

Azerbaijan Youth Assessment

Executive Summary

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List of Acronyms

INTRODUCTION

The purpose of this youth assessment is to provide guidance on approaches USAID/Azerbaijan can implement to address youth concerns either as part of on-going activities or as new programs that support the Mission's strategic objectives under its new strategy. The assessment builds on previous studies and roundtables convened by the Mission in preparing its new strategy. While the analysis of the state of education in Azerbaijan is not a central part of the assessment, a general discussion of education-related issues is included because the education system and the challenges it faces provides important insights into the future state of the labor force. The state of the vocational education is discussed in greater detail because of its direct relevance to promoting growth of Azerbaijan's economy.

Methodology.

The two-person youth assessment team (Alan Zuckerman, a Senior Workforce Policy Analyst for the Global Workforce in Transition project and Luba Fajfer, TITLE, reviewed previous studies before traveling to Azerbaijan and spent 2 weeks in country conducting interviews with numerous stakeholders in youth development (See Appendix for people interviewed). The team reviewed:

- opportunities for youth employment and the preparation for youth to join the workforce; and
- the Mission's SOs, SO activities and potential new activities for improving the environment for youth and maximizing the participation of youth in those activity areas.

In making its recommendations, the team tried to:

- (1) Maximize opportunities under each SO for engaging youth in on-going or planned activities and giving young people a voice in shaping their future;
- (2) Consider the particular needs and challenges faced by young men and women between the ages of 15 and 30 at different ages, levels of educational attainment and stages of development and as a result of the social and psychological experiences that have characterized the post-Soviet period of independence;
- (3) Explore potential synergies among project activities within and across SOs that could contribute to a more strategic approach for addressing challenges facing youth;
- (4) Identify areas of potential collaboration with other international donors and GOA entities; and

(5) Incorporate the following principles of effective youth practices into the strategies recommended.

Principles of Effective Practices for Youth

- Create developmentally appropriate opportunities for young women and men at different ages and stages of development to develop skills and competencies they will need to become active contributors to the country's development.
- Provide young women and men a 'seat at the table' – engage them as full contributing partners in program and activity planning, implementation, monitoring, and evaluation.
- Whenever appropriate, teach and use a dual approach of experiential 'hands-on-learning' and reflection; this is one of the most effective learning and skill development techniques.
- Advocate for and provide internships, service learning, and mentoring as learning approaches.
- Provide opportunities for young men and women to develop a set of core skills that can be used in income generating activities.
- Enhance human capacity by building on the strengths of individual youth as opposed to providing quick and easy solutions to their immediate problems.
- Provide holistic programs that address the complex and varying needs of youth, and that offer individualized attention, life skills and hands on instruction.
- Make a conscious effort to identify and engage existing and potential youth leaders and youth that have become disengaged, marginalized, or have been traditionally overlooked such as ethnic minorities, persons with special needs, and rural girls.
- Provide lasting positive mentoring relationships between youth and peers or competent caring adults, recognizing the unique challenges of finding appropriate mentors when many adults themselves lack good information about jobs, the skills needed for earning a decent living in a market economy, or how to start a small business in the new Azerbaijan. Older youth and peers may be best suited as Mentors if they are screened to assure that they have appropriate knowledge and skills.
- Youth in Azerbaijan range in age from 15-30. Services must assess their stage of development and provide appropriate services.

NATURE OF THE CHALLENGE

Azerbaijan's demographics demand attention to youth issues.

More than a quarter (28%) of Azerbaijan's population is between the ages of 15 and 29 (the official definition of youth) and 55 percent of the total population is under 29 years of age. While the demographic data indicates that Azerbaijan's fertility rate has been slowly declining from high birth rates experienced in the 1980's, the current 'youth bulge' will persist for at least another decade and possibly longer. At the same time, the

number of labor market leavers is rapidly declining, leading to a 20% increase in the size of working age population between 1990 and 2000.

The urgency of the youth bulge is further underscored by the fact that 10 % of Azerbaijan's population (570,000 persons) are Internally Displaced Persons (IDP) and 220,000 are refugees, mostly as a result of the Nagorno-Karabakh conflict. This is a young population and the largest per capita displaced person burdens in the world. Slightly more than half (54%) of IDPs live in the urban areas and many still live in tented camps, public buildings and railway carts. Approximately 140, 000 IDPs live in Baku and available evidence suggests that, as a group, they are significantly worse off than the general population in the city. In the rural areas, eighty percent of IDP households are poor.

