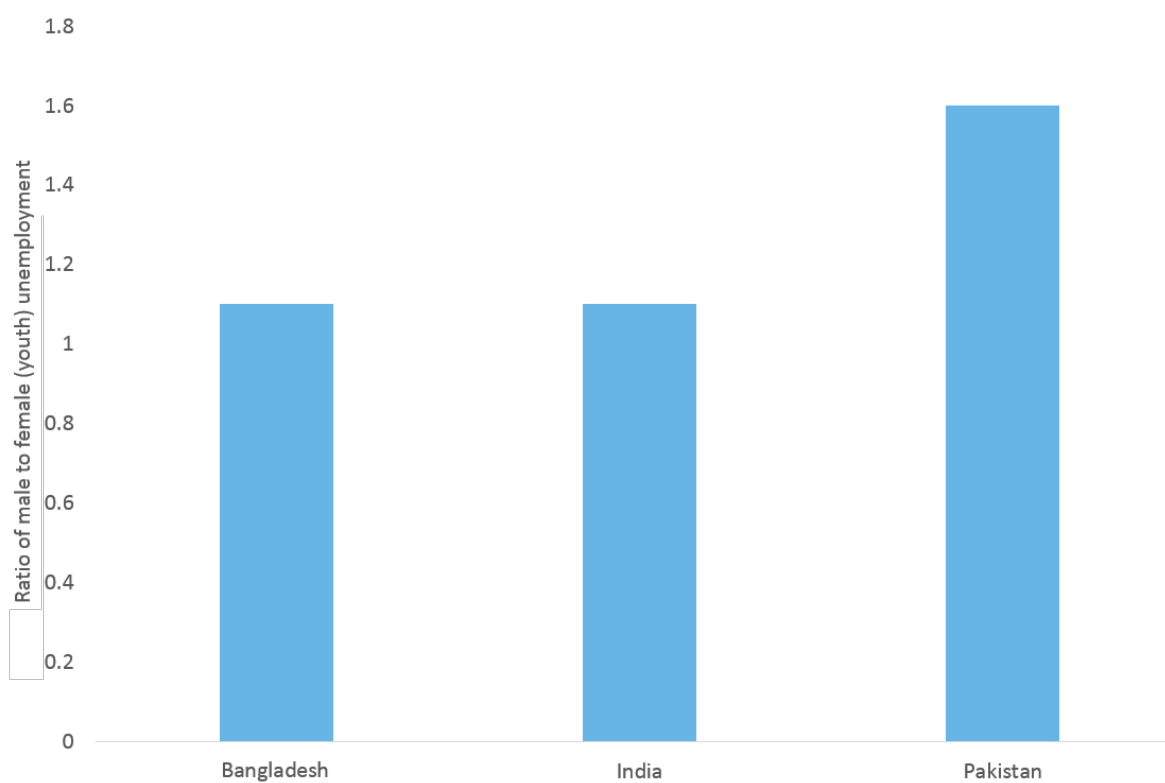
**Figure 2b: Overall and youth unemployment – youth unemployment**



