



# **TIMOR-LESTE YOUTH DEVELOPMENT AND THE LABOR MARKET**

**OCTOBER 13, 2007**



World Bank

**TIMOR LESTE**

**YOUTH DEVELOPMENT AND THE LABOR MARKET:**

**SUMMARY OF FINDINGS AND OPTIONS**

**OCTOBER 13, 2007**

**EAST ASIA AND PACIFIC REGION**

**HUMAN DEVELOPMENT DEPARTMENT (EASHD)**



**Document of the World Bank**

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## TIMOR LESTE

# YOUTH DEVELOPMENT AND THE LABOR MARKET

### ABSTRACT

Timor Leste is currently preparing its children and youth for jobs that do not yet exist, using technologies that have yet to be applied (if they have been invented elsewhere), in order to solve problems that are not even known they are problems yet: Will the economy create jobs for nationals or expatriates as the case has been in all other small oil-based economies?

**The World Bank in cooperation with local stakeholders and international donors is assisting the Government of Timor Leste to address pressing issues in the area of youth.** As part of its assistance, the World Bank has prepared three reports on “*Situation Analysis and Policy Options for Timor Leste’s Youth in Crisis*”, “*Timor Leste: A Policy Note on Safety Nets*” and “*Timor Leste: Youth Development and the Labor Market*”. This note summarizes the findings and options presented in the latter report.

**The report focuses, first, on the preparedness of the young Timorese to join the labor market.** It finds that, notwithstanding recent gains in education, still too many young Timorese reach adulthood with no education (probably around 20 percent) and only 12 percent complete secondary education. And though there has been a healthy trend to diversify education and training and expand private tertiary education, these developments are taking place in the absence of accreditation schemes and statistics to monitor their impact. The situation is aggravated by the use of multiple languages at home, schools, and in the more modern parts of the private sector.

**The report then examines the readiness of the labor market to receive and absorb the youth.** It finds that the labor market is small to absorb the high number of new job seekers - a result of high fertility and an increasing share of educated youth who aspire to move away from the traditional sectors and informality, especially agriculture. Neither, is the future impact of economic growth on employment promising. The private sector is small and has barely increased in the last few years. Some of the major infrastructure development projects (such as electrification) may make only marginal contributions to labor absorption. The growing oil sector is likely to be capital intensive while its labor requirements will be for specialized skills that are not locally available at least in the short run. The prospects of agriculture are also mixed. If agriculture acts as an employer of last resort under present conditions (such as existing techniques and mix of farm output), it will absorb excess employment but will do so at decreasing farm incomes. If, on the other hand, agriculture engages in efficiency enhancing measures (such as mechanization), it will increase output and farmers incomes but will not necessarily require additional employment.

**The report finds that the success of employment programs has been mixed.** Measures to induce the emigration of young Timorese have so far been met with very limited quantitative success and perhaps it will take quite some time before Timorese acquire competitive skills and get accustomed to the prospect of emigration and associated with it hard work requirements. Public works programs were initiated early after Independence and have been broadened since but have yet to show their full potential for labor absorption. Still public works are not a long

term solution, and such a solution can come only from a fast and sustainable growth of the non-oil sector. However, the public works programs already in operation provide good lessons for scaling them up and improving their design for maximum employment impact. Two such lessons are, first, to adopt an explicit employment objective and offer wages appropriate for the conditions of Timor Leste. And second, to make public works an integral part of employment policy compared to the current situation whereby programs are mainly project-driven and thus limit the continuity of effort and sustainability of their results.

**Employment growth is compromised by inappropriate or lacking regulations.** Labor regulations are more similar to those in some OECD countries than those in neighboring East Asian economies. A *de facto* minimum wage (whose level is well above international benchmarks) is in operation that applies to Government-sponsored public works and is enforced, on a discretionary basis, in the private sector. Hiring and firing costs are abnormally high for an economy at the developmental stage of Timor Leste, and this affects youth workers disproportionately. Despite this over-regulation, Timor Leste does not have provisions for part-time, casual or seasonal work that is often performed predominantly by younger workers. Furthermore there are no regulations for temporary lay-offs that can be particularly useful in a country facing many social uncertainties and natural disasters. The gap between the regulated and unregulated parts of the labor market is therefore significant leading to high unemployment as it acts initially as a barrier to recruitment and restricts subsequently the mobility of workers between different segments of the labor market.

**It is not easy to solve problems from 30 years ago in the period of just a few years, more so in a few months but some promising areas can be identified taking into account the oil-prospects and the demographic window of opportunity Timor Leste faces.** Many generations of Timorese have been affected by historical events either directly or indirectly through the formation of habits and expectations. Moreover, the transition from childhood to youth is a complex and difficult one, more so in post-conflict economies. But reforms and new programs can start being introduced in connection to long-term development objectives and policies. Timor Leste can avoid the “oil curse” that many small oil-based economies initially faced. It should adopt a growth agenda that will include explicitly the employment generation objective. Adopting such an objective applies equally to public infrastructure projects as well as specific employment programs (such as public works). It should also invest heavily on human development thus turning its many children and youth into an asset.

**From a youth employment perspective taking also into account the broader developmental situation in Timor Leste, the report offers short-term and longer-term options.** Timor Leste faces many difficult choices and does not have capacity or enough resources at present to do many things, but the following three recommendations seems feasible for the short-run with promising results:

- reduce immediately the flow of potentially ill-equipped job seekers in the labor market by increasing retention of children and the youth in the mainstream education system. This would require not only an expansion of the education supply (e.g. more schools and teachers) but also incentives for families to keep their children and youth in schools (e.g. cash transfers to families conditional on school outcomes or expanding the school feeding program)
- offer alternatives to idleness and engagement in destructive activities by offering employment opportunities to the youth. This includes public works that can be introduced on a nationwide basis (compared to alternative active labor market programs that cannot be designed or scaled up quickly)
- develop an adequate youth strategy to be followed by realistic plans and a conducive implementation environment. This will require the proposed *National Youth Strategy* and

*National Youth Employment Action Plan* to be augmented and refined, and the State Secretariat of Youth (or an equivalent authority) to be strengthened.