Youth are particularly hard hit by poor economic conditions

Youth unemployment and under-employment are very high. Estimates of youth unemployment range from 20% to 48%. According to the Deputy Minister of Youth Sport and Tourism, approximately 20% of 15-24 year olds and a slightly lower percentage 25-35 year olds are unemployed. ¹ Fuad Muradov, Chairman of NAYORA, suggested that youth unemployment is more than 50%. Everyone that the team spoke to agrees that it is hard to get an accurate figure because many youth are working part time and not reporting income and there is a large gap between registered unemployed as reported by the employment offices and the situation on the ground. ²

¹ These trends are not unique to Azerbaijan and have been on the rise also in the developed European economies. Several factors have contributed to this situation – contraction of the job market following economic downturn, increasing numbers of new entrants in the job market leading to increased competition, deterioration of the education system and its ability to restructure and respond to emerging market demands with relevant skills, and absence of institutions for re-training and skills upgrade for the older youth cohort.

² In Azerbaijan, labor statistics can mainly be derived from: (1) administrative reports completed by large and medium size economic units and governmental institutions and organization in the formal sector; (2) from occasionally conducted surveys, such as enterprise surveys of economic activity and wages; and (3) household surveys. A valuable source of information on labor is the 1999 Population Census which to a large extent followed ILO definitions of employment and unemployment. This document is the most important and comprehensive source of changes that have taken place in the labor market in the 1990s. According to official statistics for 2003, only 55,000 persons are registered as unemployed. In contrast, according to a 2004 UNDP/ILO report, the national figure is more than 400,000 or 10.7%, with unemployment in urban areas twice that of rural areas. According to the 2003 State Department Human Rights Report, the unemployment is in the range of 15-20 percent. In addition to getting an accurate picture of unemployment trends, the significant rate of under-employment and low productivity, especially in the non-oil sector, presents a serious challenge to sustainable economic development in the future.

A decrease of employment opportunities in the formal economy and the state sector has been paralleled by an increase in out-migration and economic activity in the informal sectors of the economy (estimated at about 60% of GDP). Opportunities in the informal sector rarely correspond with the educational attainment or aspirations of the young generation. As a result, many of the better educated workers either migrate to other countries in search of better job prospects (Russia and Turkey being the most popular) or become part of the informal economy with few benefits and little security; both of these trends have serious consequences for the long-term economic development. According to some estimates, two million Azerbaijanis work abroad, of which seasonal workers account for approximately one third, and they remit between \$1.0 to \$1.5 billion a year. While the employment opportunities abroad serve as an important source of remittances and provide a safety valve for pressures of unemployment and under-employment, especially among the population under 30 years of age, in the long run, such trends will significantly undermine sustainable economic development.

As a result of poor economic conditions and long-term unemployment, youth are left without a means to provide for their basic needs and have low expectations of opportunities for economic improvement in the near future. While labor migration both permanent and seasonal, reduces the most immediate risks connected with high unemployment - growing dissatisfaction, particularly among the young men, that under the right set of circumstances could result in political, religious, or ethnic radicalization - long-term youth unemployment has been directly linked with the processes of marginalization and exclusion, accompanied by loss of dignity and self-respect. A comparative survey of youth in Azerbaijan, Russia, and Ukraine, showed that majority of young people in Azerbaijan had a monthly income of \$20 or less (47.4%); more than half in this group included the youngest sub-cohort, the 18-24 years old, who would not be expected to earn high wages. However, almost 20 percent of those polled earned less than \$10 and 15 percent had no income at all. The urban-rural disparity was even more pronounced.³

Today's education and training institutions do not equip young people for the evolving and future market needs

General education is characterized by declining quality of education, growing private costs borne by families, and progressive deterioration of the teacher corps. As a result of deteriorating economic situation, during the previous decade, the share of GDP devoted to education sector has been significantly reduced from its pre-1991 levels of 6.9 percent to 3.5 percent in 2001. When one takes into account that Azerbaijan has recovered only 69.1 percent of its 1989 GDP, this drop is even greater in real terms. Because teachers' salaries do not cover even the costs of the basic necessities, the best teachers have been leaving the profession for other fields. At the same time, very few young people are

³ Portrait of the Next Generation, N.M. Diuk

choosing teaching as their profession and many of those who study to become teachers do not become teachers after graduation.