**Figure 2c: Overall and youth unemployment – share of youth not in education, employment, or training**

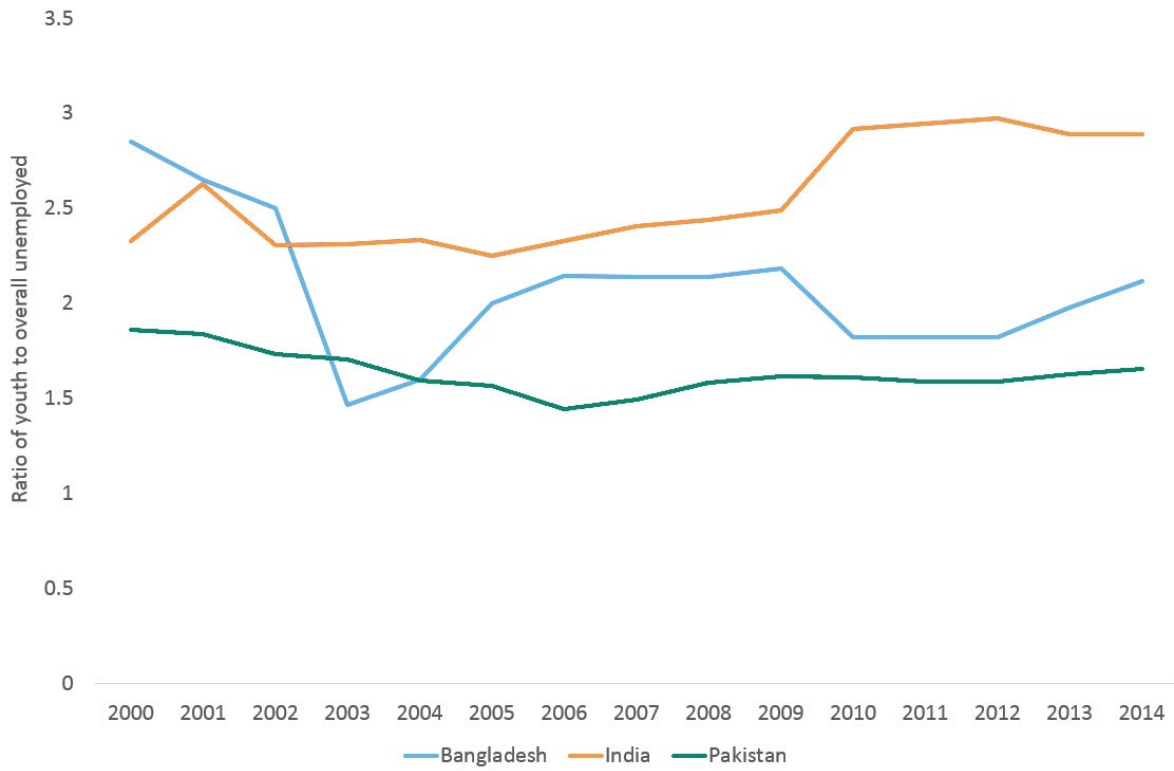


**Figure 2d: Overall and youth unemployment – ratio of female to male youth unemployment, 2014**



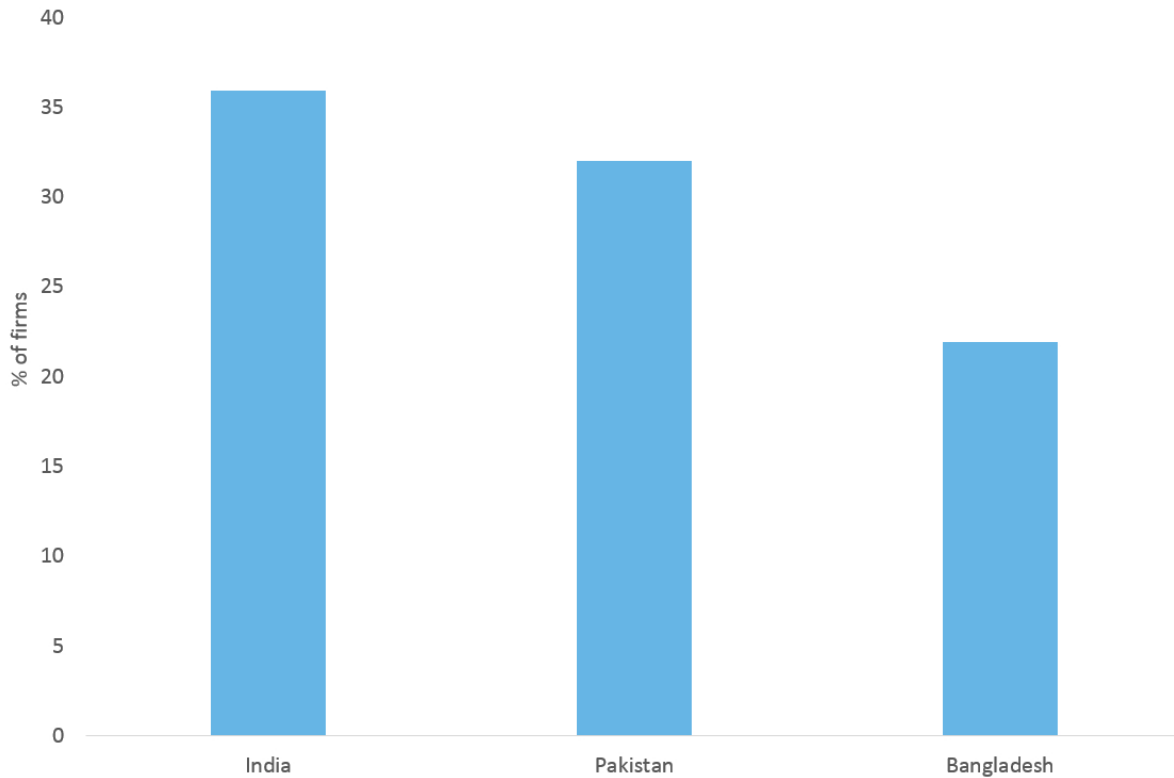
Source: World Bank, 2015a

**Figure 3: Ratio of youth to overall unemployed**



Source: World Bank, 2015a

**Figure 4: Firms offering formal training. 2014**



Source: World Bank, 2015a

### Box 1: Child labor and youth unemployment nexus: a cross cutting issue

Child labour has been highlighted as one of the crucial factors determining youth unemployment outcomes in low- and middle-income countries (ILO, 2015). Our three country case studies reflect this; each one features a high rate of child labour. While India has made improvements in bringing down the incidence of child labour to under 2% of all children, in absolute terms this out-of-education population of children is still one of the highest in South Asia at 3,253,202 children. Pakistan has 13% of children working (3,717,540 children) and Bangladesh has 10% (2,449,480 children).

The ILO's (2015) report also confirms that a working child is associated with low levels of education which leads to low-paying jobs and unpaid family-work, as education often determines the transition to skilled employment. This, in turn, promotes jobs outside 'decent work' criteria, as the study highlights that most child labourers end up in hazardous work (mostly in mining, power production and chemical processing).

**Table 2: Child labour in South Asia**

Children	Age (years)	Percentage
<b>Bangladesh</b>		
Working	5-14	10.1
Attending school	5-14	81.2
Combining work and school	7-14	6.8
<b>India</b>		
Working	5-14	1.4
Attending school	5-14	90.7
Combining work and school	7-14	0.3
<b>Pakistan</b>		
Working	10-14	13
Attending school	5-14	72.3
Combining work and school	10-14	1.6

Source: Understanding Children's Work Project's analysis of statistics from NSS Survey, 2011-12

Several policy initiatives have been taken at country level to address the issue of child labour.

- The Ministry of Labour and Employment in Bangladesh formulated the National Child Labour Elimination Policy in 2010. The policy recognises the need to add the informal sector under this new framework to eliminate child labour, as it is mostly the children in this sector who do not receive government interventions. The policy introduction was followed with interest by development partners who have been augmenting publicly funded projects to help children working in hazardous occupations.
- The Indian government's key interventions on child labour come from the Gurupadswamy Committee's deliberations. The Child Labour Prohibition and Regulation Act is based on the committee's recommendations. A national child labour policy was formulated in 1987, mainly focusing on rehabilitating children working in hazardous occupations. The Ministry of Labour and Employment, since 1988, has implemented around 100 industry-specific child labour projects to rehabilitate children across various sectors.
- In Pakistan the Restriction of Child Labour Act 1890 provides overarching legal protection against child labour. There is also an Employment of Children Act (1991) and Employment of Children Rules (1995) passed by parliament. The provincial governments have their own programmes for sensitising parents and community representatives regarding child labour.

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# 4. Policies and programmes for youth employment

This section draws from an extensive review of ongoing policies and programmes. Only those demand- or supply-side<sup>2</sup> policy interventions have been discussed (for each country) for which current evaluation by the government, development partners or independent sources was available in the literature. There may be new programmes announced or planned, but they are not included if they lack verifiable information on the impact on youth.

## 4.1 Bangladesh

Almost 19% of Bangladesh's population are 15- to 24-year-olds. The overall as well as the youth unemployment rates have increased since the early 2000s, implying that economic growth has not been able to absorb the new entrants in the labour force. There are also supply-side constraints such as low public spending on education (Figure 5, overleaf), a lack of skills training and few employment initiatives focused on sectors with future dynamic demand (Toufique, 2014). The public spending on education has in fact declined as a percentage of GDP over time.

To promote quality education and skill development, the government has established the National Skills Development Council (NSDC) aimed at young people. The country's skill development strategy also targets marginalised groups within youth through Skills Development Divisional Level Consultative Committees. These committees are responsible for monitoring and implementing the NSDC action plan as well as promoting the public-private partnership (ILO, 2013).

NSDC is responsible for two streams of training – formal and informal – with TVET institutes providing formal education. In addition to NSDC, other departments provide TVET services to youth. The Bureau of Manpower, Employment and Training (BMET), for example, aims to enrol 50,000 persons per year. Despite various government-led initiatives for developing a skilled labour force, local demand is around 300,000 trained persons per year, representing a huge demand-supply gap in the domestic labour market. The labour force growth-rate in Bangladesh was almost 4% for 2014. BMET's clientele includes the skilled, semi-skilled and professional workforce. Remittances from abroad remain key to driving

economic growth. The government therefore wishes to maintain workforce competitiveness abroad through this bureau's initiatives.

Bangladesh's existing five-year plan has given weight to education and towards policies aimed at generating employment. The plan highlights that to achieve (close to) full employment by 2021 the quality of human resources needs to be drastically improved. According to official labour and employment statistics, only 0.1% of the labour force is technically or vocationally trained, 40% is not skilled and only 23% has completed primary education. The plan identifies the need to establish sector-specific training programmes. For example, the ready-made garment (RMG) sector directly employs a total of 3.6 million workers, and indirectly employs 0.5 million young people, more than 70% of whom are female.

Bangladesh Skills for Employment and Productivity (BSEP) is another important initiative, through which relevant ministries upgrade the capacity of informal sectors including agro-food, tourism and hospitality, pharmaceuticals, ceramics, and furniture making. The project aims to promote skills for job creation and productivity as well as to accelerate and support the current efforts of government, civil society and the private sector to move towards training assessments and certification. For rural areas, a volunteer programme is being started to improve rural literacy. Similarly, the computer literacy programme (CLP) 348 will establish computer literacy centres and 150 classrooms across 56 rural districts directed at youth.

The Bangladesh Rural Development Board (BRDB) works to enhance rural people's livelihood opportunities. Under its main scheme, BRDB aims to improve economic conditions of farmers, women and the rural poor (associated with both formal and informal sectors). BRDB works to develop farm productivity and farmers' income and provides input for production. Poverty-alleviation projects provide skill development training, micro-credit and support for self-employment. Under its women's development programme, BRDB develops rural women's livelihoods through skills training and credit.