**From a medium term perspective, priority areas and promising policy directions include:**

- a) (on the labor supply side) Preparedness of the youth for engagement in gainful employment. This would require accelerating and deepening workforce development with broad-based human capital investments starting with early childhood development, health and nutrition interventions and continuing into school age with education policies that increase learning outcomes and include civic education
- b) (on the labor demand side) Regulatory provisions for employment. While the overall level of employment depends on the level of economic activity, additional gains can be made through reforms of the current hiring and firing regulations, the adoption of a wage determination system that allows for lower wages for the less experienced/less skilled workers, and the introduction of provisions that would regulate part time, seasonal and temporary employment as well as temporary lay-offs
- c) (at the labor market level) Labor market information and certification. This would require, on the one hand, the creation of adequate administrative and survey instruments to monitor and assess changes in the labor market. On the other hand, there is a need for the creation of accreditation schemes for various education and training institutions and the development of competency-based qualification frameworks that would help create seamless lifelong transitions between different education, training and career paths while providing useful signaling to workers and employers both locally and internationally.

# TIMOR LESTE

## YOUTH DEVELOPMENT AND THE LABOR MARKET

### SUMMARY

#### A. INTRODUCTION

1. **Eight out of every ten youth (15-24) in the labor force are engaged in subsistence activities.** The economy is not generating enough jobs, and not just for the youth and the impact of the many employment and development programs is small as they are insufficient in size, often uncoordinated and project driven – instead of being part of a harmonized plan of a coherent vision. The fragile political environment accentuates this situation along with the heavy involvement of donors that have often different mandates and perspectives. The youth find it difficult to find remunerative employment and youth unemployment is three times higher the national average reaching 62 percent in urban Dili among those aged 15-19 years. The result is disbelief in social institutions, little hope for the future and an expectation that everything will be solved by the State without the participation and responsibility of the people. And where the State could make a difference, in its most important function to ensure security, the lack of disciplinary mechanisms for young people and their leaders who turn against each other and jointly against communities imparts a tendency for lawlessness. The search to find solutions to the youth's current crisis continues.

2. **This note presents youth issues focusing on the employability of the young Timorese in conjunction with the development challenges and opportunities of the country<sup>1</sup>.** It offers options that, if adopted and implemented in a timely and consistent way, can accelerate the sluggish pace of economic growth that has prevailed since Independence and help the absorption of youth into the economy and society. Work empowers people, provides incomes and is probably the single most important factor for diverting youth from undesirable activities. Other policy areas are of course important but either bear results in the long run (such as education) or can be too slow to be developed or to have a direct impact (such as youth services). While these broader areas cannot be ignored, one of the most important priorities in the short-run is to offer immediate and rewarding employment to the youth.

3. **Timor Leste should not miss the window of demographic opportunity.** Most developing countries become old before they become rich. This creates a double loss. First, they miss the early demographic window of opportunity – when the abundant young population is more educated, healthier and more productive than the relatively few senior citizens who defied the odds of short life expectancy prevailing in their countries. Second, they get saddled with old-age dependency later on as the share of workers in the population declines and the costs of pensions start escalating.

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<sup>1</sup> This note is a summary of the World Bank's report "*Timor-Leste: Youth Development and the Labor Market*" that takes into account the findings and recommendations of two parallel World Bank reports "*Situation Analysis and Policy Options for Timor Leste's Youth in Crisis*" and "*Timor Leste: A Policy Note on Safety Nets*".

4. **This note proposes that Timor Leste should invest heavily in the young who form the bulk of the population today.** Investments in the youth are bound to have long lasting effects for generations ahead. Attention should be paid early in the form of population, nutrition and health interventions during pre-school age, and subsequently – and more relevantly to the focus of this report – by ensuring primary school completion and beyond. Specifically for youth, the focus should initially be on retaining the youth as long as possible in general education and offering them good quality schooling, and then facilitating the school-to-work transition by increasing employment opportunities that can be enhanced by well thought public investments and use of the oil revenues (see next paragraph), a better private sector climate, more appropriate labor regulations, and demand-driven skills development. Some additional measures will be required for the currently disadvantaged youth (the “lost youth” – above the age of 25) and those who can still miss out in the near future for personal reasons or until the human development system matures.

5. **Timor Leste can avoid the oil curse.** Many countries blessed with oil reserves have not made prudent use of the resulting revenues, at least during the initial phases of discovery and exploitation. Such examples, indeed widespread and persistent ones, range from the oil-rich countries in Africa to those in Latin America. The oil-rich Gulf countries and other Arab countries managed to achieve fast improvement in their social indicators by investing heavily in education and health and, through distributional – albeit unsustainable – policies they have the lowest poverty rates than any other developing regions. However, their economic gains in the 1970s reverted in many cases to crises by the 1990s. Furthermore, even though the recent hike of the international price of oil has provided much needed relief and the lessons from the past have been recognized and are being addressed, the Gulf economies are saddled with the *prima facie* contradictory situation in which the majority of the labor force is composed of expatriates while unemployment among nationals, especially the youth, are in double digits – sometimes more than 20 percent. Timor Leste can avoid these pitfalls, first, by directing a balanced proportion of its oil revenues to public investments that will create useful infrastructure with an employment creation objective also in mind and, second, by creating incentives and adopting regulations and policies for employment creation that will avoid segregating the labor market between national workers and expatriate workers.

## B. THE BROAD CONTEXT

6. **The report does not claim to be comprehensive: it could not be so as the few available data in Timor Leste were provided only selectively by the authorities.** This precludes analysis that would lead to a more comprehensive approach and well informed evidence-based policies. Nevertheless a number of issues are relatively clear and can form the basis for designing policies and programs that would facilitate the absorption of the youth into the economy and society.

7. **Any youth policy should be seen in the broader context of an economy’s strengths and weaknesses.** Youth should be seen as an asset whose returns can be capitalized during the current window of demographic opportunity. Prudent use of oil revenues would ensure high returns to investments, including those targeted to workforce development and broader human capital. In this respect, though outside the narrow focus of this report, it is worth mentioning the need for an accelerated effort to create a competitive knowledge-based economy through consistently applied policies that would increase the credibility of Government. These long-term policies should be supplemented by short-term ones that would address immediate needs in the



areas of labor absorption and social protection and thus increase welfare and reduce social tensions.

8. **In more specific terms, the report proposes an integrated *economic and social approach for children and youth*.** A first priority is to enable children reach youth in good health and with adequate education. Sound population, nutritional, health, early childhood and education policies are bound to have a high social dividend in terms of productivity and self esteem. In reaching adulthood, the transition of the youth from school to the labor market would benefit from good management of the macroeconomy and oil revenues, and the creation of a dynamic private sector.

