



# YOUTH LIVELIHOOD AND EMPOWERMENT THEORY OF CHANGE



Youth Livelihood Interest Group  
World Vision International  
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World Vision's Youth Livelihood and Empowerment Theory of Change reflects the support and contributions of many individuals from across the globe that work to increase and improve the opportunities for young people to be civically and economically engaged and to successfully transition into a productive and fulfilling adulthood.

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This work aligns with the core World Vision documents that have guided the organization, including the Ministry Framework, Integrated Focus, Principle Level Choices, Ministry Goal, and Child Well-Being Aspirations and Outcomes.

Thank You,

**Kate Williams and Aaron Ausland**

Chair and Vice Chair  
Youth Livelihoods Interest Group

**Active Citizen:** An active citizen is an individual who actively takes responsibility and initiative in areas of public concern such as crime prevention and the local community.

**Adolescent:** World Vision defines adolescents as young people aged 12 -18 years.

**Empowerment:** Empowerment, in the context of this document, is when young people have the ability and the power to take action. Empowerment happens when all aspects of the ecology (in the community) support young people to grow – focusing on their capacities and strengths – and provide opportunities for young people to serve and contribute in meaningful ways to their communities.

**Citizenship:** Citizenship, in the context of this document, is defined by the presence of three key elements: a) civic sensitivity, b) participation in building civic society and c) benefiting the common good.

**Financial Citizen:** A financial citizen is an individual that has access the opportunity, ability and confidence (and appropriate services, products, support and advice) to make informed decisions about their financial circumstances, and the capacity to exercise their economic rights. To achieve financial citizenship, an individual must at a minimum have access to the essential products and services – food, water, housing, energy, health, education, financial – required to enable their activity as a consumer, producer and holder of assets.

**Financial Literacy:** Financial literacy may be described as the set of skills and knowledge that allows an individual to make informed judgements and effective decisions regarding the use and management of money and wealth.

**Life Skills:** According to UNICEF, life skills are defined as psychosocial abilities for adaptive and positive behaviour that enable individuals to deal effectively with the demands and challenges of everyday life. They are loosely grouped into three broad categories of skills: cognitive skills for analysing and using information, personal skills for developing personal agency and managing oneself, and inter-personal skills for communicating and interacting effectively with others.

**Most Vulnerable Children:** World Vision considers the most vulnerable children as those whose quality of life and ability to fulfil their potential are most affected by extreme deprivation and violations of their rights.

This definition includes four vulnerability factors which can assist in identifying the most vulnerable children:

- abusive or exploitative relationships: relationships which are characterised by violence or use of a child to benefit others sexually or commercially, or which consistently harm the child through intentional acts or negligence
- extreme deprivation: extreme material poverty or deprivation of caregivers
- serious discrimination: severe social stigma which prevents children from accessing services or
- opportunities essential to their protection or development
- vulnerability to negative impact from a catastrophe or disaster: natural or manmade events can seriously threaten the survival or development of a child, and certain children are more likely to be affected negatively and less likely to be able to recover.

Vulnerability is a scale, not a permanent state of being. Children may become increasingly vulnerable until they are defined as most vulnerable children. The more vulnerability factors children experience, or the longer they experience any one of these factors, the more vulnerable they become.

**Numeracy:** According to the Program for International Student Assessment (PISA), numeracy or "mathematical literacy" is "an individual's capacity to identify and understand the role that mathematics plays in the world, to make well-founded judgements and to use and engage with mathematics in ways that meet the needs of that individual's life as a constructive, concerned and reflective citizen." As the National Numeracy organization of UK points out, this definition implies the essential skills needed for solving problems, processing information, making decisions and interpreting data. "Being numerate is about appreciating number relationships and interpreting answers, and not just about doing calculations."

**Resilience:** Resilience describes the ability of companies, communities or individuals to come to terms with changing circumstances and adjust their business, community or personal behaviours accordingly. Characteristics of a resilient business/community/individual include:

- An ability to return to or maintain a previous state of normal functioning or income level after a crisis or to even avoid crises altogether
- An essential competitive advantage in unstable times when actors are forced to change more radically and rapidly than ever before.
- Hope, motivation and a strong drive to reach their goals

**Sustainable Livelihoods:** A livelihood is sustainable when the capabilities, assets, and activities required for a means of living can be maintained or enhanced over time and cope with and recover from stress and shocks. A sustainable livelihood impacts the local environment, economy, resources and culture in such a way that sustainable livelihood opportunities are available for future generations.

**Technical and Vocational Education and Training (TVET):** TVET is a comprehensive term referring to those aspects of the educational process involving, in addition to general education, the study of technologies and related sciences, and the acquisition of practical skills, attitudes, understanding, and knowledge relating to occupations in various sectors of economic and social life.

**Wealth:** Wealth is any tangible or intangible thing that makes a person, family, or group better off. In Economics, wealth refers to all goods and services with monetary, exchangeable, or productive value. Wealth may also refer to an abundance of money, valuable material possessions or resources (riches). In some cultures, social factors (such as the number of children one has or their social prestige) can also indicate wealth.

**Work Readiness Skills:** Work readiness skills are defined by this paper as those skills that assist youth to search for and obtain employment, such as the ability to describe skills and interests, set career goals, write a resume, and contact employers.