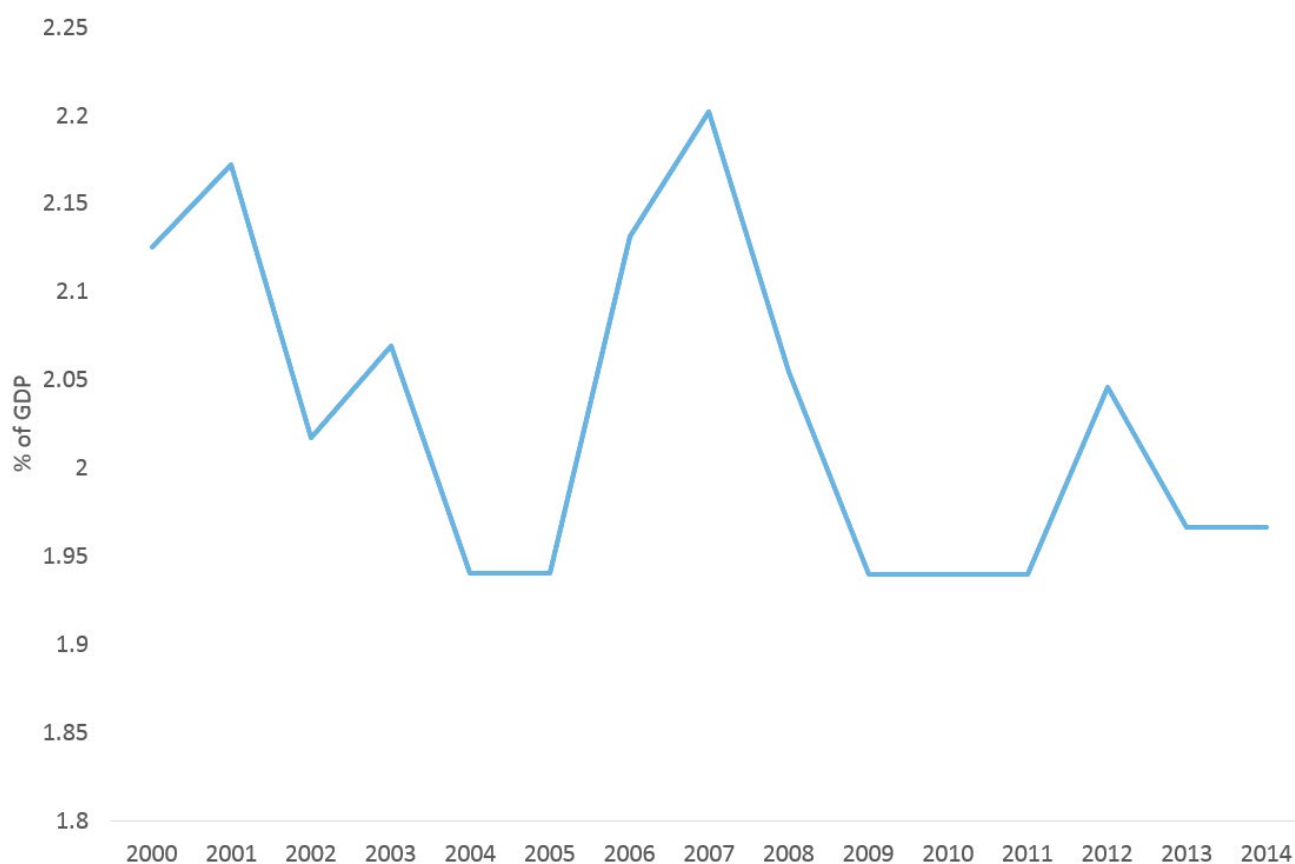
Another important initiative is The Vulnerable Group Development (VGD) which provides targeted skill development services for women and has strong support

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2 Demand-side labour market policies are targeted to create demand for labour through wage policies (minimum wage, industrial legislation and employment subsidies) whereas supply-side interventions are targeted to improve the skill level of the labour force.



**Figure 5: Public spending on education**



Source: World Bank, 2015a

Note: For missing years, the value from the previous year is used.

from the Ministry of Women and Children Affairs, and the Ministry of Disaster Management and Relief. The focus is on a two-year income-generation scheme for female heads of household. While engaged in this training-cum-earning activity, participants are entitled to a monthly food ration, including 30 kilograms of wheat, and micro-credit.

Overall labour-market reform has been slow in Bangladesh. The weak implementation of labour policies and programmes, lack of coordination between various institutions dealing with labour-related reforms, lack of coherent policies for generating employment, and poor quality assurance and certification has dampened labour force productivity and competitiveness (Raihan, 2016). There is a clear mismatch between the demand and supply of skilled workers, which increases the chance of youth unemployment. The lack of data, monitoring and evaluation criteria, inadequate formal links with industry, outdated curricula, and low flexibility for training needs are hampering labour mobility. Established incubators and social enterprises need to provide guidance to scale-up efforts to increase youth's entrepreneurship potential. TVET institutions should also increase training in life and self-organisation skills. Finally there remains a need to

network with industry to offer flexible and tested training-models that provide a learning opportunity to persons with disabilities (ILO, 2012).

Civil society organisations' rise in South Asia has helped in supporting government objectives to deliver on youth education and employment. Non-governmental organisations (NGOs) are working extensively on promoting education for children in Bangladesh, which paves a way for these children to become part of a skilled labour force and eventually employed in decent jobs. Proshika established a 'Universal Education Program' for group members and children to enhance the quality and delivery of education in Bangladesh. Practical Action is providing resources – lesson plans, posters and videos – for primary and secondary schools to increase understanding about science, design and technology. Underprivileged Children's Education Programs (UCEP) educates drop-out children in grades 5 to 8 in schools run by UCEP. The service is free and enables children to prepare for the Primary Education Completion Examination (PECE) and Junior School Completion Examination (JSCE).

NGOs' contribution to youth employment in Bangladesh is also noteworthy. Young Power in Social

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Action (YPSA), for example, aims to enhance young people's self-employment potential. The organisation conducts awareness sessions and capacity-building through training and technical support. UCEP works for sustainable development of youth through vocational skills provision. The training courses of three to six months are related to sectors such as textiles, electronics, ready-made garments and electrical goods. UCEP also engages youth from underprivileged areas. HOPE-87 focuses on vocational training of working children and unemployed young people. The organisation engages volunteers to provide training to youth, so also promotes a culture of volunteerism at a local level.

## 4.2 India

Almost half of India's population is under the age of 25. The current youth bulge has been coupled with increased productivity and value in recent years across major industries, especially manufacturing and services. This has persuaded policy-makers to expand skill development programmes relevant to market-demands locally and internationally.<sup>3</sup> It is reported that 4.7% of India's workforce has taken formal skills training. The report of the World Economic Forum's Global Competitiveness 2015-16 ranks India in higher education and training at 90th in the world, lower than many peer economies including China (63rd), South Africa (83rd) and Indonesia (65th).<sup>4</sup>

A lack of formal skills training is coupled with lower educational attainments and weak standards of technical training. Such institutional outcomes have increased the capacity-divide between professional, skilled and unskilled cohorts (Suleri et al., 2014). Implementing skill development programmes in India has been decentralised across various ministries and departments including institutions such as the Ministry of Skill Development and Entrepreneurship, the National Skill Development Agency (NSDA), the National Skill Development Corporation (NSDC) and the Directorate General of Employment and Training (DGET), as well as NGOs, industrial associations and donor organisations.