9. **The appropriate definition of youth (and children) varies in different country contexts and for different sectors and has implications for the selection of developmental and curative policies and programs.** The basic analysis in this report suggests that in operational terms the youth can be distinguished between, first, those below the age of 18 for whom the effort to provide them with formal education should be sustained. Second, for older youth, till the age of 25 years, the emphasis can be on providing “second chance” education alongside with measures that increase access to employment (including self-employment) and productivity (including in the subsistence sector). Third, compared to the largely “preventive” measures for the aforementioned two age groups, older individuals (above the age of 25 year - sometimes called “the lost youth”) would require more specialized “curative” measures that are however bound to have a more limited effect and would most likely require higher budgetary outlays.

10. **The report examines these preventive and curative measures as well as broad policies and narrow programs/ projects in the area of workforce development and labor absorption.** It benefits from existing assessments (for example, by researchers and donors – such as ILO, UNICEF, AUSAID, USAID, WFP and the EU) as well as the vision of the Government stated in the *National Employment Strategy, the Youth Strategy* and associated with the latter *Youth Action Plan*. The report synthesizes the existing proposals and, in view of its additional findings, prioritizes options of what can be more promisingly offered in the short run taking into account pressing needs and implementation constraints.

11. **While the report focuses mainly on youth and employment policies, it recognizes many direct policies have only a marginal effect, and there is no real substitute for broad based policies that help all youth achieve their potential.** Like no company can be individually rated higher than the systemic risk the country in which it operates faces, the prospects of Timorese citizens will depend on how the macroeconomy performs in terms of creating a productive labor force capable of taking advantage of employment opportunities that a competitive knowledge-based oil-rich economy will create. This will require sound management of the oil revenues (which is already under way), educated and healthy citizens (which is possible as the majority of the population is young), a vibrant environment for private sector development (which is still lagging, including in the area of labor regulations), and, for those who are not able, for no fault of their own, to share the expected benefits of growth, effective social protection (which is at present still at an embryonic stage).

### C. FINDINGS

12. **The combination of high fertility and low outcomes from the education system imply the majority of youth will reach adulthood and enter the labor force ill-equipped for productive employment with many going through an initially prolonged phase of unemployment or subsequently lifelong underemployment.** Every year the labor force increases by around 15,000 while at least 8,000 youth reach adulthood without having completed at least five years of primary education – the minimum generally considered for functional literacy. Most of the 8,000 mainly functionally illiterate youth will join the labor force and, with other workers who have had minimal education, will form the majority of new entrants to the labor force. Thus, for many decades ahead the labor force will be dominated by workers unable to contribute to and benefit from the modernizing economy.

13. **The deficiency of the education system in quantitative terms is significant.** The output of the education system is probably well approximated by the following figures: Out of 100 children age 6+

- 20 may not enroll in schools
- of the 80 that would enroll, 44 will drop out primary
- of the 36 who complete primary, 8 will not continue
- of the 28 that will continue in junior sec, 4 will drop out
- of the 24 that will continue, 16 will enter secondary but only 12 complete
- only 8 will enter some form of tertiary education.

14. **Learning outcomes are also limited across all levels of education including universities.** In fairness, the school system in Timor Leste would require some time to mature. It may be difficult even to maintain the limited educational outcomes achieved before Independence that relied partly on subsidies and relative easy access to education institutions in neighboring Indonesia. Still, even then the reading competence of the average Indonesian student was deemed to be equivalent to that of a student in the 7<sup>th</sup> percentile of the French distribution.

15. **The report did not examine the effects of the presence of multiple languages that is a matter of official policy.** However, this is not an irrelevant issue for youth development and the labor market. Some reports mention that the language factor decreases self-confidence and socialization among young Timorese while it complicates the insertion of the young people into the marketplace. While the *de facto* national language is Tetun and the official language is Portuguese, many job announcements ask for good command of English.

16. **At the higher education level, there has been a proliferation of tertiary institutions since independence in the absence of a framework safeguarding quality.** In the absence of an official accreditation system, it is difficult to even classify the post-secondary institutions as universities, colleges, technical institutes or proprietary vocational schools. There is a risk a large number of unregulated institutions will create a large population of youth with high expectations for employment but lacking needed skills and with few prospects. The National University is currently overenrolled and has difficulty providing needed classes while the quality of instruction does not meet employers' standards. It seems clear that there are several initiatives the Government should take in this sector.

17. **Unemployment and especially youth unemployment are high.** This is unfortunately not unexpected in a largely stagnant economy facing an inflow of around 15,000 new job seekers every year against only 37,000 workers in the formal/modern sector (compared to 240,000 workers in the subsistence/agricultural sector). At face value the total unemployment rate, conventionally measured as those not in work who would like *and are looking* for work, is low at only 1.6 percent of the labor force.

18. **However, in an economy like Timor Leste where workers can turn to intermittent, part-time and seasonal subsistence activities (“under-employment”) and who are often not actively looking for work between such casual activities, the conventional unemployment rate is conceptually inappropriate and misleading in practice.** When *discouraged* workers are added to this narrow definition of unemployment, the broader unemployment rate jumps to 8.5 percent. And if the number of unemployed is expressed in relation to the formal labor force, on the assumption that most of the unemployed are expecting a formal sector job instead of engaging in some subsistence activity, the unemployment rate increases to 80 percent<sup>2</sup>. Specifically among the youth the narrow and broad unemployment rates are around three times higher than the total all-ages unemployment rate. In Dili, the broad unemployment rate rises to 42 percent for youth aged 20-24 and reaches 62 percent for youth aged 15-19.

19. **Yet employment creation is anemic and not just for the youth.** The private sector is small, so even in the best case scenario of growing at 10 percent per year (a rather optimistic figure as private investment barely reached \$7m in 2005), the additional number of required employees would at most be only a few hundred.

20. **While the Government expects its public investment program to contribute substantially to employment creation, this has not happened yet for many reasons.** First, budget execution has been slow, for example, in the first eight months of the 2006/07 fiscal year (till end February 2007) only 1.3 percent (\$3.2 million) of the “Capital and Development” budget was spent. Second, unless explicitly designed with an employment creation objective in mind, many infrastructure development programs create small employment gains and for specialized workers only. For example, even if the objective of nationwide electrification is successfully pursued over the next decade, the annual employment creation would be only around 200 full-time jobs. Third, a rapid expansion of the social services sector would again require relatively small numbers of additional workers. For example, to achieve more than 90 percent enrolment rate in primary education by 2015 would require only between 200-250 additional teachers a year. Overall, according to Government estimates, non-oil output should increase annually by more than 6 percent to prevent unemployment from rising. This high rate of growth has yet to materialize.