**Youth:** World Vision defines youth as young people aged 15 - 24 years.

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## I. BACKGROUND

World Vision is a global Christian relief, development and advocacy organisation dedicated to working with the world's most vulnerable children, their families and communities to overcome poverty and injustice and focused on enabling their sustained well-being.

World Vision exists to help every child experience life in all its fullness. However, when childhood ends, the lives of many young people are severely affected by lack of employment opportunities, few prospects for engagement in meaningful activities, and a limited sense of belonging or connection to their community.<sup>1</sup>

Globally, youth make up 25% of the world's working age population, more than 85% of whom live in developing countries. This disproportionately high number of young people, known as the 'youth bulge,' is projected to swell to 1.5 billion by 2035.<sup>2</sup>

Over the next decade, one billion young people will enter the global labour market. By some estimates 40 million new jobs must be created each year simply to keep pace with this growth in addition to absorbing the 200 million existing unemployed - 75 million of whom are young people.<sup>3</sup>

Youth Unemployment - the numbers	
<b>1.8 billion</b>	the number of youth world wide
<b>85%</b>	of the worlds youth live in developing countries
<b>40%</b>	of the worlds unemployed are youth
<b>3 times</b>	youth are more unlikely to be unemployed than an adult

The growing challenge of absorbing youth into labour markets has created an urgent need for innovative projects that provide skills as well as meaningful employment and self-employment opportunities for young people. World Vision can play a pivotal role in this integration as it is in a unique position to build upon its investments in early-childhood programming by continuing to invest in children as they make the transition to youth and adulthood.

As part of a drive to ensure children experience successful and safe transitions through youth to adulthood, World Vision's Youth Livelihood Interest Group (YLIG) hosted a Theory of Change process to clarify World Vision's understanding of how youth are empowered have sufficient incomes and resources to sustain productive and fulfilling lives, as well as to elucidate the organisation's role and priorities in the area of youth livelihood programming.

The purpose of this document is to articulate World Vision's Youth Livelihood and Empowerment Theory of Change so that World Vision staff have a common language around youth livelihood programming, as well as a framework that will assist World Vision in developing strategic interventions for youth at community, national, regional and global levels.

1. Wheaton, A, Nessa, K. (2011) Youth Employment, Social Entrepreneurship and Economic Development Unit, World Vision Australia, Victoria, Australia

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3. Manpower Group (2012) How Policy Makers Can Boost Youth Employment, URL: <http://files.shareholder.com/downloads/MAN/2074956109x0x600960/1f9d24d2-d737-40c7-805f-a38b183e7766/How%20Policymakers%20Can%20Boost%20Youth%20Employment%20FINAL%2009-18-12.pdf> (accessed 24/11/2013)

4. UNFPA (2007) UNFPA Framework for Action on Adolescents and Youth, Opening Doors with Young People: 4 Keys, UNFPA

5. US AID (2012) Youth in Development: Realizing the Demographic Opportunity, US AID Policy on Youth, US AID, Washington DC, USA

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7. UNESCO (2012) What do we mean by youth?, United Nations Environmental Scientific and Cultural Organisation, URL: <http://www.unesco.org/new/en/social-and-human-sciences/themes/youth/youth-definition/> (accessed 05/12/2012)

8. Centre for Theory of Change (2013) What is Theory of Change? URL: <http://www.theoryofchange.org/what-is-theory-of-change/#3> (accessed 7/10/2013)

9. Mackinlay, L, Monbiot, E. and Boxelaar, L. (2011) World Vision's Theory of Change, World Vision International

## 2. YOUTH AS A TARGET GROUP FOR WORLD VISION

In the context of this theory of change, it is important to appreciate what is meant by the term 'youth.'

Some simply define 'youth' as the period of human life between childhood and maturity. This definition is too vague, as it does not recognize that the transition from childhood to adulthood varies demographically across individuals, genders, countries and cultures.

Youth is a period of many critical transitions.<sup>4</sup> Young people experience a variety of physical, cognitive, emotional, economic and social changes that influence their needs, identities and behaviour as well as their opportunities.

World Vision has aligned with the International Labour Organization's (ILO) definition of youth and as such identifies youth as the cohort of young people aged between 15 and 24 years of age.<sup>5,6</sup> While this constitutes the generally accepted international standard used to define youth, a young person is often characterized as such based on socioeconomic, cultural, or institutional contexts that vary by country and individual situation.<sup>7</sup> In some countries the transcendence from youth to adult is defined at the age of majority, usually 18 years, when one assumes equal treatment under the law.

For simplicity, World Vision defines the life stages between childhood and adulthood as early adolescence (12-14), late adolescence (15-18), and youth (15-24). Those aged between 10-24 years are considered as young people.

There are many development interventions signalled in this theory of change that would be appropriate for youth below the legal and appropriate working age, whose definition varies across countries and for which World Vision recognizes the ILO's role in establishing. However, there are also many development interventions signalled in this theory of change that would only be appropriate for youth of working age. Each World Vision office should consider carefully the age of the young people with whom they are working and the appropriateness of the development interventions signalled within this theory of change.

## 3. THEORY OF CHANGE: WHAT IS IT AND HOW DO WE USE IT?

A theory of change defines all building blocks required to achieve a defined long-term goal. This set of connected building blocks is depicted on a map or diagram known as a Pathway of Change.<sup>8</sup> A theory of change describes the types of inputs that bring about the outcomes depicted in the Pathway of Change map. Each outcome in the Pathway of Change is tied to an input, revealing the often complex web of activity that is required to bring about change.