The current government has made a commitment to increasing and improving the quality of human resources through increasing currently low levels of public spending on education<sup>5</sup> (Figure 6, overleaf) and policy interventions in education and skills. For this purpose,

public investment allocations can be observed in central and state-level budgets. The newly established Ministry of Skill Development and Entrepreneurship is also helping to integrate the policies across states and make skills development standards nationally uniform.

The central government has promised to set up 1,500 institutes through public-private partnerships (PPPs) which will help to engage youth from low-income families<sup>6</sup> and the marginalised classes. The participation of women (above 14 years old) in the labour force has decreased, primarily due to cultural barriers and low education-levels, especially in urban areas where the job market demands an educated/skilled labour force (Das et al., 2015). The government will need to look carefully into the factors preventing improvement in female participation, including: physical security in workplaces, the burden of unpaid family work and cultural norms in religious minority populations.

The government managed 'make-in-India' campaign has promoted the manufacturing sector. The envisaged growth in this sector, however, will require another 10 million skilled workers. Another 50 million will be required in the services sector. The existing data informs us that there are 7 million new labour force entrants every year and more than 5 million lack formal training.<sup>7</sup> To improve this situation, some of the schemes being implemented include:

- NSDC is a PPP company that creates, funds, enables and upgrades skill standards, supporting and coordinating private-sector initiatives in training. It has supported more than 50,000 persons' training annually in 38 Sector Skills Councils (SSCs).
- NSDA is an autonomous body created to coordinate and harmonise skill-development activities as part of the Ministry of Skill Development and Entrepreneurship's (MSDE) special initiatives. The agency's aim is skill-development missions, consolidation with other partners on schemes related to skill development and integration of the labour market information system (LMIS) – helping to integrate data and evaluation and, in turn, understanding the market's demand and supply needs. National Skill Development Fund (NSDF) financially supports this initiative.
- The SSCs' create occupational standards and qualifications as well as a competency framework; they train trainers and regularly conduct skill-gap research studies and curricula assessments. The National Skill

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3 See National Policy on Skill Development and Entrepreneurship (2015) <http://msde.gov.in/National-Policy-2015.html> .

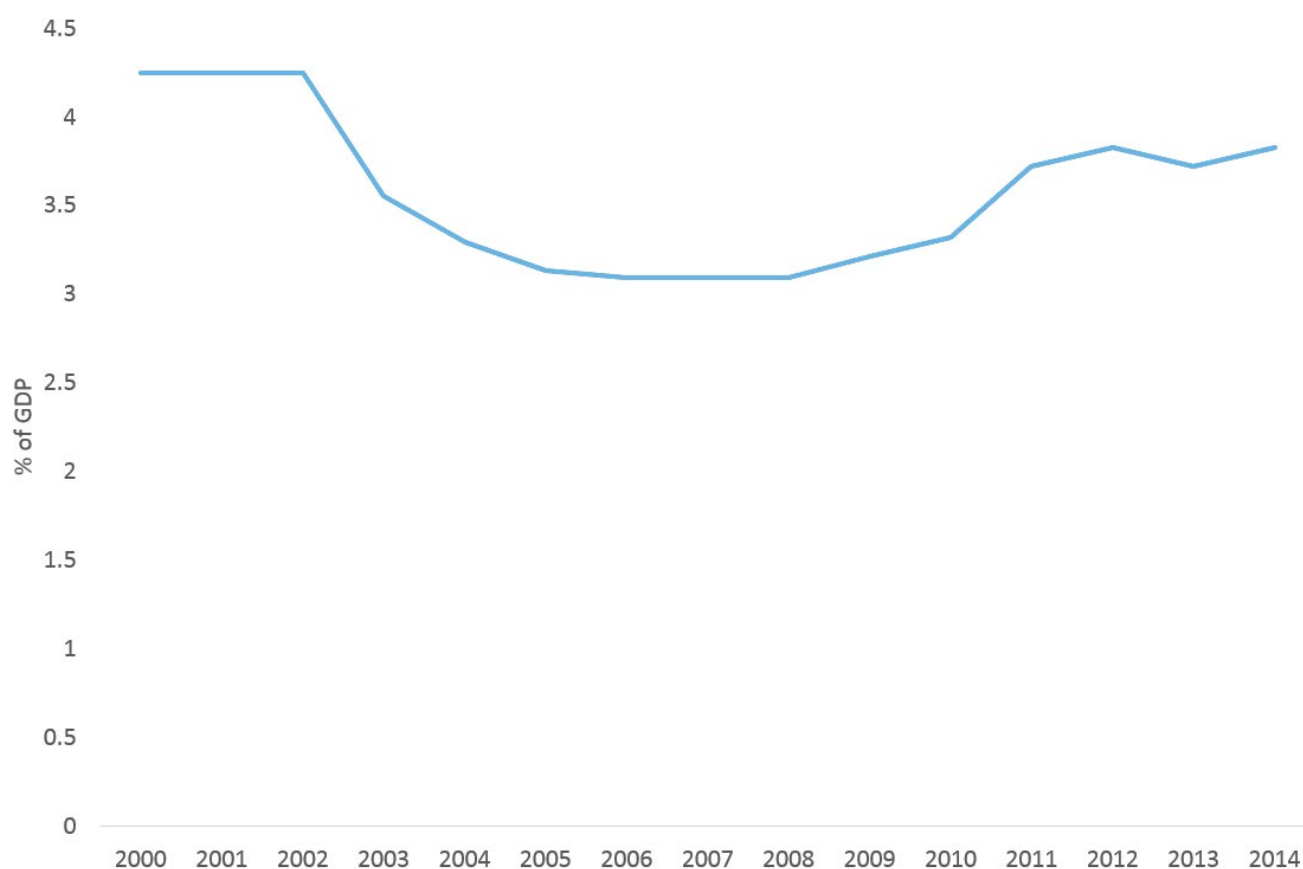
4 Pakistan is ranked 124th and Bangladesh 122nd. This indicator takes into account secondary and tertiary education enrolment rates, quality of education, quality of education system, internet access in schools and on-the-job training. The ranking is based on 144 countries, 1st the highest (best) and 144th the lowest (worst).

5 The Indian education budget as a percentage of GDP is higher than in Bangladesh and Pakistan.

6 Twelfth Five Year Plan, Government of India ([http://planningcommission.nic.in/plans/planrel/fiveyr/12th/pdf/12fyp\\_vol3.pdf](http://planningcommission.nic.in/plans/planrel/fiveyr/12th/pdf/12fyp_vol3.pdf)).

7 Ministry of Skill Development and Entrepreneurship, India, 2016.

**Figure 6: India: public spending on education**



Source: World Bank, 2015a

Qualification Framework (NSQF) provides certification procedures and guidelines related to skill development, uniformity of courses, curriculum, design, examination system and content related to TVET.