21. **The prospect for employment creation for expatriates and high unemployment for nationals is real.** Oil production and supporting services are bound to be a significant driver for the economy in the near future though it may not be necessarily so for employment creation. Exploitation of energy reserves requires specialized personnel whose skills are not yet available in Timor Leste. This is already recognized by the Government that plans to allow for extensive use of expatriates as needed. It is then hoped that Timorese workers will be trained by the expatriates and will also be able and willing to replace them. Though this is a possibility, the

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<sup>2</sup> This assumption is not an unrealistic one: In a recent ILO/World Bank survey (2007) only 5 percent of youth indicated they wanted to work in the agricultural sector but, when they started work, nearly half of them ended up in this sector.

international experience suggests that a more probable scenario is that of limited substitution between nationals and expatriates at least for a significant period of time.

22. **Measures to induce the emigration of young Timorese have so far been met with very limited quantitative success.** A recent scheme introduced by the Ministry of Labor and Community Reinsertion managed to place abroad only 20 young Timorese last year against an expected target of more than 200. The future prospects of such efforts may not be much brighter. Irrespective of how well administrative arrangements for labor exchange are designed, the economic competition the less skilled Timorese would face abroad is fierce (e.g. from Chinese workers). And the more educated Timorese would have to compete with those from countries that have a long tradition in being “brain-drained” (such as the Philippines). In addition, an early emphasis on emigration may risk depriving Timor Leste of some of its most educated workers at a time when the effects from the exploitation of the oil reserves may start accelerating.

23. **The labor market situation is aggravated by over-prescribing labor regulations that are more similar to those in some OECD countries than those in neighboring East Asian economies.** Though the system of industrial relations is at an initial stage, the regulatory regime and institutional framework within which the labor market operates already has, on the one hand, significant elements of rigidity and, on the other hand, limited benefits to workers, especially younger ones. A *de facto* minimum wage is in operation that applies to Government-sponsored public employment programs and is enforced, on a discretionary basis, in the private sector. The level of this “minimum wage” stands at \$2/day and in comparative terms is well above international benchmarks.

24. **Hiring and firing costs are abnormally high for an economy at the developmental stage of Timor Leste and this affects youth workers disproportionately.** For example, labor contracts become permanent after a probation period of only one month). Labor disputes are infrequent but, when they do happen, there is no effective conflict resolution mechanism. Despite this over-regulation, Timor Leste does not have provisions for part-time, casual or seasonal work that is often performed predominantly by younger workers. Furthermore there are no regulations for temporary lay-offs that can be particularly useful in a country facing many social uncertainties and natural disasters. The gap between the regulated and unregulated parts of the labor market is therefore significant leading to a rather acute duality. This is a sure recipe for high unemployment as it prevents the flow of workers between the different segments of the labor market.

25. **Public works programs have yet to show their full potential though they constitute a promising start for offering immediate employment to the youth.** There are many programs practically in all areas of labor policies and interventions. Specifically in the area of public works, a Transitional Employment Program (TEP) was introduced shortly after Independence. It was executed via the UN mission (UNTAET) district administrations in the absence of a fully functional national government then but contributed to high wage expectations by offering \$3/day. Following the April 2006 events, another public works program was quickly set up and implemented in Dili and six other districts also in a decentralized way. Though it offered a wage of \$2/day, it did not have much problem to attract youth. This program is currently followed by nation-wide public works program that still offers \$2/day but its management structure is more centralized. The aforementioned programs have been mainly project-driven and were introduced and terminated in a rather discrete way without much consideration to the transition from one program to another that could have ensured more continuity and sustainability of effort and results. However, the experience from these two programs (and other smaller ones) can provide

useful suggestions for the appropriate design of the public works programs, the level of wages and execution arrangements (such as centralized versus decentralized implementation).

26. **Timor Leste has also a series of other active labor market programs.** Though more appropriate for the longer run and more complex economies, there are already quite a few active labor markets programs (ALMPs) programs in operation or planned which, albeit small, focus on training, employment services, labor mediation, access to credit and so on. The Skills Training for Gainful Employment Programme (*STAGE*) is currently operating in Dili and another four districts and aims to build national capacity to deliver a demand-driven enterprise and skills development training. It established District Employment Centers (DECs) under the Ministry of Labor and Community Reinsertion that are expected to form the basis for a more generalized Public Employment Service system that would offer job search assistance to new job seekers and provide enterprise training, job mediation and access to credit for the start-up of income generating activities. The Youth Employment Promotion Project (*YEP*) aims to (a) implement the upcoming *National Youth Employment Action Plan*, (b) develop career guidance and counseling services, and enhance youth employability skills and employment opportunities; and (c) provide young women and men in technical secondary schools with access to entrepreneurship promotion programs and school-to-work transition services. The program Boosting Employability Solutions (*BEST*) will establish a competency-based education and training system that can improve employability due to the advantages offered by a transparent and credible certification system. The Contractors Rapid Enhancement program (*CORE*) promotes access to training for small/ medium enterprises/ contractors lacking appropriate management skills to increase their efficiency and productivity and consolidate business activities. Several other such training programs exist such as “Improve Your Business” (*IYB*), “Expand Your Business” (*EYB*), and “Training in Labor Based Maintenance and Construction Works”.

27. **Compared to the annual flow of new job seekers into the labor force, the stock of unemployed youth and the nature of the labor market, the currently practiced active labor market programs have some benefits for the youth but cannot address the major imbalance between employment creation and unemployment.** For example, all public works programs taken together still benefit only a fraction of workers. Though job creation under *STAGE* was estimated at around 3,000 jobs for 2006, this is still insufficient to respond to the youth employment challenge in Timor Leste. In the area of labor information, most registered job seekers are between 16 and 30 years old and half of them already finished secondary education. Among the nearly 6,000 job seekers who registered in the employment centers during the last three years only 3 percent got a job. According to some accounts, the number of registered job seekers has declined over time due to lack of job postings which tend to come from the private sector that has stagnated in recent years.

28. **While active labor market programs can play an important role in the future, the scope for creating a generalized public works program for the youth is much more significant in the short-run though the appropriate level of wage, and implementation arrangements (decentralized or not) need to be examined further.** With respect to other labor programs their expected impact is largely bound to be constrained by the growth in the non-oil sector: as the international experience indicates, there is no much point to train for work that employers do not need. Similarly, the information failure of what jobs exist is likely to be minimal in a small country with an undiversified economy. This does not negate the potentially useful role of some programs in some areas but reduces the expectation that the bulk of the youth employment challenge can be addressed by such programs at least in the short term. While certain active labor market measures can of course be used in a more targeted way for some

disadvantaged youth, the way to diversify most unemployed and underemployed youth away from unproductive activities would most likely rest with appropriately designed public works.

