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TRADE IMPACT
FOR GOOD

Empowering youth for sustainable trade

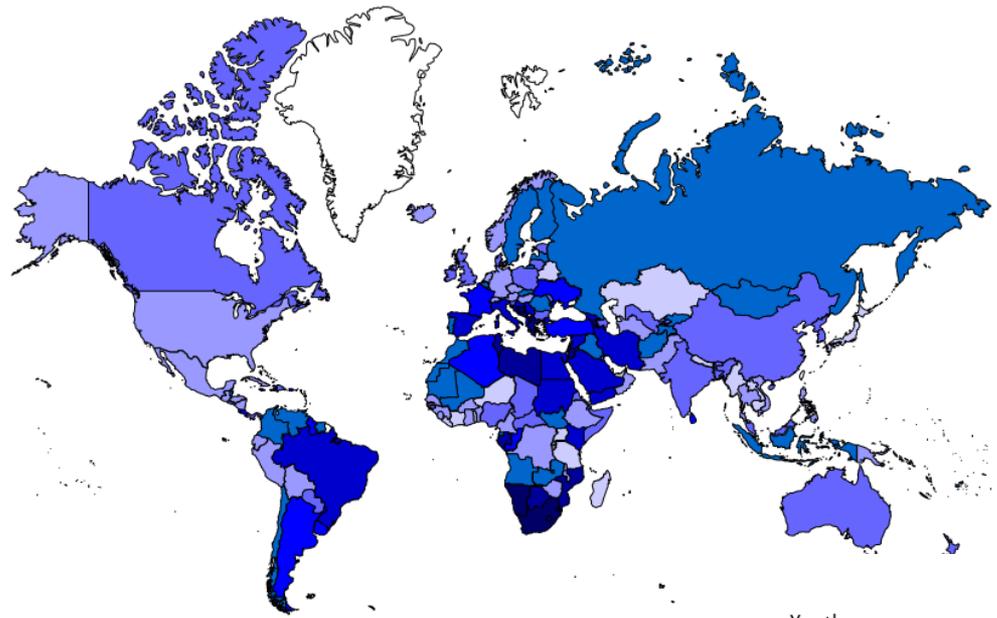
7th Global Review for Aid for Trade

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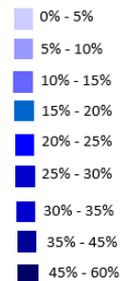
Why do youth matter?

- 30% of the global population
- 90% live in developing countries
- 3 times as likely as adults to be unemployed
 - Migration pressures,
 - Civil unrest
- Long-term effects of untapped potential



Source: ITC calculations based on ILO data

Youth unemployment



□ No observations

Why do small and medium-sized enterprises matter?

- 35% of GDP, 70% of employment and 35% of exports
- Smaller firms are more likely to employ youth
- Competitive SMEs can export, grow and create more jobs
- Skilled employees needed for competitiveness and trade



Empowering youth for sustainable trade

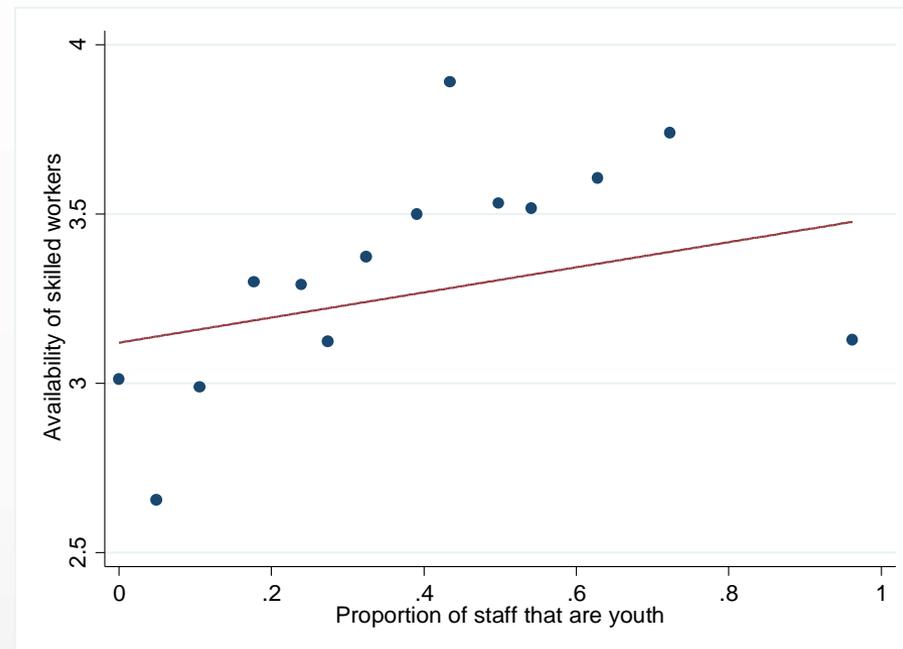
- Solve these two challenges together
- Aid for trade for youth economic empowerment and SME competitiveness
- Win-win opportunities: jobs for youth, equip SMEs to go global
- Chapter suggests:
 - Better match youth skills to SME hiring needs
 - Tackle barriers to youth entrepreneurship
 - Create conducive national policy environment