- One of NSDA's flagships is Pradhan Mantri Kaushal Vikas Yojana (PMKVY). The project aims to mobilise the private sector to offer outcome-based skills training, certification and activities based on a reward system. Monetary rewards are offered as an incentive to learning, advocacy and mobilisation of youth activities and scaling up participants' training. The scheme aims to offer 0.24 million youth places per year, with fully funded and government-certified training in the industrial sector. This project is also trying to create links with the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) programme through the 'Life-MGNREGA' scheme that aims to promote self-reliance and improve the beneficiaries' skill base. This skill development plan in rural areas is supported by placing rural youth under Swarna Jayanti Gram Swarozgar Yojana (SGSY-SP).
- An important initiative for skill development and training is UDANN, concentrated in Jammu and Kashmir. The scheme aims to offer graduates and diploma holders a wide variety of skills and training required by the corporate sector. It is envisaged that the scheme will cater for 40,000 young people over five years. NSDC is implementing this, which will also help with job placement.
- MSDE and NSDC are also offering the Standard Training Assessment and Reward (STAR) project, which provides skill development through certification and financial rewards. Various SSCs, training providers (TPs) and independent assessment agencies (AAs) deliver it. NSDC also hosts Innovations for Skills Marketplace (ISM) for innovative information, competition, creative ideas and project placement, and research-oriented links with industry. In line with this is the establishment of WorldSkills, which conducts competitions to international standards.<sup>8</sup>

8 <http://www.worldskillsindia.co.in/>

Through various strands spearheaded by the sectoral ministries, entrepreneurship development is encouraged. The government is seeking ideas regarding entrepreneurs' access to peers and incubators, to support business hubs. There are several challenges and constraints to efficient and timely implementation of the above-mentioned programmes. The common perception is that students opt for skill development institutes because they could not pursue conventional higher education. Employers' attitudes towards the skill development qualifications also need to be changed (World Bank, 2016).

Youth employment initiatives are being duplicated across various Indian states, wasting resource (ILO, 2014). Even within the central government, over 20 departments are involved, which renders decision-making and funds disbursement a challenge. Monitoring and evaluating existing programmes is fragmented, carried out by various departments. The grant-based training programmes with free value-added services (e.g. connecting with potential employers) have their own limitations relating to low quality and mismatched jobs. The multiplicity of assessment and certification systems is also leading to below-optimal outcomes and precludes building a unified database of skilled workers. This can only be corrected through a process of aligning courses and qualifications with standardised accreditation. Lastly, a key challenge is that a majority of the workforce is in the informal sector, making it difficult to map the desired skills. The increase in youth entrants every year in this informal sector may also pose a challenge to the efficient delivery and outcomes of TVET programmes.

### 4.3 Pakistan

According to a labour force survey of Pakistan, the national unemployment rate is 6.24% and youth unemployment stands at 10.5%. Around 63% of the population is below 30 years old and it is estimated that there will be about 1.7 million entrants to the workforce each year until 2020. The youth bulge could prove an opportunity if appropriate interventions are undertaken to harness this potential source of economic growth. However, the competitiveness of a key export commodity – textiles – has been damaged recently due to a lack of skilled labour. The textile sector requires 140,000 newly trained workers annually to allow for growth and to replace outgoing workers, but the current annual capacity of all textile-related training facilities in the country is 12,000 trainees (Shah, 2016).

Pakistan Vision 2025, formulated by the Planning Commission, calls for human resource development with, crucially, skill and technical training. The Vision's

objectives will be achieved through the eleventh five-year plan which will provide outlays for skill development initiatives. The Public Sector Development Programme (PSDP) at the federal level and the Annual Development Programmes in the provinces are the key fiscal expenditures aiming to improve the low ratio of education spending to GDP (Figure 7, overleaf) and bolster skills. Provincial governments are also encouraging some private-sector initiatives and PPP for TVET.

The National Vocational and Technical Training Commission (NAVTEC) is the apex organisation for imparting skill development and training to youth. NAVTEC works through apprenticeship schemes that the private sector implements.<sup>9</sup> The goal is to provide certified training to more than one million people annually. The planned initiatives also include national-standards-based qualification, and an assessment and certification system. This will be augmented through PPPs, and revitalising public TVET centres.

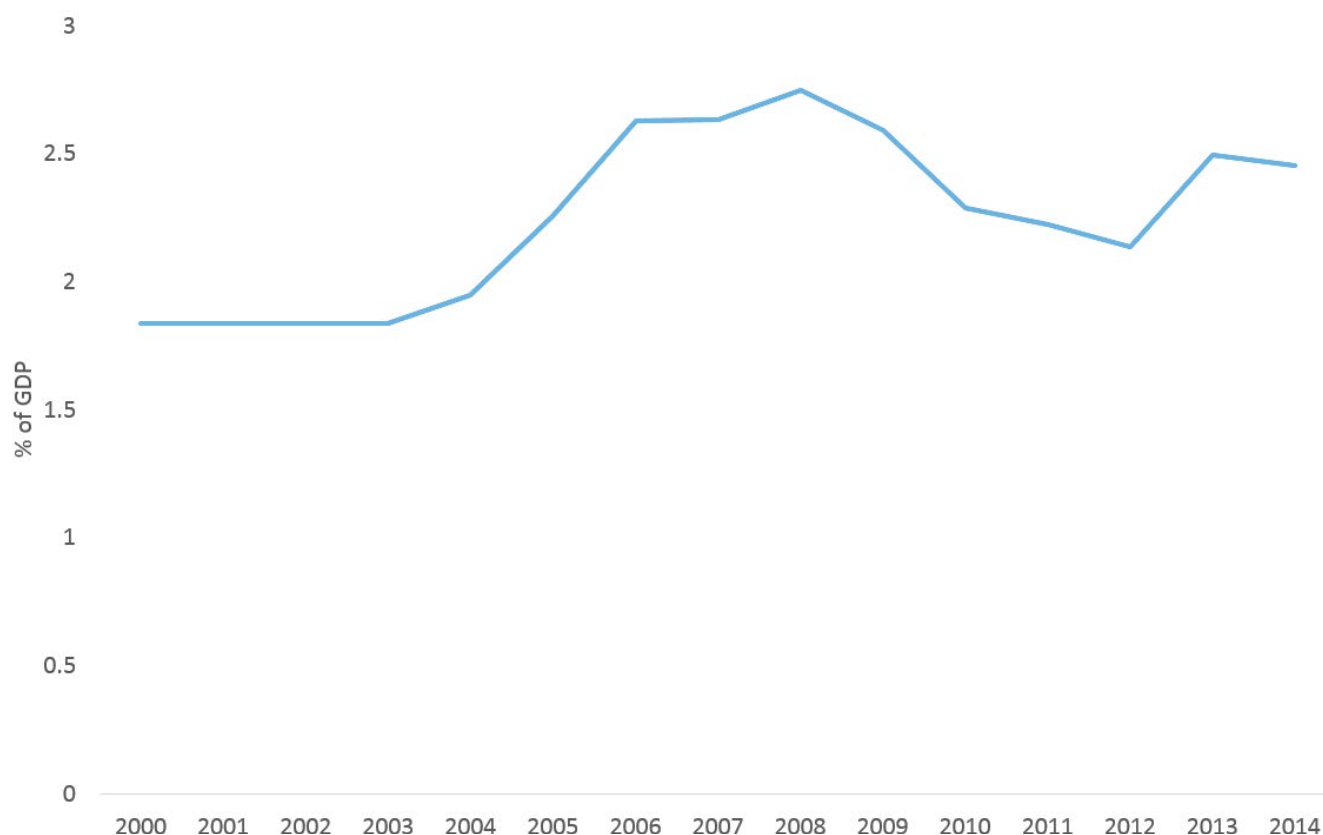
The National Training Bureau (NTB) is also helping through more than 40 affiliated institutes. In future it plans to increase training to 3,000 individuals annually in different fields. The training is aimed at both formal and informal sectors. There is large demand for Middle Eastern NTB graduates.