29. **Despite the urgency of addressing the development, employment and social protection of the youth, Timor Leste remains the poorest country in East Asia and needs broader measures to reduce vulnerability.** The outreach and impact of formal welfare programs is minimal. However, while various measures of social assistance and monetized support can increase the level of social protection afforded to the poor and vulnerable, they can also adversely affect employment incentives. For example, as the international experience suggests, wage subsidies for youth employment would be inappropriate for Timor Leste. Instead the main source of employment creation should be sought in public infrastructure projects and the creation of a conducive private sector environment. A sensible approach would be to target social assistance to vulnerable groups whose labor supply is least affected by welfare programs. These groups include children, the disabled and the elderly. Interventions for children that later affect the youth can take many different forms ranging from immunization, prenatal care, increased deliveries in clinics, pregnant women's and mothers' nutrition education (breast-feeding, better weaning practices), micro nutrient supplementation, and incentives to stay on in school (such as scholarships and school feeding programs). The disabled can benefit from specialized services as well as some form of cash assistance. A low value social (not contributory) pension can be introduced for the elderly who tend to live with their offspring and spend their resources within their families.

30. **Taking together, the report's findings suggest the following two policy areas relevant for youth employment that can be addressed more or less immediately: First, school enrolment and retention and, second, a well-designed nationwide public workfare program.** These short-term priorities, along with others, are expanded below taking into account the findings of the two companion reports (see footnote 1) and the broader developmental needs of Timor Leste.

#### **D. OPTIONS**

31. **The Government and donors are cognizant of the dire situation of the youth and their limited prospects for the labor market and have made comprehensive proposals for policies and programs.** The State Secretariat for Youth and Sports has prepared a *National Youth Policy for Timor-Leste* as well as *Strategies for the National Youth Policy for Timor-Leste* and both are slated to be presented to the Council of Ministers (Chapter 6). The Ministry of Labor and Community Reinsertion has proposed a *Draft National Employment Strategy* with 40 specific recommendations (Annex 2) and a National Action Plan for Youth Employment (Annex 3). Additional reports on the labor market are available from ILO on issues such as employment services, public works, training, SMEs and micro-enterprises. More specifically in the area of youth, UNICEF and World Bank supported research has identified the need for a holistic approach to improving livelihoods, the importance of asset building through collective action and representation, the usefulness of using the Rapid Results Approach to build implementation capacity that is lacking, and the merits of national ownership in combination of decentralized approaches (Annex 4). More specialized reports have been prepared by AUSAID (on youth gangs as well as human resources needs and skills training for business services), USAID (on conflict management and mitigation as well as on public workfare), the WFP (on the school feeding program) while other agencies have also contributed a plethora of other studies (see bibliography).

32. **Nothing that should be done has been omitted from the aforementioned reports, and the challenge is to prioritize the ensuing policy actions in a practical way for the immediate future while taking into account the long-term needs of Timor Leste.** What is more appropriate for Timor Leste is something that only the Timorese can decide. However, this report proposes that in deciding what to offer, when and how, the following criteria can provide some initial guidance for sequencing the available proposals for workforce development policies, programs and projects:

- informed decisions on what to offer can be reached quickly
- programs should make low initial demands on implementation capacity
- while addressing short-term needs, programs should also serve the long-term developmental objectives of Timor Leste.

33. **The remaining sections outline the relevant options for improving the prospects for youth employment.** The options are listed from the broadest to the more specific ones starting with those aiming at improving the education and health status of the Timorese population at large and ending with statistical requirements for evidence-based policy assessment and choices.

## 1. Early Childhood: Low Costs and High Returns

34. **Looking at the long term development objectives, immediate attention should be given to measures that ensure a healthy future population.** Though this report does not dwell further on cross-sectoral interventions for children below the age of 6, the implications of the high fertility rate for the future health outcomes of the population need to be taken into account. The findings and recommendations from other reports convincingly make the case for a sound population policy, the merits of increasing the number of births in clinics, the threat from infant malnutrition (especially at the weaning stage) and the significant scope for improving the nutritional status of children in combination with an immunization program.

35. **To enhance the take-up rate of such services from the demand side (i.e. by families and communities), some interventions in the above areas could be usefully linked to a conditional cash transfer program.** However, scaling up the provision of services from the supply side would require massive investment in the Government's implementation capacity. Until such capacity is developed, the Government may wish to make increased use of such services by other agencies. As an example, while an international agency has been active in a school feeding program, the Government has been slow in providing similar services though the necessary budgetary support was available.

## 2. Pre-school and Basic Education: Get Them Early and Invest in Them

36. **The success of the youth will depend on whether policies "got them while they were young".** Timor Leste should pursue aggressively the target of universal basic education and, more, of rapidly expanding coverage and access to pre-school education. Investing early in children does not mean that the government should not be pumping money later on to social programs for disadvantaged youths. It means paying attention not only to pre-school education (and before, in terms of population and nutritional interventions) but also all the way to at least completion of good basic education. This is bound to increase the employment prospects for the

vast majority of the youth and will decrease the risk of being involved in crimes or depend on various forms of welfare later on in life. This observation follows from a plethora of international examples as is also the fact that at-risk boys are more successful when investments are sustained well into the teenage years.

37. **The international experience also manifests that gains in educational achievement lead to corresponding declines in criminality and welfare dependency.** Sustained investments in workforce development (education and skills-building) are shown to go a long way toward shrinking, and in some cases eliminating, worrisome disparities in academic achievement, drug use, and unsocial behavior. And while ongoing investment in children can be expensive, the eventual *cost of not investing now* can be much higher later on in terms of lost productivity, reduced tax revenues, dependency on social assistance programs, greater social unrest, increased security outlays and lower welfare of citizens and of the country as a whole.

38. **Making civic education a key curriculum theme enhances the critical role education can play in developing democracies.** The knowledge and behaviors needed for a successful democracy, tolerance for other views, a basic understanding of government and the role of political parties and interest groups in the democratic process needs to be part of the school curriculum. A strong civics component for the curricula at every level and experiential learning opportunities, such as participation in student government or mock legislative sessions, are critical for developing democratic habits in youth people. The government should invest in developing these curriculum themes, disseminating material and training teachers.

### 3. The School to Work Transition and Vocational Education: Diverse Needs and Difficult Choices

39. **Policies need to distinguish between three distinct groups of youth:** those still in the education system, youth who have left the education system and are “out of school and out of work”, and youth who are marginally employed in agriculture or other sectors.