Matching youth skills to SME needs

- 60% of businesses in India and Brazil say it is difficult to find workers with the skills they require
- Skills mismatches cause inefficiency, unemployment, and prevent trade
- Companies that highly rate skills availability hire more young workers
- Tackle skills mismatches to improve youth employment and trade

More youth are hired when their skills are right



Source: ITC SME Competitiveness Surveys

Aid for Trade for youth skills that help companies go global

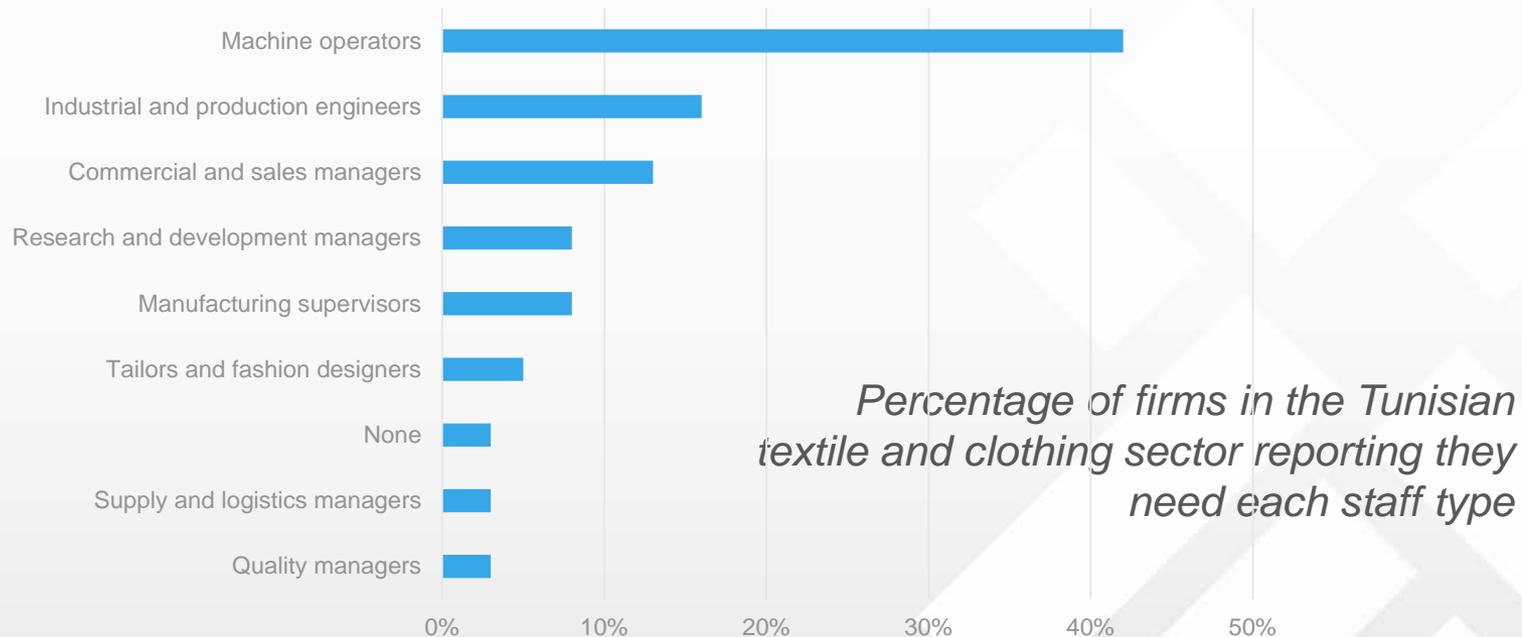
- Foster collaboration between private sector, government and local education institutions
- Programs ensure that training actually leads to employment
- Customize programmes for inclusiveness
- The Skills for Youth Employment Fund in the Gambia



Youth and trade strategies

Youth and trade strategies equip youth today for tomorrow's economic opportunities

- Identify high potential value chains
- Identify needed staffing roles and skills
- Train young people appropriately