The Prime Minister's Youth Programme is a special initiative of the federal government aimed at direct skill development, employment schemes and encouraging entrepreneurship. US\$191 million has been earmarked for this purpose. A quota is set for each province based on the number of potential beneficiaries. These schemes' outreach is expanding as the number of beneficiaries rises every year. The set-up and implementation will take place through sub-projects, including:

- The Prime Minister's Youth Business Loan scheme targets 21- to 45-year-olds, providing them with financial support for starting a business. A loan between PKR 100,000 (approximately US\$1,000) and PKR 2,000,000 (approximately US\$19,100) will be given to each successful applicant at favourable terms for a period of eight years. The scheme provides support for preparing business proposals and implementation plans. Two ballots for the scheme have already taken place in 2015. The aim is to reach 16,000 youth annually.
- The Prime Minister's Interest Free Loans Scheme, a special variant of the micro-finance loan facility, provides interest-free financing to 2.5 million poor people for starting small businesses, until 2018. This is mostly targeted to vulnerable youth populations (61% of the total beneficiaries are women). A total of 250,000 loans for an average amount of PKR 25,000 is being disbursed as part of the project.

9 Skills for Growth and Development: a consultation document of the National TVET Policy Task Group & Labor, Employment and Skill Development, Annual Plan 2015-16, Planning Commission.

**Figure 7: Pakistan: public spending on education**



Source: World Bank, 2015b

- The Prime Minister's Youth Training Programme targets young people with 16 years of education who are up to 25 years old. A total of 50,000 candidates will be provided with internships annually, allowing them to gain professional experience and involving the active participation of the private sector, civil society organisations and academia.
- The Prime Minister's Youth Skills Development Programme provides skill development through technical and vocational education. The government is helping to provide and encourage young people through subsidies, mostly in vulnerable regions. An estimated 25,000 individuals will benefit annually with a key focus on young women. In the first phase, around 20,000 young individuals completed the training.
- The Benazir Income Support Programme (BISP) is aimed at helping young people through cash transfer and is also reported to be successful in helping to reduce poverty.<sup>10</sup> The programme's current coverage is expected to increase from 4.6 million beneficiaries in 2014 to 5.0 million in the next two years. The beneficiaries will

be paid through two main mechanisms: the BISP debit card (77%) and money orders (16%). The programme's sub-components include Waseela-e-Taleem (stipend for education), Waseela-e-Rozgar (wage employment scheme), Waseela-e-Haq (self-employment scheme) and Waseela-e-Sehet (stipend for health). In order to ensure exit arrangement for the beneficiaries, BISP is creating links with non-governmental organisations, social enterprises and the mainstream private-sector. The intention is to secure placements for decent work across these organisations.

Evaluating BISP and other federal-level programmes reveals that these initiatives have yet to comprehensively cover unprotected vulnerable groups (e.g. in Balochistan). Additional insurance mechanisms need to be developed to take account of informal and rural agricultural workers. Targeting efficiency needs to be enhanced in youth capacity-building programmes. Short-term employment-guarantee schemes for youth can help provide the necessary exposure to the work environment.

10 BISP Impact Evaluation Survey (2013).



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Due to the rising youth population, it is important to mobilise additional funding resources through federal and provincial tax collection and other means. Finally, there are weak links between programmes managed by the Prime Minister's Office, BISP, provincial social security departments, other organisations and private-sector contributions (SDPI, 2013).

Apart from the federal programmes for skill development, provincial governments are also implementing initiatives such as the Sindh Skill Development Project and the Punjab Skills Development

Fund. However, as in Bangladesh and India, governing skill development in Pakistan remains fragmented. The publicly funded services are fewer in number and serve only 7.3% of eligible 15- to 24-year-olds. The skill-development training component covers only 0.7% of eligible youth; even that does not have certification that is nationally recognised. The lack of private-sector engagement continues to affect existing programmes' sustainability. While TVET institutions are better resourced, sustainability plans for other skill-development streams are weak.<sup>11</sup>

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11 The private sector does not regard PPP models as successful due to the perception that the private sector is expected to contribute more.

# 5. Qualitative assessment and findings



Young Bangladeshi women being trained at the Savar Export Processing Zone. Photo: © Dominic Chavez/World Bank.

Informant interviews with South Asian experts reveal a number of crucial factors obstructing productive youth-employment in South Asia. In this section we discuss some of the key issues in youth unemployment that require governments', regional bodies' and the private sector's immediate attention, especially in the first 1,000 days of the SDGs.

## Overlapping institutional roles and responsibilities

The institutions responsible for ensuring productive youth employment operate in a very narrow sphere. One of the key points that emerged from our discussion was that youth employment should be seen in an overall framework of youth engagement. In addition to skill provision and possible employment, this engagement should include: (a) community service, e.g. peer education, informative theatres, sports and fundraising; (b) youth advisory services, e.g. mentoring, exchange visits, youth capacity-building as trainers and facilitators; and (c) changing perceptions about youth, e.g. through greater voice for youth in media and outreach activities.

Many of these pillars of youth engagement are managed by sub-national institutions across all three countries. There are no constitutional requirements to follow a sequence of approval and execution in youth engagement policies, so states and provinces are thus at different stages of understanding and implementation. Many believed that this autonomy should be combined with institutional arrangements at central or federal levels, to share learning across states and provinces.

The centre implemented many programmes that clearly overlap with some state-level or province-level programmes. However, this duplication continues due to the political incentives at each tier of the government, which also helps in attracting a specific youth-voter base. Moreover, the waste of financial and other resources is not challenged as most of these programmes are for the short- or medium-term. In Pakistan, the constitution requires provincial governments to tailor programmes for youth engagement but, to appeal to young people, federal

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government is also maintaining large fiscal resources for youth initiatives.<sup>12</sup>

Future improvement in youth engagement policies may happen only with better coordination between national and sub-national institutions. Ideally, central government would focus on setting a legal framework, as well as policy and minimum standards for youth engagement. The tailored implementation of this policy and creating programmes and projects should be left to sub-national administrations, who can adapt benchmarked standards to their own circumstances. Any vertical fund-transfers from central government should be disbursed relative to milestones that are achieved. Unless this is done, the sustainability of short-term financing (from the centre) is uncertain given fiscal demands.

### **Lack of results-based management and weak monitoring**

The institutions dealing with youth policies and programmes are weakly monitored against any output targets. The links between activities, outcomes and impacts are also weak. Donor-funded programmes require foreign organisations to implement a monitoring and evaluation (M&E) system for the period their funding is used. After the donor exits, the programme usually becomes part of the government's recurrent budget and operations. During this phase, the focus on outcomes-based budgeting diminishes.

Even where M&E systems are in place, feedback and learning from monitoring exercises is weak. The M&E process in this case is limited to a procedure of filling in tabulated templates to indicate that activities have been performed in quantitative terms. This is also attributed to not envisaging the M&E process at the project and programme planning stages. Second, the failure to review already in-place work plans on a regular basis prevents applying learning from previous to subsequent phases.

Building learning-loops in the M&E process may not be possible without building organisational capacity to manage knowledge. One of our respondents suggested that all departments and projects set up to help youth engagement, particularly in skill development and employment, should have their own planning unit, headed by a strategic planning expert with field experience. Coordination mechanisms between different departments at various tiers should also be improved. Officials in these units should not merely be responsible for inspecting and noting when quantitative targets are achieved; rather, they should be able to analyse qualitative achievements, changing perceptions, capacities and prospects for beneficiaries.