40. **For youth in school, in addition to general improvements in quality, there are a number of interventions that could better prepare youth for the transition to work.** Specific actions that can be taken include adding a career education theme to the curriculum starting in primary school and carrying through to the end of secondary school. At the primary level students learn about jobs and careers available in Timor Leste, visit workplaces, and engage in other types of experiential learning to gain career knowledge they can’t gain through their families. In the lower secondary students could continue career exploration and also learn about how to find a job, learn about what behaviors are expected at work, how the employment relationship works, and explore opportunities for self-employment. At the secondary level students could continue career exploration and begin to build the foundations for a specific career. It would be appropriate to introduce some formal entrepreneurial training as well. Finally, it would make sense at the secondary level to invest in career counseling as a formal function of the schools and, in the case of vocational schools, add a placement function.

41. **There are no sufficient data to examine whether adding a vocational component to the curriculum, in addition to the career theme, would be desirable.** Some families are eager to enroll their students in secondary vocational programs which may imply a positive view of vocational education. Creating a vocational skills component in the lower secondary curriculum initially might also motivate students who do not see any compelling reasons to complete lower



secondary or continue on to senior secondary education. However, if a vocational component is added, it needs to match to the local economy. For example, agricultural topics would be appropriate in most areas, as would basic trade skills such as carpentry, sewing and similar trades leading to self-employment. In any case, given the expected modernization of the economy in the future, to be accelerated by oil revenues, the objective should be to offer initially good general education to as many students as possible with vocationalization taking place at a latter stage and in a way that matches labor market requirements.

42. **The planned rapid expansion of secondary vocational schools can be reconsidered.** These programs are expensive and may produce more graduates and of the wrong kind compared to what the labor market can absorb. Similarly if programs are not well designed and delivered, the graduates may not meet employers' standards. Before programs are launched a careful assessment of the labor market to be served needs to be done and be also based on data and surveys (that still need to be developed). Opportunities for parallel work experience while studying need to be included into the programs and close ties to employers to be nurtured. It may well be that less expensive academic secondary education with a career education component may still be a more valuable investment. Another possibility is to add a vocational option to existing secondary schools rather than develop exclusively vocational schools.

43. **Out of school and out-of-work youth between 15 and 25 could be targeted with specially designed second-chance programs.** Interventions could begin with literacy programs delivered at the village level. Literacy programs could also be attached to public works programs. Similarly programs that allow students to achieve a certificate equal to primary completion or lower secondary completion could be delivered evenings through a network of youth centers, if suitably developed, or in conjunction with a public works program. For members of this group who have achieved basic literacy skills, training programs and informal apprenticeships could be designed and delivered through the Ministry of Labor and Community Reinsertion employment centers and NGOs. Again it is critical that skills taught meet the needs of employers, or help students reach a level at which they could be self-employed. In addition, it may be useful to have programs that build skills in agriculture for the large proportion of this group which will spend its career in agriculture. Community-based skills programs that improve agricultural practices, promote alternative cash crops and improve agricultural productivity may be key to improving quality of life in the villages and slowing migration to the cities.

44. **Youth who have a foothold in the labor market through casual employment, self-employment or regular employment could benefit from opportunities to develop their skills.** Programs to support and encourage employer-sponsored training to upgrade the skills of existing workers may fill some of the gap for more skilled jobs and avoid the importation of skilled workers from neighboring countries. The Government could allocate funding to encourage NGOs and tertiary institutions to develop evening and weekend programs aimed at upgrading the skills of youth that already had some work experience. In any case, programs should be tailored to labor market needs. Areas that seem appropriate for exploration include, computer skills, English and Portuguese language, more advanced trades such as welding and auto repair. As the tourism industry grows, hospitality courses may also be relevant.

#### 4. Tertiary Education: Too Much of the Wrong Kind?

45. **The proliferation of higher education institutions calls for the development of a regulatory scheme that would set clear standards for accreditation.** Students are not assured of what quality of instruction and value of qualifications they are obtain at the many independent institutions that are springing up. If regulation and accreditation do not protect the integrity of degrees, their educational and practical value for the labor market will be dubious though obtaining them incurs significant costs upon families and students.

46. **There is a choice to be made by the National University between expansion and quality.** Statistical information for making such choice is not yet available but at a minimum what is offered by the National University should meet minimum standards. In the current context this implies that any expansion should proceed cautiously with more attention being given to contents. At this juncture of development it may therefore be better to focus on quality rather than trying to provide mass access. This will ensure that at least a small number of Timorese is capable of undertaking highly skilled professional positions needed for the small modern sector and nation building. Three areas that seem critical to meet the nation's immediate needs are (a) a high quality finance program to provide accountants and financial analysts to government and private companies; (b) civil engineering to support planned infrastructure projects; and (c) education to both meet the demand for teachers and administrators and also to develop the skills of existing teachers.

#### 5. The Labor Market Regulatory Framework: To Be Weakened and Strengthened?

47. **The current practices around minimum wages disadvantage the employment of youth.** Conventionally a minimum wage of \$2/day applies to all persons, sectors and regions. Though this cannot be considered to be generous for a family with a sole-breadwinner, it is almost certain above the reservation wage of most youth workers and by far exceeds what is comparable in other countries, especially neighboring East Asian ones. The easy absorption of Timorese youth into previous public works programs offering this level of wage is corroborative to this and attests to the fact that the economy is constrained more by employment opportunities than lack of adequate incentives. This report proposes that, after consultation with employers' organizations and workers' representatives, and if minimum wages were to be officially introduced, their level should vary by age and region (such as Dili, other urban and rural) in line with the established international practices.

48. **Labor regulations have not evolved smoothly over a long period of time, thus they do not necessarily reflect the development context of Timor Leste but are to some extent copies of existing provisions in other, more advanced economies and, again, disadvantage the youth in their search for employment.** Turnover among the youth tends to be higher than for older workers partly because the youth are often unclear what to expect from work and want to try different employments, and partly because they have shorter experience and are thus less valuable to employers than older workers. For the youth the absence of flexible employment opportunities often translates to no employment. In this respect the report identifies the need for regulations to accommodate the distinct characteristics of youth employment not only by lessening the regulations applicable to healthy labor turnover but also by introducing additional provisions to properly govern "less than full-time and less permanent" contracts (such as

regulations that would apply to part-time employment, seasonal work, short-term contracts and temporary lay-offs).

## 6. Active Labor Market Policies: Early Lessons

49. **The experience with public works programs as well as other active labor market policies, although small in scale, provides useful insights for selecting what to expand in the short-run and what program design to choose.** Public works is perhaps the most tangible of all such programs and can have immediate results. The value of setting a realistic minimum wage is already shown by the fact that its reduction from \$3/day at the time of Independence to \$2/day today has not prevented the youth (and, more generally, other workers) from participating in public works. The anticipated large investments in public infrastructure can be designed with the objective in mind to maximize their employment impact, too. The appropriate mode of implementation would need to be assessed further in view of apparent benefits of decentralization versus the possible politicization of locally administered programs.