While the reported level of basic education enrollment (grades 1-9) is high, due in large part to the requirement of completing compulsory education, the enrollments at the general secondary and vocational/technical levels have fallen significantly, in some cases as much as 50 percent. The level of education of the new entrants into the labor market is considerably lower than that of the older cohort. The last decade has seen an increase in growing inequality of access to secondary education paralleling growing social inequality in the country. This trend has been particularly pronounced for the children from poor families (50% of the population) and IDPs, whose livelihood depends mostly on state transfers or donor assistance. There has also been an increasing gender gap in enrollments and attendance, particularly for girls in the rural areas. In contrast, enrollments at tertiary level have increased and have exceeded the pre-transition level. These opposing trends suggest a widening social gap.⁴

Vocational education appears to have suffered the most in terms of allocation of resources, deterioration of quality, and consequently drop in enrollments.⁵

During the past decade vocational education has contracted from 185 schools with 110,000 students to 110 schools with just 22,000 students. Out of the 110 schools, 74 share their facilities with IDP families who are housed in these buildings. The situation is better in Baku and in larger towns, such as Ganja, but in the outlying regions many of the schools are barely functioning, not to mention provide quality training. Of the 110 remaining vocational schools, 49 are vocational lycees (3-year schools) and the remaining 61 have 1-2 year programs. One of the reasons for the decline of this sector is that economic downturn and closing of many of the large and medium-size state enterprises that were the main clients for the graduates of the vocational schools, is one of the main reasons. The second reason is the increasing mismatch between the skills of graduates and the evolving market demands. From this perspective, the drop in the number of institutions and students is not necessarily a negative thing. However, the decline in enrollments has not been compensated for by gains in enrollments in general secondary education. Consequently, increasing numbers of young people try to enter the labor market without relevant work skills and employers have difficult time finding appropriately qualified workers. To improve the quality of vocational education the Cabinet of Ministers approved classification for forty new specializations in the vocational education sector in 2002. One of the main challenges in implementing these changes is continued under-funding for curriculum development and reconstruction of facilities.

⁴ The Revised 1995 Education Law extended the 9 year compulsory education system to 11 years

⁵ Information gained about the sector comes from the various published sources as well as from interviews with the Minister of Education and the director of vocational education.

There is a significant gap between the skills of the workforce and the demands of the new economy. People interviewed indicated that significant sectors of the workforce are either quickly losing their skills or that the existing skills are becoming obsolete. The skills gap is most apparent in the new financial sector, which is facing a shortage of bankers, accountants and lawyers and among new businesses that have shortages in managers, who can solve problems and utilize current management practices.

Representatives of two private employment agencies (Moody International and Anglo-American Business Services) confirmed the existence of a significant gap between the needed and available skills, particularly at the higher end of the job spectrum where jobs require western management techniques and knowledge of specific technical standards. For example, of the 2500 applications AABS receives, fewer than 1000 are selected as potential candidates and only 200 are placed in either permanent or temporary jobs. Although the same ratio of men and women make it into the applicant pool, more men are placed in jobs than women, reflecting a continuing bias against women in the labor market. Both companies offer training courses for their clients to upgrade their skills.

Despite the education system's problems in producing graduates with necessary skills, the labor market rewards the attainment of educational credentials. Available data suggests that those with more education do better in the economy.⁶ As in OECD countries, employment levels of population with higher and incomplete higher education are significantly higher in all age groups and unemployment is 4-5 percent lower than for other educational groups. Vocational education graduates have higher employment rates than general secondary school graduates although they also experience higher unemployment rates, presumably because, unlike the general education counterparts, they continue to stay active in the formal labor market even when prospects of finding a job are weak. Graduates of secondary special education institutions have surprisingly low employment rates and highest unemployment rates; this would seem to confirm an observation that the system of professional education at secondary level has not adjusted to labor market demands.

Most workers, especially young people, and employers don't have access to an effective system of job placement, and career and labor market information.