### **Ineffective supply-side accountability mechanisms**

Several respondents believed that M&E can lead to course changes only if the organisation ensures that all stakeholders are accountable. Service delivery for most

youth programmes is devolved to sub-national and local administrations. Unfortunately anti-corruption institutions are still not as decentralised in South Asia. Many instances of reported or alleged financial irregularities and rent-seeking therefore go unchecked. This is linked to our next point about clients and other stakeholders handling complaints poorly.

### **Weak grievance-redressal systems**

Several skill-building programmes for youth are planned without appropriate provision for grievance redressal. Once in place, an appropriate mechanism should allow people to express concerns regarding service delivery or even a fundamental approach to project handling. Similarly, such a mechanism should encourage feedback on the behaviour of officials and staff interacting with the beneficiaries. One way to reduce the transaction cost of providing a robust grievance-redressal mechanism is to make use of text-based (via mobile phones) and web-based complaint-management systems. The staff involved in handling complaints at the organisation's end will require technical and behaviour competencies so that clients feel their voices are heard and better understand the service provider's supply-side challenges.

South Asian countries have already achieved the IT capabilities to connect youth with appropriate forums where young people themselves can report the efficiency and uptake of programmes designed for them. The Digital India programme is fast connecting rural communities with mainstream markets and urban areas. The imminent Digital Literacy Mission for 60 million people in rural India is another programme aimed at bridging the gap between those with access to IT facilities and those without. In Pakistan two provincial governments, Khyber Pakhtunkhwa and Punjab, have their own SMS service for youth, where users can text their unresolved issues directly to the Chief Minister's office. Bangladesh has recently allowed a private-sector firm to provide healthcare through a mobile-based integrated digital service. The programme is to integrate the healthcare ecosystem and address the full spectrum of women and youths' wellness and health needs.

### **Missing social accountability initiatives**

Community participation in improving accountability and feedback can be a cost-effective tool for future programme reforms. The challenge, however, is in rural areas where communities may need support to self-organise, engage and actively participate in programme implementation. This is where public- and private-sector service providers may need to partner with civil society organisations with greater experience in advocacy and outreach. These community-based organisations can build social accountability mechanisms which can be managed by

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12 For example, the Prime Minister's Youth Programme ( <http://youth.pmo.gov.pk/> ).

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local people known and respected by their peers. A council of elders may periodically conduct citizens' feedback exercises, check programme performance, seek inputs from programme beneficiaries, and then report back to the officials concerned for course correction.

Deeper social accountability initiatives would ensure that officials heed feedback provided by the community. In the case of inaction by the service provider, communities could then access other levers for change, such as the judiciary, alternative dispute-resolution forums, the media and legal associations.

### **Lack of partnerships endanger programme sustainability**

During our key informant interviews we heard about youth programmes – some related to youth and social entrepreneurship – that, despite planning and implementing, could not be sustained. A key reason for shutting them down was the inability to form horizontal and vertical partnerships. The former can be achieved by coalitions among programmes undertaking similar work to enable economies of scale. The latter are achieved by partnerships with initiatives that have backward and forward linkages with the programme activity. This could include, for example, partnering with private-sector corporate social responsibility initiatives.

### **Issues of quality of certification**

Certification quality remains a longstanding demand of the private sector in South Asia. Private sector representatives took the view that diploma qualifications are being provided without adherence to minimum quality benchmarks. To address this gap, a leading manufacturing entrepreneur argued that a national skill standards authority should be established, with a curriculum agreed as a minimum bound for certification across the country. This curriculum should be forward-looking and in line with demands abroad, so that the locally trained labour force could also explore opportunities outside the region.

### **Current programmes not reaching youth in the informal sector**

Labour union representatives believed that the informal sector remains the first workplace for youth coming from economically disadvantaged areas. As they are unable to attain certification, young people may remain confined for a longer period to unorganised sectors where they may face exploitation. The more formal private sector maintains that it can provide a market solution for youth in the informal sector. The private sector argues that, through appropriate fiscal incentives for formal businesses in rural areas, youth can be trained and employed through employer-organised facilities in a more cost-efficient and sustained manner. Government could initiate business awards for entities which provide a certain quota for various marginalised groups in the vicinity.

### **Low level of 'trade in services' across South Asia**

Academic representatives explained that the service sector accounts for a large proportion of the South Asian economies' GDP. Yet the export of such services is very small. The newly qualified entrants find their way into the service economy but are not integrated into the global value chains in their sector. To reverse this, it is recommended that all member states should implement the SAARC Agreement on Trade in Services. This will allow young people to search and apply for jobs across the border in eight South Asian economies. Already, there are examples of youth working across borders in education and health sectors. However, this trend is not seen in more value-added services such as communications, travel, transport, IT services, financial and insurance services (Ahmed, 2013). Properly implementing an agreement on trade in services should be accompanied by regional cooperation in technology transfer (see Ahmed and Batool, 2014) and foreign direct investment (see Ahmed et al., 2015a; 2015b). These both have potential to strengthen future supply chains in the region and ultimately develop a skilled youth workforce.

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# 6. Policy recommendations

We asked our respondents – from varied sector and organisational backgrounds – to put forward key policy recommendations for existing institutions that handle youth engagement, employment, and skill-enhancement policies, programmes and projects. With the MDGs’ unfinished agenda, prioritising actions and implementation will be crucial in achieving the SDGs. Based on the assessment and findings reported above, we developed two types of policy recommendations: first, priority actions for the first 1,000 days, to kick-start early implementation of the targets under Goal 8; second, long-term policy actions to build on the priority actions and deepen efforts towards sustainable development.

## 6.1 Starting today: agenda for the first 1,000 days

- **A mapping of youth unemployment by region and community is crucial.** This initial assessment will identify those segments of the youth population which are behind (in socioeconomic terms) and need more emphasis when planning social safety nets and youth engagement programmes. This exercise will also help prioritise and set specific targets for reducing unemployment in the short- and medium-term.<sup>13</sup> Further, mapping will help identify youth clusters with high unemployment in urban and rural settings. In the longer term, this will allow policy-makers to develop region-specific policies and the private sector to plan industry expansion, keeping in mind these hotspots’ location.
- **Central governments need to fill the role of planning, coordination and monitoring.** The central governments should set up an advisory group to devise national strategies for youth employment and a monitoring framework to support policy implementation. Plans will need to be developed in partnership with provincial or state governments to aid better programme design as well as to avoid duplication and wastage of financial resources. This could be done in coordination with the SDG support units that each government is to set up under National Planning Commissions and Provincial Planning departments for review and implementation of the SDGs. This will allow resources to be aligned, implementation streamlined and partnership-building with other departments, as these units will have UNDP as a major partner.

- **Youth education and skills development should be encouraged through non-profit, civil society organisations and social enterprises.** CSOs may be allowed a seed grant from the government to design localised vocational training programmes. In line with SDG 4, this policy recommendation is important to support youth, particularly young women, in the informal sector. Multilateral and bilateral donors could put their weight behind such arrangements. It is also important that existing programmes, such as NREGA in India and BISP in Pakistan create links with youth in the informal sector.
- **Public-sector secondary schools, colleges and universities should be encouraged to open their technical and vocational education and training facility for youth.** During the initial phases, the provincial or state-level government may provide a seed grant to procure the necessary infrastructure, after which these educational institutions may be helped to create links with the local private sector that will have a vested interest in sharing costs. Local business representatives can be involved to tailor the curriculum. It is important that such a programme should move away from the ‘business as usual’ approach of focusing only on young people who can access formal institutions. Initiatives such as mobile skill centres may allow extending coverage to the poorest youth.

