Editorial

Young people in the global economy

The United Nations has declared this year – from August 2010 to August 2011 – the International Year of Youth with the theme of dialogue and mutual understanding. This coincides with the 25th anniversary of the 1985 Year of Youth whose theme was participation, development and peace. The UN is promoting many engaging activities and serious events over the course of the year, and a review of the UN website on the International Year of Youth is both heart-warming and inspirational.

And yet, how much of this wonderful initiative will reach the young people in the households which our microfinance and enterprise development programmes target? Are young people in the notorious slums of Kibera, Dharavi, Rocinha or Bagong Silang aware that this is their year? And what about children growing up amongst the violence of the Bukavu region in the Democratic Republic of the Congo, the West Bank and Gaza, or Arauca Department, Colombia – what are their aspirations for becoming young adults? For these young people, and others in the world's most challenging places, our work has become even more relevant, pressing and critical.

According to UN statistics, the 1.6 billion children under the age of 15 in less developed countries account for 30 per cent of the total population, and the 1.0 billion youth aged 15–24 make up a further 19 per cent in these countries. The situation in the least developed countries is even more skewed with child and youth statistics at 40 per cent and 20 per cent, respectively. These are both dramatically higher than the 17 per cent children and 13 per cent youth totals in developed countries. However, given the concern in developed countries over an ageing population, surely there is an opportunity in these demographics to arrive at a win–win situation where wealth is more equitably redistributed through migration and outsourcing. This will only be possible if young people are able to absorb the workload by having the range of needed skills and opportunities to utilize them: financial management, vocational trades, business skills, entrepreneurialism, placement counselling, jobs in growth industries, employment prospects, and so on.

The articles in this volume of the journal deal directly with some of the pragmatic issues faced by young people through microenterprise and employment. Note that definitions of 'child', 'youth' and 'minor' vary across countries, donors, programmes and these papers, and we have not tried to restrict discussion to one particular definition. Further, from a reading of these papers, one observes that it is early days for our work in youth microenterprise: work has been somewhat scattered and often at a limited scale, results are tentative, guidelines

Linda Jones is Senior Advisor at the Aga Khan Foundation

doi: 10.3362/1755-1986.2010.024, ISSN: 1755-1978 (print) 1755-1986 (online)

and new directions are being elaborated. Despite this variation, the authors present strong evidence that young people, however defined, are a discrete market segment that requires tailored products and services. In order to achieve depth and breadth of impact, the papers remind us that we need to understand young people and their diverse contexts so that we can design effective initiatives.

Deshpande and Zimmerman offer an informative and fascinating compilation and analysis of the range of youth savings initiatives that exist today, illustrated with examples from around the globe. They propose that savings not only have potential impacts on financial inclusion of young people, but there are early indications that savings contribute to more general development goals. Harley et al. describe how an experiential learning model has been applied in Morocco to successfully promote savings behaviour, and note, like Deshpande and Zimmerman, how other behaviours such as planning for the future and self-confidence are also measurably improved. Storm et al. report back on work in the microfinance industry to provide guidelines for linking young people to appropriate financial services. These six guidelines and potential for youth-inclusive services are qualified by comments on impact, scale, sustainability and enabling environment.

The Crossfire debate between Carothers, Rinehart and Edmonds examines the issue of child labour and the role of microfinance institutions in positively impacting the lives of working children. Neither side of the debate takes a stand against child labour, but they explore how children's lives can be improved despite their need to work. Being from Canada, almost always rated as one of the top countries by the UN Human Development Index, I find it interesting that, by all definitions, children are allowed to work and do work. My own children all had informal jobs (babysitting, newspaper routes, snow shovelling) by 12 years of age and formal work (kitchen staff, waiting on tables, supermarket stocking) by the time they were 15, and this is the norm in Canada where a majority of parents consider working to be an important part of growing up. However, the big differences between Canadian children and children in many developing countries are not only the reasons for working, but the regulations around child labour and the enforcement of those regulations: assessment of hazardous working conditions, attendance at school up to a specific age, participation in work under a certain maximum number of hours per day, presence of alcohol in the workplace, a basic rate of pay, and so on. An interesting debate!

Although it is early days for our work in microenterprise that targets a disaggregated constituency of young people, these articles provide a glimpse of the state of practice and some interesting specific implementation examples. I look forward to the development of these and other initiatives, and further discussion in the journal on this pressing concern.

Linda Jones