World Vision's Youth Livelihood and Empowerment Theory of Change reflects all the changes at various levels that can contribute towards enabling youth to having sufficient incomes and/or resources to enable sustainable, productive and fulfilling lives.

The Youth Livelihood and Empowerment Theory of Change reflects World Vision's current understanding of how change takes place. As we mature as an organisation, with an increasing focus on evidence building, our confidence in, and fine tuning/adaption of this theory of change should improve.<sup>9</sup>

The theory of change provides the basis for a number of elements of World Vision's work. This can include:<sup>10</sup>

- Providing focus to the discernment process in strategy development.
- Setting strategic objectives – it can be used as a lens to guide where we focus, where we partner and where we do not engage.
- Supporting assessments – it can be used to validate the findings and highlight gaps
- Providing a sound theory of change for the development of technical approaches
- Providing a clear framework for World Vision staff across regions.
- Orientation for new staff - provides a summary of our focus and our objectives.

## 4. WORLD VISION'S YOUTH LIVELIHOODS AND EMPOWERMENT THEORY OF CHANGE

The theory of change has as its highest level outcome a contribution to the World Vision child well-being aspirations (CWBA): that children are educated for life, enjoy good health, are cared for, protected and participating, and experience the love of God and their neighbour. The diagram on the following page summarizes the theory of change, placing the CWBAs at the top.

The bottom half of the diagram is the core theory of change for sustainable adolescent and youth livelihoods with the top objective that "Youth have sufficient incomes and resources to sustain productive and fulfilling lives and contribute to their community's well-being." The top half of the diagram shows how achieving this objective leads to a contribution to each of World Vision's CWBAs.

We'll look first at the bottom half of the diagram, describing in detail the inputs and preconditions that lead to youth having sufficient incomes and/or resources to sustain productive and fulfilling lives. Then we'll turn our attention to the top half and detail how this leads to a contribution to World Vision's Child Well-being Aspirations.

### 4.1 The Core Theory

In order for youth to have sufficient incomes and resources to sustain productive and fulfilling lives, they must first be "ready for economic opportunity" and "ready to contribute to the wider good and care for others." However, readiness is not sufficient. The theory of change identifies six additional preconditions that make it possible for ready youth to attain the sustainable livelihood objective. Not all of these preconditions must be met simultaneously, so they are not in the strictest sense necessary conditions. In addition, they may not cover all that is needed, however these are pathways through which a "ready" youth may attain a sustainable livelihood, and the more of them that exist, the greater the opportunity for success. The six pre-conditions are:

- Youth are sufficiently employed or self-employed
- Youth experience fair and inclusive treatment in the work place
- Youth have a safe and healthy work environment
- Youth engage in ongoing learning and development

<sup>10</sup> Mackinlay, L, Monbiot, E. and Boxelaar, L. (2011) World Vision's Theory of Change. World Vision International

- Youth are socially responsible and play an active role in their community (e.g. social justice, responsibility and environment)
- Youth networks are creating new approaches to sustainable livelihoods

So, what makes an adolescent or youth "ready"? In the Pathways of Change diagram, we talk about youth being "ready for economic opportunity" and "ready to contribute to the wider good and care for others" as intermediate outcomes that follow from five sets of skills, competencies, access or supports. These are:

1. Basic Skills, which include functional literacy, basic numeracy, and financial literacy.

2. Work Readiness Skills, which include livelihood preparedness, employment skills, entrepreneurship skills, technical & vocational skills, as well as experience with work

3. Soft Skills for Life and Work

4. Access to Services, Markets and Information, which include labour market information, goods and services market information, and age-appropriate financial services

5. Supportive Networks and Relationships, which include supportive relationships with peers, family and adults, and positive affiliations and networks and economic cooperations.

It is important to have a common understanding about each of these, as they represent many of the programming handles around which World Vision interventions will be designed. For an overview of each of the six sets of skills, competencies, access and support please refer to Annex 1.

Once a young person is "ready" and has gained "sufficient income and resource to sustain productive and fulfilling lives and contribute to their community's well-being," how does this enable them to contribute towards World Vision's CWBAs?

Our theory of change submits this will position them well to develop savings, assets and wealth which will place them in a position to provide well for their families and manage shocks. It is assumed that through acquiring essential life skills alongside gaining sustainable livelihoods, youth will develop a sense of autonomy, purpose and personal empowerment which in turn leads them to contribute to the common good of their community as both financial citizens and active citizens.

As described in the diagram, this may manifest in multiple ways, including:

- Youth plan their families
- Youth invest in their own and their children's health
- Youth invest in their own learning and education and in their children's education
- Youth have better relationships with their children and/or grow into adults who have nurturing relationships with their children
- Youth have positive voice and actively engage within their communities
- Youth have reduced risk of exploitation/contributing to exploitation
- Youth choose timing for their marriage

Ministry Goal

### Sustained well-being of children within families and communities, especially the most vulnerable

Child Well-Being Aspirations

Children are educated for life

Children enjoy good health

Children are cared for, protected and participating

Children experience love of God and their neighbour

Youth plan their families

Youth invest in their own health and their children's health

Youth invest in their own education and their children's education

Youth have positive, caring and nurturing relationships with their children and others in their families and communities