The General Employment Department (Social Employment Fund) does not adequately serve the needs of job seekers or employers looking for qualified workers. According to the existing law, General Employment Department is the officially designated primary institution to provide job placement and all job vacancies have to be registered with the Social Employment Fund. However, jobs can be re-advertised with private companies after several days if the Fund was not able to fill the vacancies. In reality, even though the department has 82 offices country-wide, it serves/processes only 55,000 applicants per year (just 14% of the unemployed if one considers the latest ILO unemployment estimate of 400,000 unemployed). Many, or perhaps even the majority of job seekers, never register with the state unemployment services, in part because these offices deal mostly

⁶1999 census; State Statistical Committee 2001

with local companies and lower paying (\$20 per month) jobs such as drivers, security guards and secretaries for small local companies.⁷ Major oil companies, recruit and train their own entry-level workers and the international companies use the two previously mentioned private employment agencies and the five leading HR firms that target the upper spectrum of jobs and workers.

The resulting situation is that most employers have no reliable source of workers and young people have little current information about jobs, job qualifications or job vacancies. This is especially problematic for 15-20 year old youth who have not yet had the opportunity to develop their information networks and therefore have only limited access to information. The most common approach for job search is to rely on family or clan networks, or friends.

Youth have a limited and often unrealistic understanding about the skill requirements for better paid positions. Because the General Employment Department is weak and career counseling centers do not exist at universities or as service providing organizations, young people and others seek employment and make decisions about their future careers with very limited understanding of the type and level of qualifications required for different level positions. Responses to questions such as “What would you like to do in the future?” and “What qualifications do you think are needed in order to get a well paying job?” almost inevitably engendered a response of “knowledge of computers and English,” without really understanding the skill and experiences required in the marketplace. Students enrolled in a teacher training program hope that the English they learn as part of that program will qualify them for work as translators for an international company or for a local company that deals with foreign trade, or as office personnel (particularly women). At the same time, they recognize that the skills acquired at the university (college) are not sufficient to find the kind of jobs they are dreaming about.

Youth lack access to opportunities for positive youth development

All youth, especially those out-of-school and disaffected, have very few opportunities to engage in activities such as sports, discussion clubs, and information centers that allow them to positively channel their energy. Out-of-school youth need opportunities to be engaged in constructive activities. Young women are isolated in their homes and young men are sitting in tea rooms, passing time. Conversations with youth organizations and government officials reveal that there is no history of volunteerism, but some of the international NGOs, such as Red Cross/Red Crescent have recruited young people as volunteers. Young people that the team spoke to would be interested in rebuilding their community, renovating schools, providing services to others if they could learn a skill that would lead to employment. The director of the Azerbaijan Volunteers Public Union (a member of NAYORA) told the assessment team that they have run a successful volunteer program for more than 1,000 youth with funding from international donors.

⁷ There may also be other legal and structural disincentives for not wanting to register with the Fund.

They know that volunteerism is possible and that it will require time to create a volunteer ethic.

Anecdotal evidence also suggests that Azerbaijani youth have a low rate of using health services, even when such services are available. Almost half of the young people aged 19-24 have never seen a doctor. This may be partially due to poverty and costs associated with provision of health care or, conversely, with dissatisfaction with the quality of services provided. Since Azerbaijan's independence, the general state of the health sector has drastically deteriorated and the percent of GDP allocated to health has been able to cover only a fraction of the operating costs necessary to maintain the basic services. As a result, individual families had to assume an ever-increasing burden of paying for services as well as bribes associated with provision of these services (the health sector is often cited as one of the most corrupt sectors). In view of these trends, it is not surprising that several of the health indicators have reached alarming proportions. Azerbaijan has one of the highest under five mortality rate in the Europe and Eurasia region as well as one of the highest induced abortion rates in the world, an indication of a very poor state of reproductive health and access to or knowledge of modern contraception methods.

Government and civil society are paying increasing attention to these challenges, yet their capacity to address youth's needs is weak.