50. **The other active programs will show their potential only as the economy grows and complexity of labor demand increases.** For example, even the best designed labor program will not have much effect in a stagnant economy. Or high level training may not be required in a relative unsophisticated production process. Current training efforts can therefore focus on construction related activities (building, plumbing, basic carpentry and electrics) as the population increase will unavoidably make heavy demands for residential construction. Efforts for job assistance placements may be better diverted to career counseling in schools (along with civic education) as neither can parents guide their children about the nature of the emerging economy nor do students (or non-specialized teachers) know much about the operations of the labor market.

51. **A national skills qualification framework can start being designed with guidance by employers but training standards needs to be adapted to the prevailing or realistically expected local conditions.** There are already proposals for the establishment of a “National Vocational Training Agency” to license institutions and standardize accreditation/certification and harmonize qualifications. Such proposals have clearly merit especially as the complexity of the labor market develops. Both employers and workers can benefit from more appropriately defined competencies and information (“signaling”). The competencies framework for skills should be linked to the accreditation of post secondary- institutions, including universities. This will also enable seamless transitions between different education and training tracks and alternative career paths over the working life of individuals.

## 7. Youth Service: A Potentially Useful Complement to Work Activities

52. **Youth service in Timor Leste has not been explicitly addressed in this report but there are already many proposals, in this area, including those included in the National Youth Strategy and Action Plan prepared by the State Secretariat of Youth.** In addition to the aforementioned education, employment and broader human development policies mentioned above, youth service can have many returns. Youth service encompasses a continuum of activities for the youth to participate in civic life in ways that are intended to benefit themselves and their communities. Programs can be formal consisting of an organized period of substantial engagement, where young people are contributing to their local, national, or world community, in exchange for minimal or no monetary contribution to the participant. Or they can be informal,

which is often the result of an ethic for service to others that is passed on through families, schools, civic organizations and popular culture.

53. **Youth service can have significant effects at community and broader societal level but they also provide returns to participating individuals.** Such benefits include building sustainable housing, improving literacy rates, protecting the environment, building infrastructure and combating HIV/AIDS. Youth service can also provide constructive alternatives to risky behavior, and can provide a mechanism for reintegrating marginalized youth. Out-of-school and unemployed youth are at much greater risk of behaviors that are harmful to themselves and their communities, including crime, gang activities, social unrest, adolescent pregnancy, risky sex, drug and alcohol use. Youth service programs provide a structured environment in which to learn and be occupied, while contributing to important development objectives at a relatively low cost, if properly designed and implemented, to government or other service providers.

54. **Despite its efforts, the State Secretariat for Youth and Sports faces tasks that are still formidable in scale and organizational requirements.** There needs to be a focal point for youth policy in the government that has the power and competence to keep the youth issue on the agenda of various ministries and on the mind of the general public. This is clearly not the current State Secretariat for Youth and Sports in its present form and capabilities. Either through upgrading of the current Secretariat or an alternative mechanism (e.g. an inter-ministerial group, led by a Cabinet level official), the functions that need to be performed include the development of well thought and articulated youth policies, the rigorous coordination and monitoring of various cross-sectoral initiatives, and the communication of a clear vision for youth policy to the many players in the system.

## 8. Implementation: Can the Government do it Alone?

55. **Even if an integrated framework for social policy in Timor Leste is developed quickly, the Government's ability to analyze and introduce policies and implement them is limited.** Youth interventions are multidisciplinary and cannot be addressed by one ministry or agency alone. The State Secretariat for Youth and Sports is well intending but lacks capacity even to run its own affairs. The Ministry of Labor is also weak as it is also the Ministry of Public Works that is a critical partner in public works programs. Even if the Government's ability to implement policies and programs increased substantially (in terms of inter-agency cooperation and administrative capacity – though the current state of budget execution suggests this will not be easy), the problem of youth is large, including the masses of youth that have recently left school or were previously affected by the struggle for Independence or were more recently involved in the civil unrests. These groups of youth call for additional short-term measures that require substantial corrective activities.

56. **It is likely that for quite some time in the future the Government will need to increase the synergies between its own efforts and those of the donors.** Though this does not preclude the increasing role of Government in the implementation of various programs, the useful role donor technical assistance can play for analyses and policies and in the execution of various projects is already manifested in some of the areas covered in this report (such as public works and school feeding programs). This cooperation should be encouraged but, in addition, measures should be taken for transferring locally the skills and systems employed by donors.

57. **While programs may be well implemented, this alone is not a reliable criterion of what program should be offered, and a social strategy that would include a labor market**

**strategy needs to be developed.** Timor Leste has yet to develop a social protection strategy that would identify the most promising areas of interventions and evaluate the relative merits among various alternatives. In the absence of such a comprehensive framework it is difficult to prioritize the needs of the youth vis-à-vis other groups in need, the balance between employment incentives and social assistance, and which programs should be offered in the short-term compared to the long-term. This report recommends the development of such a strategy that will also serve as the core element for future development plans. At the end, it is the households that provide productive employment that benefit their members and the economy at large. Thus fostering economic growth and social protection cannot be seen in isolation of each other and need to be addressed in tandem.

## **9. Improve the Statistics for Labor Market Analysis – And Share Them with Others**

58. **Timor Leste has precious little statistical information on social conditions, economic characteristics and labor markets, and the Census results have already been surpassed by recent social and political developments and the ensuing changes in the country.** Though some surveys exist, they are undertaken irregularly thus depriving a dynamic analysis of the underlying factors. Their methodologies are not compatible and in some cases they need to be improved. Changes in key socio-economic and demographic characteristics need to be continuously monitored and form the basis for evidence-based policy analysis and program design. These changes will be accelerated as oil revenues transform Timor Leste's economic, human and environmental terrain. The usefulness of knowing more about the migratory patterns and resulting rapid changes in urban areas vis-à-vis the more sluggish ones in rural areas cannot be overrated.

59. **In addition, there is an official tendency to guard the secrecy of survey data beyond what is justified.** Confidentiality and protection of privacy are pre-conditions for obtaining reliable information from survey respondents. This needs to be preserved. At the same time it is not that hard to sanitize primary data in a way that characteristics and outcomes can be linked without revealing the identity of respondents. There are standard techniques that can apply to surveys in order to preserve confidentiality. This would enable the sharing of information among researchers who can in turn assist more effectively policy makers in choosing between different evidence-based alternatives.