Youth make good decisions for their lives, and uphold the rights of others

Youth have reduced risk of exploitation

Youth choose the timing for their marriage

Youth provide well for their families

Youth develop savings and assets

Youth are resilient, cope with and recover from stress and shocks

Youth contribute to the common good of their community as active citizens

### Youth have sufficient income and resources to sustain productive and fulfilling lives

Youth movements are creating new approaches to sustainable livelihoods

Youth have a safe and healthy work environment

Youth engage in ongoing learning and development

Youth are sufficiently employed

Youth are sufficiently self-employed

Youth experience fair and inclusive treatment in the workplace

Youth are socially responsible and play an active role in their community

Adolescents and youth are ready for economic opportunity

Adolescents and youth are ready to contribute to the wider good and care for others

#### Basic skills

- financial literacy
- functional literacy
- numeracy

#### Work readiness skills

- Experience with work: internships, apprenticeships, volunteering
- employment skills
- entrepreneurship skills
- technical and vocational skills

#### Soft skills for life and work

- citizenship and positive identity
- social and professional competencies
- character

#### Access to services, markets and information

- labour market information
- goods and services market info
- age appropriate financial services

#### Supportive networks and relationships

- supportive relationships with peers, family and other adults
- positive affiliations, networks and economic cooperations

Core Theory of Change

#### Local enabling conditions

- Pathways to employment**
  - Employers are willing to hire youth and provide internships
  - Schools, training providers and employers collaborate to create pathways to youth employment
  - Churches and faith-based organisations support youth development
  - Employers inclusive in their employment practices
- Home environment**
  - Adolescents and youth have a stable home environment
  - Adolescents and youth (girls and boys) have a safe and supportive home environment
- Social norms support adolescent and youth development**
  - Social norms are inclusive of all adolescents and youth and their development
  - Community values adolescents and youth and enables their contribution
  - Strengthened informal protection mechanisms safeguard against exploitation
  - Positive spaces are available for young people to engage, create, act and serve
  - Youth enjoy the right to express their views and act on issues they are concerned about
- Availability of the necessary services**
  - Service providers deliver inclusive services and products that enable youth employment
  - Youth with children of their own have childcare options
  - Adolescents and youth have access to social protection

*Demands & Enables*

#### National enabling conditions

- Legal**
  - Government protects child rights to education
  - Government enacts and enforces employment rights
  - Government enforces rule of law
- Political**
  - Government is committed to transparency and fighting corruption
- Economic/technical**
  - Government improves transport and communications infrastructure
  - Government is supportive of business
  - Government has programs that address youth unemployment
  - Government has macroeconomic policies that creates jobs for youth
- Social**
  - Government provides technical vocational training and education
  - Government has a social welfare policy in place
  - Nation corporations and organisations partner to support youth development

*Demands & Enables*

#### International enabling conditions

- International businesses are committed to end youth exploitation
- International community prioritises and supports youth
- International laws protect youth

The diagram further highlights that to achieve sustainable livelihoods for youth, the young person cannot be viewed in isolation, and that local, national and international level environments play a critical role in the ecology of youth. These environments ideally would be supportive of young women and young men, if they are going to optimise their potential to build and promote sustainable livelihoods for themselves and those they influence.

At a local level young people will ideally have access to a supportive and safe home environment; necessary services (e.g. healthcare, childcare etc.) are available; social norms will support the development of both young women and young men; youth enjoy the right to associate for pro-social activities, express their views and act on issues they are concerned about, and that pathways to employment and self-employment exist.

At a national level, it is important that the policies and practices of government (and other national authorities and ministers), civil society and businesses enable positive change at a local level and, if these bodies are mobilised to support positive change, then these in turn will be better positioned to influence and demand greater change at the global level.

Finally, a reformed international (i.e. regulation and structure) order which prioritises young people, incorporates youth development practices across systems, will enable young people to enjoy economic, social, cultural, civil and political rights and to secure better lives for themselves, their families and communities.

## 4.2 Assumptions and Implications

Outlined below are the eight (8) core assumptions that underpin World Vision's Youth Livelihood and Empowerment Theory of Change. These explain why and how the steps in our Pathway of Change diagram enable the achievement of sustained livelihoods for young people. For each assumption, implications for World Vision's contribution to change are outlined:

**Assumption 1: Successful youth livelihoods are determined by supply factors associated with job readiness of youth, and demand factors associated with local market conditions.**

*Implications for World Vision:*

- Youth livelihood programming must be market driven. World Vision youth livelihood programming should be informed by labour market assessments (including analysis by sex) to ensure that employment and vocational projects assure to the extent possible that curriculum is informed by the local economic context and that their young women and young men can graduate with skills that are relevant and marketable to employers.
- World Vision youth livelihood programming must address both supply and demand. It is essential that youth employment services address both demand for young employees and supply of job-ready youth. Projects must address both sides of the market equation and bridge the gap between the two.

**Assumption 2: Successful youth livelihoods are influenced by the ability of young people to understand and meet the interests and needs of the private-sector (as potential employers).**

*Implications for World Vision:*

World Vision will need to consult the private-sector when developing youth livelihood programming, and where appropriate partner with businesses to provide appropriate services including, but not limited to:

- Work placements – providing young people with the opportunity to gain work experience through short term placements
- Identification and promotion of industries where youth may excel, such as tourism and IT
- Facilitation of permanent employment opportunities
- Identification of skills to inform the design of training projects capable of meeting rapidly-changing market demands and new growth sectors
- Provision of technical advice and services
- Mentoring
- Funds/Investment

**Assumption 3: Young people are more likely to gain employment and remain employed if they are able to find jobs that match their needs and aspirations.**

*Implications for World Vision:*

World Vision projects will engage youth throughout the assessment, design, implementation and evaluation of a project's activities to capture their needs and preferences, secure buy-in and to instil a sense of investment from the participants themselves. World Vision youth livelihood programming must also be responsive to the different needs and aspirations of young women and young men. This includes taking into account any cultural bias that may constrain male or female youth from pursuing employment in a profession that is typically dominated by the opposite sex.