Azerbaijan has a national youth policy and has designated the Ministry of Youth and Sports (MYS) as its lead agency to address youth-related issues. recognizes the strategic importance of youth for the country's development. These were originally created by law in 1991 and several years later, the ministry was reorganized and its activities expanded to also include tourism (MYST). The most current legislation addressing youth issues is the Law on National Youth Policy, adopted in April 2002. The policy addresses concerns and provides guidance for such issues as values behavioral codes, youth employment, health care, and youth organizations. Yet, over the past decade, Azerbaijan's youth has faced numerous challenges connected with economic downturn and political instability and are a population at-risk.

Youth and youth-serving NGOs represent an important development in strengthening of civil society. The NGOs are in the early stages of development. They are beginning to provide services to youth and adults in a fair manner. In 2000, 75 NGOs were active in addressing children and youth issues, representing a wide range of activities including political parties, socio-political organization and associations such as students, war veterans, IDP/refugees, and young professionals. Most of the NGOs are in the urban centers of Baku and Ganja. Several of the NGOs interviewed by the assessment team are engaged in areas dealing with disaffected and out-of-school youth, vulnerable groups, promoting volunteerism, and unemployment. All of these organizations could profit from assistance that would make them into stronger and more effective service providers. Fifty-four youth serving NGOs belong to NAYORA (The National Assembly of Youth Organizations of Azerbaijan), an umbrella volunteer-led youth organization. NAYORAA is working with Azerbaijan government agencies, international youth organizations and donor agencies to develop the youth NGO sector in Azerbaijan. The

organization, which was formed in 1995, has a strong commitment to youth involvement and transparency and seems to be a valuable source of information and a connection to youth serving NGOs and young people. It already has sent a delegation to the Youth Employment Summit in Alexandria, Egypt and plans to attend the 2004 Summit in Mexico.

Yet, young people strongly distrust political, judicial and other state institutions, with police and the parliament being the most suspect. However, 64 percent of the young people polled in Azerbaijan said they were interested in political developments and gave the media that is closely monitored by the state the highest rating of trust.⁸ At the same time, according to another survey conducted in 2002 (Adam Center), while 31 percent claimed that none of the political parties represented their point of view, the top two vote getters were the opposition Musavat Party and the pro-government Yeni Azerbaijan Party. Interestingly, the older youth were more inclined to identify with the opposition party, and the younger sub-cohort (18-24) supported the pro-government party.

RECOMMENDATIONS

Any development approach that hopes to have an impact and be sustainable in the long run must include young people. The underlying goal of the following recommendations is to provide opportunities for young women and men to develop skills and competencies that they will need to become active contributors to their country's development. These recommendations suggest how the Mission can address priority youth employment concerns through existing and potentially new projects under its existing strategic objectives:

SO 1.3 Accelerated Growth and Development of Competitive Private Enterprises
SO 2.1 More Representative, Participatory and Better Functioning Democracy
So 3.4 Increased Use of Social and Health Services and Changed Behavior

The recommendations are presented under the strategic objective that is most directly relevant to the proposed activity. However, the goals and activities are cross-cutting and often address multiple strategic objectives. In further developing the ideas presented below, the Mission should explore how additional synergies among activities under different strategic objectives could be achieved by coordinating the selection of themes or regions of the country to be covered.

The table below summarizes the team's recommendations and how they relate to the Mission's SO's and projects.

⁸ 2000 survey data from CEE, CIS and the Baltic states. N.M. Diuk, *ibid.*

Recommended Activities and their Relevance to the Mission’s Strategic Objectives and Current Projects (DO YOU WANT TO INCLUDE NUMBERS OF THE IR’S?)

Strategy	Economic Growth SO 1.3	Democratic Governance SO 2.4	Social &Health Services SO3.4
Include international and local youth and youth-serving NGOs in on-going and new NGO-strengthening activities		X	
Create an Azerbaijan Youth Center to increase the capacity of youth serving NGOs and programs		X	
Help youth serving organizations adapt and use standards of effective youth employment practice	X	X	X
Build awareness of youth issues through better media reporting		NDI, IRI, EMMA,NGO	
Develop advocacy skills among legal professionals		IFES, ABA/CEELI	X
Implement a “Youth Mapping” project to train and deploy unemployed youth to identify resources and assets in their communities to support youth development		X	X
Work more closely with the Ministry of Youth, Sports, and Tourism (MYST) to address youth-related priorities	X	X	X
Create a school-to-work program in the banking industry	I.R.1.3.2 Increased access to Financial services		
Create “virtual agricultural networks”	RABD	X	
Improve young women’s access to job opportunities in agriculture	X		
Provide support to young entrepreneurs	X		
Increase the responsiveness of vocational training institutions to market needs	RABD/RECP GTZ, WB RURAL INFRASTRUCTURE PROJECT, MOE		
Create a Career Development Center	X	X	X
Provide opportunities for out-of-school and/or disaffected youth to gain needed work-related skills through participation in enhanced public works programs	RABD/RECP		X MYST
Explore collaboration with international donors and government ministries	X	X	X