## 6.2 Implementing the SDGs: a long-term context

- **Domestic regulations, taxes and subsidies should be reformed to incentivise skill development.** It is important to revisit regulations that may restrict businesses’ capacity to invest in their human resources.<sup>14</sup> Tax and subsidy policies can be innovatively designed to incentivise the private sector to mobilise more internal resources for skill building. In several cases market failure may not allow employers to invest in human resource development. While the national and sub-national governments feel cash-strapped and are unable to scale up budgets quickly for skills development, the private sector may be encouraged through fiscal incentives such as public–private partnerships (e.g. matching grants). Such incentives should be available to businesses that are willing to develop an in-house

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13 In some cases the available datasets are too old. For example Pakistan’s population census was last completed in 1998.

14 This includes the overall agenda of reforms that can reduce the cost of doing business in these countries.



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culture for capacity-building. The sustainability in this case is relatively likely as, even if the government support diminishes, the embedded training culture may continue to prevail.

- **Recommendations to address youth employment should be situated in an overall framework of youth engagement and the SDGs.** However, national and provincial development plans should be in line with the SDG agenda. Youth employment should also be handled in the context of other goals under the SDGs because there could be multiple and overlapping pathways leading towards single or multiple goals. In other words, promoting youth employment could, for example, help to achieve the targets under Goal 1 (reducing poverty), Goal 2 (zero hunger) and Goal 10 (reducing inequalities). Henceforth, a ‘nexus approach’ should be adopted to achieve the SDGs systematically. This, again, brings us to central government’s role in streamlining policy and implementing the reforms targeted to achieve the SDGs.
- **A deliberate effort will be needed to ensure a commitment to ‘leave no one behind’.** As mentioned in Melamed (2015), this can be achieved through regular reporting of district-level data on social sector

outcomes e.g. school completion, fully immunised children, access to clean drinking water, and youth employment trends (formal and informal sectors). The data on most excluded groups should be published as a special module. There may even be a dedicated section in household-level questionnaires administered by the Pakistan Bureau of Statistics on most excluded groups and lagging regions within the country. A task force on gender and marginalised communities could be formulated to assess the aspect of inclusive development in terms of the implementation of the SDGs as a whole, with particular reference to Goal 8.

- **There is a need to develop a strong monitoring and accountability framework under public–private partnership.** This again relates to the overall targets under the SDGs. In the context of youth unemployment, monitoring and following up the policy interventions is needed to ensure that the policies are actually achieving the desired targets. Effective monitoring would also help in comparing progress on youth employment indicators across countries. Being one of the major sources of employment generation, the private sector should be included so that it can share ownership of SDGs’ agenda.



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# 7. Conclusion

The SDGs present tremendous opportunities for the global community to concentrate efforts in tackling major global challenges – economic, social and environmental. Here, we present youth unemployment in Bangladesh, India and Pakistan, and how the SDGs can help to focus efforts specifically to improve youth labour markets. We have identified both short- and long-term policy measures to ensure that no one is left behind and that a supporting policy framework exists within each country to promote smooth implementation of SDG Goal 8.

The youth unemployment rate is higher than the overall unemployment rate in South Asia and this region lags behind in most of the Goal 8 targets. Our qualitative inquiry suggests that the current policies for youth employment ought to be grounded in a broader framework of youth and community engagement. Governments in the region have recognised that youth unemployment is an acute problem that needs immediate attention; various official documents and plans provide policies aimed at creating employment and upgrading skills. The skills gap, however, remains a critical issue. Similarly, lower educational attainments and weak standards of technical training are evident in South Asia. All three case-study governments have made a commitment to improve the quality of human resources through education, health and capacity-building programmes.<sup>15</sup>

In order to achieve the Goal 8 targets coordination needs to be improved between various institutions mandated to enhance youth employment potential. Other critical needs include: providing skills that are in demand; introducing monitoring, evaluating and learning across organisations hosting youth capacity-building programmes; establishing minimum standards for skill certification; forming partnerships with civil society organisations and the private sector; and extending the reach of youth skill-development programmes to the informal sector.

Several challenges and constraints stand in the way, however, of an efficient and timely implementation of these policies and programmes. Skill development, for instance, remains fragmented (Ahmed, 2016). Students in these countries tend to enrol in skill-development institutes if they are unable to pursue conventional higher education. Employers also do not see a significant return in providing in-work skills or training incentives.<sup>16</sup> Some programmes implemented by the central government(s) overlap with state- or province-level programmes (Ahmed et al., 2015c). Some programmes are backed for political reasons instead of for need; for instance, to increase the youth voter base. This duplication wastes already-scarce financial resources. Most youth employment programmes have limited coverage and face constraints to their expansion (SDPI, 2013). One reason is that such programmes are usually geared towards the formal sector and ignore the large informal sector.

Labour-market reforms are needed at both country and regional level to provide employment opportunities to large segments of unemployed young people in South Asia. It is also important to provide work opportunities, promote employed people's skill development, and improve marginalised groups' representation in the economically active and employed labour force. This calls for not only active government involvement but also the private sector (which employs a large proportion of youth in the three case-study countries), academia (formal and non-formal educational institutes) and vocational and technical training institutes taking ownership of the Sustainable Development Goals. It is high time that the rapidly expanding youth population realised its productive potential. This will not only promote economic growth but also help in curbing other pressing social problems such as poverty and food insecurity that are central to the SDGs' broader agenda.

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<sup>15</sup> For example, the Benazir Income Support Programme in Pakistan.

<sup>16</sup> There have been some collective efforts in order to lessen the burden on a single private-sector resource. For example the Employers Federation of Pakistan (EFP) has established Skill Development Councils (SDCs).

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# Annex

## Sustainable Development Goal 8

### **'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'**

#### *Targets under Goal 8*

- 8.1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
- 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
- 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- 8.4. Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead
- 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training
- 8.7. Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 8.9. By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
- 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 8.a. Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries
- 8.b. By 2020, develop and operationalise a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

This research paper, part of the series 'Starting Strong: the first 1000 days of the SDGs', identifies key actions toward addressing the unfinished business of the MDGs and how to reach those who are furthest behind in relation to the new SDGs.

The 'Starting Strong' series is a collaborative partnership to initiate a wider conversation around priority actions for the first three years of the SDGs – just over 1000 days – with relevant stakeholders with a regional focus.

Anam Khan, Asif Javed, Samavia Batool, Fazal Hussain, Hamid Mahmood and Vaqar Ahmed are affiliated with the Sustainable Development Policy Institute (SDPI).

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## Development Progress

Overseas Development Institute  
203 Blackfriars Road  
London SE1 8NJ

Tel: +44 (0)20 7922 0300  
Email: [developmentprogress@odi.org.uk](mailto:developmentprogress@odi.org.uk)

[facebook.com/developmentprogressproject](https://facebook.com/developmentprogressproject)  
[twitter.com/dev\\_progress](https://twitter.com/dev_progress)

[developmentprogress.org](http://developmentprogress.org)



Centre for Policy Dialogue (CPD)  
House # 6/2 (7th and 8th Floor)  
Block – F, Kazi Nazrul Islam Road  
Lalmatia Housing Estate,  
Dhaka – 1207, Bangladesh

Tel: (+88 02) 9141734  
Email: [info@southernvoice.org](mailto:info@southernvoice.org)

[facebook.com/SVPost2015/](https://facebook.com/SVPost2015/)  
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