**Assumption 4: Sustainable youth livelihoods are dependent not only on developing market-relevant technical skills, but also work-readiness and life skills.**

Globally, the most vulnerable adolescents and youth do not have proper foundational education or job training and lack examples of how to behave in the workplace. Few opportunities exist to develop the characteristics employers are seeking, such as working in teams, professionalism, problem solving and strong communication skills.

*Implications for World Vision:*

- World Vision's youth livelihood programming will include support services that are comprehensive in nature and go beyond traditional skill training, perhaps featuring several overlapping, cross-cutting interventions. This may include:
  - o Job readiness training
  - o Personal and professional counselling and mentoring

- o Specific skill training and accreditation
- o Linkages to higher education
- o Work experience
- o Entrepreneurial pathways (information, training, support)
- o Professional networking
- o Volunteer opportunities
- o Life skills training
- o Leadership training
- o Follow-up training and support
- o Service learning
- o Support networks and promoting positive relationships with parents and peers

World Vision's strategy and programming goes beyond just economic opportunity and economic strengthening interventions, promoting instead a multi-sectoral thematic effort.

- World Vision recognises the additional investment for programming, resources and support that may be required to reach the most vulnerable adolescents and youth.
- World Vision will need to address individual income generation in ways that promote social responsibility.

**Assumption 5: Youth with a strong foundation of developmental assets have an increased likelihood of finding meaningful employment or starting a successful business.**

*Implications for World Vision:*

World Vision's youth livelihood programming will look to invest in the long-term, positive development of adolescents and youth through an assets-based approach. Developmental assets are defined as positive experiences, attitudes, relationships, values, skills, and qualities found in children, peers, families, schools, and communities. Greater number of assets is strongly correlated with livelihood outcomes. Positive youth development recognises that youth livelihood programming will be most effective when it:

- 1) promotes assets in the relationships and context where young people live
- 2) enables young people to contribute to the development of their community (which also impacts their own development)
- 3) increases sustainability through the strengthening the enabling environment.

**Assumption 6: Young people are the parents of the next generation. Actively engaging youth and supporting them to become active citizens with sustainable livelihoods will help to break the intergenerational cycle of poverty and ensure that their children will live life in all its fullness.**

*Implications for World Vision:*

- World Vision at a Partnership level, Regional level and National Office level, develop clear strategies, policies and project models in the areas of positive adolescent and youth development, youth empowerment and sustainable youth livelihoods to ensure that World Vision can offer quality programming that guide young people during this critical life stage so that they may forge positive adulthoods and break the inter-generational cycle of poverty.
- World Vision's strategies articulate clear linkages of programming from one lifecycle stage to the next.
- World Vision Area Development Programme's actively engage young people in programming and ensure that these projects are informed by global best practice.

**Assumption 7: New opportunities for youth employment and business creation will emerge due to new technologies and global market trends.**

*Implications for World Vision:*

- World Vision must monitor technology changes and market trends.
- World Vision needs to ensure that youth livelihood programming is flexible and able to respond to new technologies and market trends in a timely fashion.
- World vision will actively invest, engage and test models of how to increase digital literacy in communities we work. World Vision will also look at protection training for youth in their increasing engagement to ensure this does not take people into a negative environment.

**Conclusion**

This document outlines World Vision's Youth Livelihood and Empowerment Theory of Change. The theory of change provides a holistic perspective on how change takes place and how various sectoral approaches integrate to support this change.

Overall, it is envisaged that this theory of change will provide a strong anchor for evidence building and learning in the sphere of youth livelihood programming (including related sectors), as well as provide a framework to better equip World Vision staff, entities, sectors and projects to make strategic assessments and choices.



## ANNEX 1: SKILLS, COMPETENCIES, ACCESS AND SUPPORTS CONTRIBUTING TO YOUTH READINESS

### I. Basic skills

#### I.1 Functional Literacy

In 1978, UNESCO's General Conference adopted a definition of functional literacy – still in use today: "A person is functionally literate who can engage in all those activities in which literacy is required for effective functioning of his group and community and also for enabling him to continue to use reading, writing and calculation for his own and the community's development" The YLIG views functional literacy as the capacity to engage society and the economy through the written word. The UN has affirmed that "literacy is crucial to the acquisition, by every child, youth and adult, of essential life skills that enable them to address the challenges they can face in life, and represents an essential step in basic education, which is an indispensable means for effective participation in the societies and economies of the twenty-first century."

#### I.2 Numeracy

According to the Program for International Student Assessment (PISA), numeracy or "mathematical literacy" is "an individual's capacity to identify and understand the role that mathematics plays in the world, to make well-founded judgements and to use and engage with mathematics in ways that meet the needs of that individual's life as a constructive, concerned and reflective citizen." As the National Numeracy organization of UK points out, this definition implies the essential skills needed for solving problems, processing information, making decisions and interpreting data. "Being numerate is about appreciating number relationships and interpreting answers, and not just about doing calculations." In practical terms related to youth livelihoods, numeracy skills are those you need to do a job, manage your home and/or business finances, and be an engaged citizen. This can include specific skills like being able to critically assess statistics used by politicians or advertisers, being able to manage a family budget, estimate how much a bill will be, calculate how long it take to travel to a job site, or calculate a profitable price for a good or service.