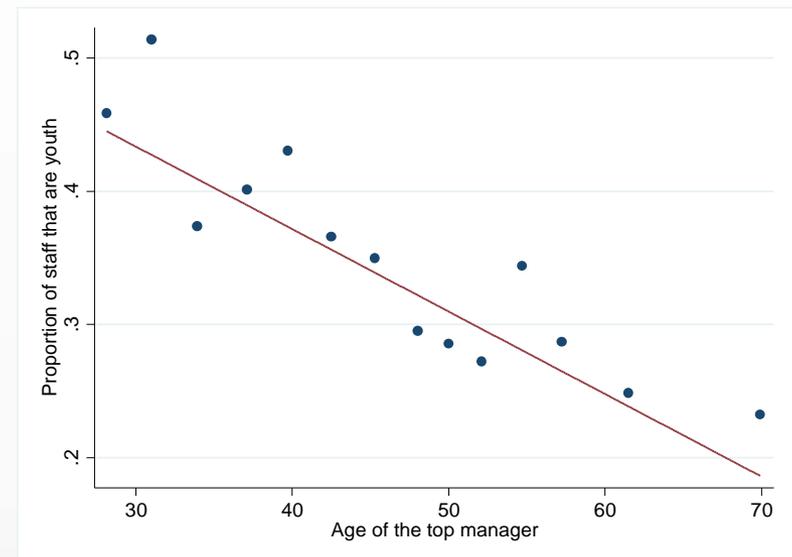


Percentage of firms in the Tunisian textile and clothing sector reporting they need each staff type

Tackle barriers to youth entrepreneurship

- One in four young people is self-employed or an entrepreneur
- 40% start their business out of necessity, 60% to capitalize on an opportunity
- Youth entrepreneurship
 - Diversifies the economy
 - Fosters innovation
 - Fosters youth employment

Young managers hire more young people



Source: ITC SME Competitiveness Surveys

Aid for trade for youth entrepreneurship

- Management skills
- Mentorship
- Community peer-to-peer learning
- Supportive business ecosystem
- Tailor support for young women entrepreneurs
- ITC's Refugee Employment and Skills Initiative



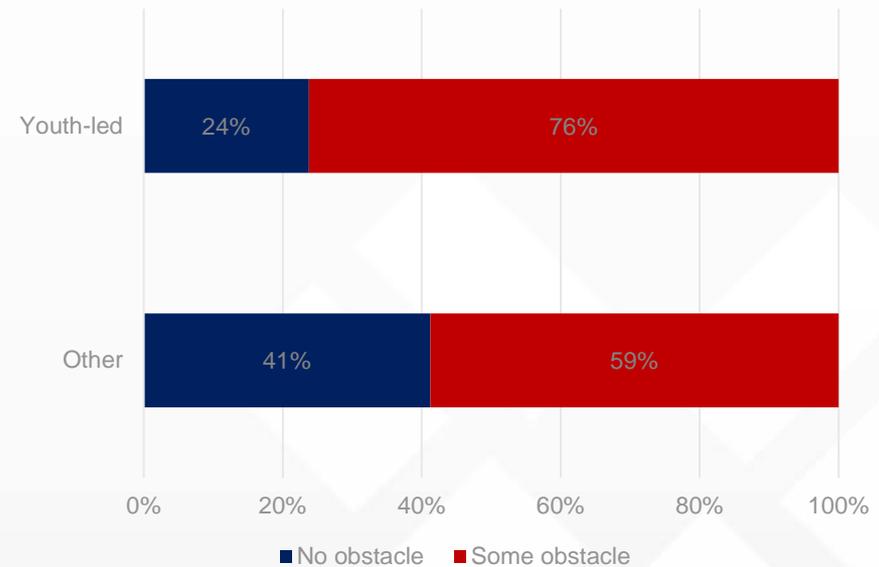
Create conducive national policy environment

- Facilitate collaboration between trade-related and education-related institutions to end skill mismatches
- Address legal, infrastructure, and social restrictions that hamper youth entrepreneurship
- Mitigate financial market failures
- Create a shared vision and plan for youth economic empowerment for trade