60. **Thus, the Government should introduce regular surveys and share the information contained therein freely.** Though his report has offered some options so far, *improving the statistical basis and analysis is not listed here as just another option*: it is a requirement for introducing good policies in the first instance and subsequently monitoring their performance and evaluating their results and, finally, refining, changing or abandoning old policies or introducing new ones. Especially in the employment area, a bi-annual Labor Force Survey would be of great value as it will also capture seasonality aspects. Annual student trace surveys can provide information of labor market outcomes of the education system and better guide the education planning authorities. In addition to the aforementioned two surveys that are more useful for longer term policies, employer-based surveys on expectations and short-term labor requirements as well as wages surveys can form the basis for understanding more immediate labor demand needs and designing policies more relevant for the immediate future. Equally important, these surveys should be made available to those who can contribute to the analysis and better understanding of the development dynamics of Timor Leste.

## E. SUMMARY OF RECOMMENDATIONS

61. **It is not easy to solve problems from 30 years ago in the period of just a few years, more so in a few months.** Many generations of Timorese have been affected by historical events either directly or indirectly through the formation of habits and expectations. Moreover, the transition from childhood to youth is a complex and difficult one, more so in post-conflict economies. But problems can be identified and reforms and new programs can start being introduced in connection to long-term development objectives and policies. Instead of waiting for the ideal vision and plans to be developed, the implementation of *prima facie* promising policies and programs can start and adjustments can be made later on in view of the results of monitoring and evaluation and also as conditions change.

62. **Thus some choices need to be made in the short-run while keeping a close eye to the long-run.** This would require greater determination on behalf of the policy makers as, for example, in addition to the problem of the short-term political horizons affecting many Government programs, another problem relates to the fact that many agreed programs are implemented slowly or have never been put into practice (e.g. due to difficulties with budget execution). It is true that Timor Leste faces many difficult choices and does not have enough resources to do many things, but the Government could decide more forcefully what to start doing now. As immediate short-run suggestions this report proposes to:

- **reduce immediately the flow of potentially ill-equipped job seekers in the labor market by increasing retention of children and the youth in the mainstream education system.** This would require, of course, an expansion of the education supply side but would need to be supplemented by offering incentives to families to keep their children and youth in schools by some “demand side” interventions (such as cash transfers to families conditional on school outcomes or expanding the school feeding program)
- **offer alternatives to idleness or engagement in destructive activities by increasing employment opportunities among the youth.** The most obvious way to do so in the short-run is with public works that can be introduced on a nationwide basis (compared to other active labor market programs that cannot be designed or scaled up quickly). Also, unlike other active labor market programs, public works have more or less immediate effects and are not conditioned by the smallness or sluggish growth of the private sector. In addition, public works can provide an additional boost to the economy, if linked to public infrastructure investments that are expected to be one of the more critical elements for economic growth in Timor Leste in the short-run
- **while these two short-term activities are being pursued, develop an adequate youth strategy to be followed by realistic plans and a conducive implementation environment.** Such a framework will enable additional measures to be introduced in a way that will reinforce the effects of the previous two activities and will be inline with the longer-term development vision of Timor Leste. This will require the proposed *National Youth Strategy* and *National Youth Employment Action Plan* to be augmented and refined, and the State Secretariat of Youth (or an equivalent authority) to be strengthened.

63. From a medium term youth employment perspective, priority areas and promising policy directions can be summarized as follows:

- d) **(on the labor supply side) Preparedness of the youth for being usefully engaged in gainful employment.** This would require accelerating and deepening workforce development with broad-based human capital investments (including, for example, health, nutrition and early childhood development interventions) as well as education policies that increase learning outcomes and include civic education
- e) **(on the labor demand side) Regulatory provisions for employment.** While the overall level of employment depends on the level of economic activity, additional gains can be made through carefully designed legislation that increases flexibility while it offers worker protection. In this respect this report identified as priority areas for increasing flexibility the amendment of hiring and firing regulations, and separate minimum wage practices for adult workers vis-à-vis young workers. The report also identified the lack of regulatory provisions for part time, seasonal and temporary employment and the absence of legislation governing temporary lay-offs
- f) **(at the labor market level) Labor market information and certification.** This would require, on the one hand, the creation of adequate administrative and survey instruments to monitor and assess changes in the labor market. On the other hand, there is a need for the creation of accreditation schemes for various institutions and the development of competency-based qualification frameworks that would help create seamless lifelong transitions between different education, training and career paths while providing useful signaling to workers and employers both locally and internationally.

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### A Framework for Creating a Positive Context for Youth Employment

- **Definition and implementation of a development vision**
  - Good use of oil revenues
  - Good macro and public investment program
  - Business friendly environment
- **Development of social strategy (workforce development and social protection)**
  - Focus on “first generation” interventions (early childhood, basic education, health)
  - Use social assistance for categorical groups not expected to work (elderly, disable)
- **Statistical requirements**
  - Improve LM information system (databases for training centers, employment services; outcomes etc)
  - Introduce surveys for the labor force (labor supply), business expectations (demand), wages (LM outcomes)
  - Make survey data public/accessible
- **Implementation Effectiveness**
  - Improve planning and budget execution
  - Increase donor support in the execution of projects
  - Strengthen inter-ministerial cooperation as youth is a cross cutting issue

Cabinet  
Level  
Youth  
Secretariat

Target Youth Groups and Recommended Interventions			
	Young children 0-6	School age 6-18	Young Adults 18-25
<b>In School</b>	<ul style="list-style-type: none"> <li>• Maternal health</li> <li>• Nutrition</li> <li>• Immunization</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce student retentions schemes (conditional cash transfers, school feeding etc)</li> <li>• Add career theme, civics emphasis and possibly vocational content to curriculum</li> <li>• Rethink secondary vocational strategy                             <ul style="list-style-type: none"> <li>○ Examine merits of expansion</li> <li>○ Add entrepreneurship to all secondary curricula</li> <li>○ Focus on agriculture, construction, basic trades, tourism</li> <li>○ Insure quality and labor market ties</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Adopt accreditation scheme for post-secondary education</li> <li>• Placement and Career counseling for graduates of post-secondary education</li> </ul>
<b>Out of School</b>		<ul style="list-style-type: none"> <li>• Develop seamless education and skills qualification framework</li> <li>• Public works employment</li> <li>• Second chance programs for literacy</li> <li>• Services for placement, skill development and self-employment</li> <li>• Route to civic engagement</li> <li>• Youth service</li> </ul>	

Support  
From  
Line  
Ministries