#### I.3 Financial Literacy

This is the set of skills and knowledge that allows an individual to make informed judgements and effective decisions regarding the use and management of money and wealth. Specifically, financially literate adolescents and youth are able to:

Value savings	Articulate the importance of savings
Save money	Effectively employ strategies to build and track a safe and secure interest-earning savings fund
Track profits & losses	Calculate and track the profits and/or losses of a business endeavor
Make and use a budget	Write, format and utilize a personal or business budget

Alter a budget	Redesign a budget to address changing needs, circumstances, or problems
Determine financing needs	Calculate if and how much capital is needed to fund a business start-up or expansion and determine an appropriate financing strategy, includes use of savings and borrowing
Calculate cost of debt	Calculate the effective annual interest rate of loan products described in a variety of terms.
Choose among debt options	Understand if and when it is appropriate to take on debt and make a rational choice among debt options and terms based on actual needs and circumstances
Manage debt	Effectively manage debt and payment obligations to avoid arrears and default
Avoid scams	Identify common scams and thefts and know how to take appropriate precautions
Distinguish trustworthy financial services	Identify which financial service providers are trustworthy and which products and services are protected through regulation or consumer protection laws
Calculate spending capacity	Compare income to necessary cost of living and calculate spending capacity
Evaluate spending trade-offs	Evaluate spending decisions and trade-offs involved
Calculate after-purchase costs	Calculate after-purchase costs of an item (to maintain and use)
Understand risk of default	Understand the legal, personal, and financial risks of defaulting on payments and debt
Know when to borrow or invest	Understand when it is appropriate to borrow or invest money
Set financial goals	Consider financial goals over the short, medium, and long term and recognize how they may change over time.
Distinguish investment risk	Distinguish investments with different levels of risk
Understand influence of advertising	Understand how advertising influences spending decisions for better and for worse

## ANNEX 2: POSITIVE IDENTITY AND CITIZENSHIP

Regarding positive identity and citizenship, we believe that adolescents and youth will be more prepared for life and work - ready for economic opportunities and ready to contribute to the wider good and care for others - when they are able to:

### 2.1 Positive Identity

Maintain a positive self-identity	Understand their uniqueness in the world and maintain a positive sense of their identity and respect for self
Maintain a sense of purpose	Maintain a sense of purpose and articulate their source of achievement motivation
Understand their place in the world	Can analyze and explain his/her place in the wider community and in the world and articulate and deploy strategies to better her/his situation therein.
Understand who they want to become	Develop an understanding of the type of person they want to become and identify and take concrete actions toward this goal
Remain optimistic	Develop and employ effective strategies for maintaining optimism and cultivating a positive attitude
Youth are able to successfully manage self-discrepancies	Discrepancies between personal and social identities, as well as discrepancies between ideal, real, self-perceived and others-perceived identities are well managed by youth not ending up with serious emotional and behavioural problems
Youth have positive self-esteem	Youth have the disposition to experience oneself as a competent to cope with the basic challenges of life and worthy of happiness.
Youth are able practice exploration and commitment	Ability to decide upon their own roles through experiences that expose youth to opportunities and challenges; Reconsideration in the light of new circumstances providing clarity of identity, building maturity and competence to master their lives.
Understand who they want to become	Develop an understanding of the type of person they want to become and identify and take concrete actions toward this goal
Maintain healthy relationships	Establish and maintain healthy and rewarding relationships with peers and family members, for both personal and collective benefit

Cope with loss	Cope effectively with personal and social loss, abuse and trauma, communicating and taking positive action alone and with others.
Respect authority	Take direction and respect authority in the community and workplace
Demonstrate integrity	Articulates what integrity is and demonstrates it in their words and actions
Be honest with self and others	Understand the importance of honesty with themselves and with others and communicates truth with sensitivity
Be responsible	Demonstrate personal, professional and social responsibility in both attitude and action
Resist peer pressure	Employ effective resistance skills against peer and social pressure to participate in harmful or risky behavior
Demonstrate restraint	Demonstrate restraint against harmful or risky behavior, including unprotected sex, drug and alcohol use, gambling, impulse spending, violence, etc.
Balance monetary and non-monetary goals	Explain the importance of, and employ strategies for balancing monetary and non-monetary goals and priorities
Persevere	React positively to unexpected difficulties and setbacks, employing strategies to persevere in the pursuit of a desired outcome

### 2.2 Citizenship

Contribute to community well-being	Formulate ideas on how their community, country and world can be improved and plan and act towards this end, alone and with others.
Care for others	Show care for others and contribute positively to their community
Be sensitive to cultural differences	Demonstrate sensitivity to cultural differences - act with intercultural competency
Advocate for human rights	Articulate, understand, respect and advocate for child and human rights both for themselves and for others in their community, including the rights of girls and women, and people with disabilities.