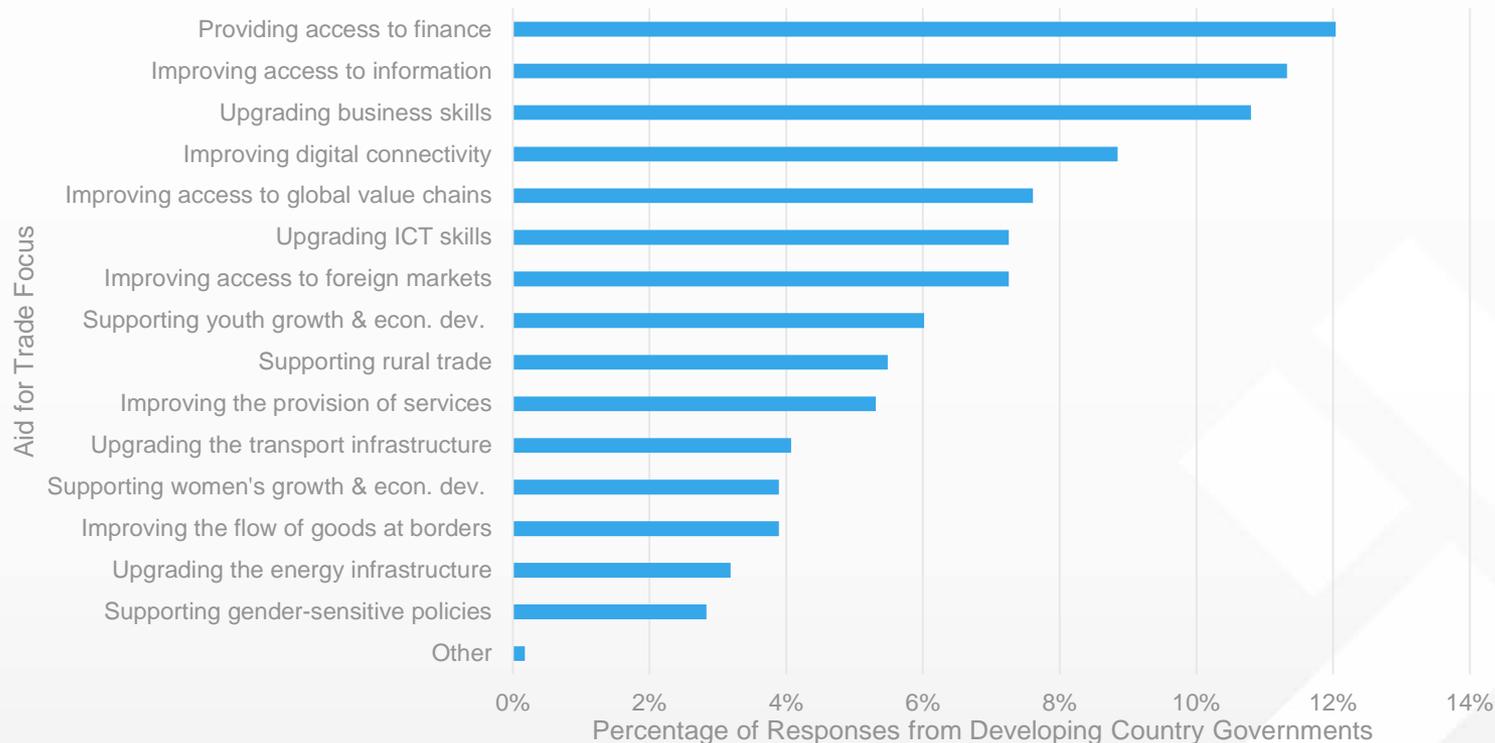
Access to finance is more of an obstacle for youth-led firms

- Youth-led businesses are more constrained by poor access to finance
- Firm-level survey data from ITC
- Financial market failures
- Role for government, Aid for Trade to address this:
 - Youth accelerators
 - Credit guarantees
 - Financial literacy programmes
 - Seed capital



Source: ITC SME Competitiveness Surveys

How Aid for Trade can best contribute to youth economic empowerment



Source: OECD-WTO Aid for Trade monitoring exercise (2019)

Achieving SDG 8.6

SDG 8.6 states that countries should ‘*substantially reduce the proportion of youth not in employment, education or training*’.

A checklist for policymakers

Business ecosystem	<ul style="list-style-type: none"> ✓ Facilitate collaboration between trade and education institutions to reduce skills mismatches ✓ Improve scale and quality of entrepreneurship skills development ✓ Create youth entrepreneurship communities for mentoring and peer learning ✓ Identify value chains with high export potential and boost youth skills accordingly
National environment	<ul style="list-style-type: none"> ✓ Boost availability of financial services specifically targeting youth ✓ Prohibit age and gender-based discrimination to mitigate obstacles facing youth-led firms ✓ Improve information and communications technology (ICT) infrastructure ✓ Craft a youth and trade strategy through multistakeholder consultations that build a shared vision and plan for youth economic empowerment

Thank you