Describe rights and responsibilities	Describe their rights and responsibilities towards others in the community and employ these for personal benefit and the benefit of others
Participate in social networks	Build and participate in social networks and institutions and use these for personal, professional and social benefit.
Participate in community initiatives	Take an interest in social clubs or community initiatives and participates actively in at least one initiative
Shape and respect rules	Develops, demonstrates and defends a respect for rules and guidelines and can propose modifications to these that are appropriate to particular settings and circumstances
Be environmental stewards	Appreciates the importance of environmental stewardship both in concept and in action

## ANNEX 3: WORK READINESS SKILLS

### 3.1 Livelihood Preparedness

There are a number of fundamental skills that adolescents and youth should obtain in order to be ready for the world of work, these include the ability to:

Consider a variety of occupations	Identify and consider a variety of occupations that provide an opportunity to earn money and reflect on the values they bring to one's self, one's family and society
Understand requirements of success at work	Understand what skills and competencies are required to succeed in work and where to acquire these
Match work with personal values	Assess personal attitudes and aspirations in relation to work and determine what work opportunities match their individual values
Distinguish between entrepreneurship and employment	Recognize the risks and rewards of entrepreneurship vs. wage employment in sustaining one's livelihood
Articulate preference between entrepreneurship and employment	Understand the difference between employment income and earning money as an entrepreneur and articulate a preference based on personal aspirations, aptitudes and preferences.

Establish and pursue a career plan	Set career goals and develop a career plan, taking steps to pursue career options that match personal strengths and interests
Develop and use a professional network	Develop and utilize a professional network to assist with career guidance and searching for employment opportunities

### 3.2 Employment Skills

For youth seeking formal employment, there are a number of additional and specific skills that should be acquired. These include the ability to:

Create an employment plan	Describe the pathways to employment and develop a basic plan to gather the skills and knowledge required for a desired or anticipated domain of employment
Stay safe at work	Understand how various occupations involve different working conditions and know about workers' rights regarding safety and hazardous conditions.
Prepare a CV	Prepare a well-formatted and well-written CV
Prepare a cover letter	Prepare a well-formatted and well-written cover letter
Fill out a work application	Prepare an application form for work as required
Interview effectively	Effectively employ communication and presentation skills during a professional interview

### 3.3 Entrepreneurship Skills

For youth seeking to start or grow their own business, there are a number of additional and specific skills that should be acquired. These include the ability to:

Identify and act on opportunities	Identify and act on opportunities to meet personal, social and/or economic needs - in particular the ability to see opportunities for profit in the marketplace
Identify factors in business success	Describe the reasons why businesses may succeed or fail and be able to identify key actions necessary for entrepreneurship success
Write a business plan	Develop a business plan for an enterprise to capitalize on a social or financial opportunity

Manage risk	Identify, assess and choose to take risks and to manage these as unexpected changes or outcomes occur
Set a price	Calculate an appropriate price for a good or service, understanding the concepts of production costs, breaking even, profit, competition, and value pricing.
Market products/services	Explain how to market one's products or services effectively
Act like an entrepreneur	Apply the basic skills and behaviours of entrepreneurship to their business endeavors, including risk, initiative, organization, confidence, communication, and collaboration
Know when and where to access capital	Describe and calculate the need for capital and other requirements necessary to launch and conduct a business and can explain how they can gain and manage these, as appropriate
Comply with legal regulation	Find and describe the relevant laws that regulate their chosen business endeavor and protect consumers

### 3.4 Technical and Vocational Skills

Whether a person wishes to seek employment or be self-employed, they must have the capacity to produce a good or service that has economic value in an accessible marketplace. For many, this means specialized schooling or training in a specific vocation, such as carpentry, welding, hospitality, or cell phone repair. Some youth workforce development projects focus on the provision of technical vocation education and training (TVET) as part of the intervention to equip youth for the world of work.

### 3.5 Experience with Work

Experience with work is not only important for a youth to develop their work skills on the job, but also to develop their credibility in the labour market. An experience with work often provides a young person with opportunities to develop many of the critical soft skills for life and work (see below). In addition, an experience with work enables a young person entering the labour market to provide a work reference, which can help open doors to new job opportunities.<sup>11</sup> There are a number of ways to gain experience with work before one obtains their first 'real' job: apprenticeships, internships, and volunteering.

## ANNEX 4: SOFT SKILLS FOR LIFE AND WORK

There is evidence indicating that soft skills are in high demand by employers, and are often more valued than general or industry-specific knowledge.<sup>12</sup> Life skills teach youth to communicate clearly and help them to recognize economic opportunities, increasing the probability of employment in the future.<sup>13</sup> These behavioural skills are particularly relevant to disadvantaged, out-of-school youth that come from difficult backgrounds and challenging life circumstances, who are far less likely to have been exposed to an environment of life skills

11. Ibid 49

12. Banerji, A., Cunningham, W., Fiszbein, A., King, E., Patrinos, H., Robalino, D., Tan, J.P. (2010) Stepping up skills for more jobs and higher productivity. The World Bank, Washington DC, USA

13. Ibid 55

development than their counterparts. We believe that adolescents and youth will be more prepared for life and work - ready for economic opportunities and ready to contribute to the wider good and care for others - when they are able to:

Take initiative	Take initiative - act positively to change one's circumstances and future
Solve problems	Employ effective critical thinking skills to solve problems, both alone and in groups
Work effectively in teams	Develops and employs effective cooperation and teamwork skills to elaborate, plan, accomplish and assess joint tasks with other persons, groups and/or institutions
Plan	Plan multistep actions over increasing time horizons
Organize	Organize thoughts, actions, and items in useful and rational ways
Make decisions	Make difficult decisions in timely and rational ways
Prioritize	Recognize the relative importance of things and order their values, goals, and actions according to priority
Manage time	Understand the importance of, and employ effective strategies to manage time
Manage stress	Develop and employ effective strategies for managing stress
Understand different perspectives	Display advanced analytical skills through demonstrating the ability to articulate and summarize diverse perspectives
Manage conflict	Take an active role in mediating and resolving conflict in healthy non-violent ways, including knowing when it is appropriate to avoid, delay or engage in conflict.
Take critical feedback	Invite and respond positively to critical feedback and consider and learn from constructive criticism
Communicate professionally	Use professional communication through words, body language, and active listening
Speak in public	Employ effective public speaking skills, able to convince, mobilize and entertain others as appropriate

Adapt	Demonstrate flexibility and adaptability in thought and action as information and circumstances change
Research	Use investigative and research skills to better understand their world
Provide good customer service	Identify opportunities to improve customer service and initiate action to provide good customer care and service
Appear professional	Dress and groom appropriately for work
Demonstrate good work ethic	Develop and demonstrate a strong work ethic, including taking pride in quality and working hard with little supervision
Be punctual	Employ effective strategies to plan ahead, take delaying variables into account, and manage time in order to arrive on time with dependability
Remain teachable	Maintain a posture of humility and readiness to learn from others

## ANNEX 5: ACCESS TO SERVICES, MARKETS AND INFORMATION

### 5.1 Labour Market Information

A labour market is an environment where employees and employers interact and exchange work for wages and salaries.

Lack of labour market information persists as one of the largest barriers for young people finding and sustaining employment across the world. Access to timely and focused information on local labour markets is essential as it helps young people to:

- make decisions about their future career development by understanding the needs of the labour market;
- manage employment and wage expectations; and
- identify current and future job market opportunities (this is especially relevant for young people who want to start their own business).

It is also critical that young people know where to find labour market information should they choose to access it. This information can be available through personal and professional networks, labour intermediation services as well as through conducting labour market assessments.

### 5.2 Goods and Services Market Information

Goods and services market information provision has positive benefits for young people, particularly those who are engaged in agriculture or have their own enterprise. Up-to-date, or current, market information enables farmers, business owners or traders to negotiate with

from a position of greater strength. It also facilitates spatial distribution of products from rural areas to urban areas and between urban markets by sending clear price signals from urban consumers to rural producers regarding quantities and varieties required.

Well-analysed historical market information enables farmers to make planting decisions in line with urban consumer demand, including those related to new crops. It also permits traders to make better decisions regarding the viability of intra and, perhaps, inter-seasonal storage.

As with labour market information, is also critical that young people know where to find Goods and services market information should they choose to access it. This information can be available through personal and professional networks, mobile technology, online platforms as well as government departments (for example, the Ministry of Agriculture).

### 5.3 Age-Appropriate Financial Services

We regard age-appropriate financial services as those that respond to the savings, borrowing, and risk mitigation needs of youth clients. Age appropriate financial services can play a critical role in enabling youth to invest in employment and education opportunities. Financial products targeted at adolescents and youth often only differ slightly from those that are offered to adults, including low or no minimum balance saving accounts, and alternative guarantees for credit. The major product differences lay in marketing (i.e. attractive colour schemes/special logos and tailored messages for young people) and delivery mechanisms (i.e. thinking outside the branch) and in the accompanying non-financial services (i.e. financial education and entrepreneurship) critical for building a young person's capacity to save, manage their money, and generate income.

Emerging best practices indicate that young people benefit the most from financial services when these services are offered in conjunction with non-financial services, such as mentoring, financial education, internship opportunities, health education, livelihood skills training, and social asset building.

## ANNEX 6: SUPPORTIVE NETWORKS AND RELATIONSHIPS

### 6.1 Supportive Relationships with Peers, Family, and Adults

Supportive relationships are essential for health and well-being across the lifespan. The relationships formed in early life impact an individual's personal outlook as well as their perceptions of others. These relationships affect their future relationships and well-being.

Throughout early and late adolescence, supportive relationships with adults and peers are associated with positive development.

In particular, adolescent-parent relationships are associated with positive adolescent outcomes, including; school motivation, good mental health, lower rates of alcohol and illicit drug use, lower rates of delinquency, and less school misconduct.

Adolescents and youth that have supportive relationships with non-familial adults are also important. Adolescents and youth who experience more frequent and high quality contact with non-parental adults have fewer behavioural problems. These interactions with supportive adults are especially beneficial for adolescents who may not experience or perceive positive relationships with their parents. While some examples of non-familial adult-youth relationships include those between youth and a religious leader; teachers; coaches, and formal mentoring relationships, often-underestimated relationships are those developed between youth and adult staff in afterschool and youth development programming.

## 6.2 Positive Affiliations and Networks, and Economic Cooperations

Positive affiliations and networks, and economic cooperations can all be classified under the heading of individual social capital. Individual social capital is defined as “a dynamic, social, spatially, culturally, temporally and economically embedded group, network, or constellation of social relations, which has the young person at the core of the constellation.”

Individual social capital is critical to young people as they seek economic opportunities. In developing economies, due to a lack of labour intermediation services, positive affiliations and networks with both community members and the employers are often the most effective way of young people finding informal or formal employment opportunities.

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