Democratic Governance

USAID/Baku can address many of the issues pertinent for youth development as part of the Mission's on-going support for strengthening NGOs and building their capacity. Several of the NGOs interviewed by the assessment team are engaged in areas dealing with disaffected and out-of-school youth, vulnerable groups, promoting volunteerism and unemployment. All of these organizations could profit from assistance that would make them stronger and more effective service providers. The Mission should:

Include international and local youth and youth-serving NGOs in on-going and new NGO-strengthening activities. A possible theme could be 'Youth NGOs as Change Agents.' An award to an international NGO might specifically address capacity building of local youth NGOs or a stronger local institution might be selected as either a sole implementer or an implementing partner. An RFA might stipulate a condition of including local implementing partners as part of capacity-building approach. Whenever possible, priority for support should be given to NGOs that have already demonstrated commitment to their chosen activities and who are not totally relying on support from international donors. As an exception, support may be provided to a new organization where an activity gap has been identified. In considering how to better address youth (and gender) concerns in on-going projects, USAID/Baku should focus on those projects requiring only relatively minor adjustments to the original scopes of work. For example, such activities may include better information gathering on youth attitudes as part of pre-election activities or incorporating training for journalists to better understand and therefore cover subjects related to youth and gender. (see below)

Support creation of an Azerbaijan Youth Center in Baku to increase the capacity of youth serving NGOs and programs. The potential functions of such a center might be to:

1. Increase the knowledge and capacity of youth workers through training.
2. Improve the management of youth organizations.
3. Increase the awareness of youth of the rights and responsibilities of citizenship.
4. Bring youth organizations together to solve common knowledge and build a youth work profession.
5. Adapt standards of effective youth employment practices
6. Create a database of youth services in Azerbaijan.
7. Find solutions to problems facing youth and to assist the government in the development of effective youth policies.
8. Develop an understanding of the core and essence of volunteerism among youth.
9. Promote youth involvement by volunteerism in civil society.
10. Contribute to the strengthening of NGOs in Azerbaijan.
11. Empower youth to be active in international youth voluntary organization to promote peace and partnership.

The first year would be devoted to planning and setting priorities for AYC training programs. It is reasonable to expect the first training program could be launched at the end of the first quarter and that an additional 3 to 6 training programs will be launched in

the first year. The initial phase would be used to reach out to other countries to establish contact with youth advocates, create an index of youth services, and gain access to curriculum and effective methodologies. These would be established in a database that will be accessible to other NGOs and youth agencies in Azerbaijan. The center could, with assistance, be planned and managed by the National Assembly of Youth Organizations of Azerbaijan.

Help youth serving organizations adapt and use standards of effective youth employment practice. These standards, which were originally developed by the Promising and Effective Practices Network (PEPnet) of the National Youth Employment Coalition in the US and are now being used in South Africa and Haiti, could then be used by USAID to inform its funding decisions, develop capacity of service providers and serve as the basis of monitoring and evaluation of funded projects. The standards could be developed over a 3-6 month period, potentially by the afore-mentioned Youth Center with input from the Ministry of Youth, Sports and Tourism.

The standards are organized into five broad areas:

1. ***Clear measurable organizational goals*** - Program is focused on youth with specific needs and defined outcomes that are consistent with the organization's mission.
2. ***Effective management*** - Strong board and staff leadership, Staff development, using data to make management decisions, assure that all youth have equitable access to services, and that management and program decisions are transparent;
3. ***Preparation for livelihood*** – exposure to occupational choices, employer engagement, measures of competency and credentials, and comprehensive support services;
4. ***Youth transformation*** - opportunities to provide leadership, building on the strengths of youth, and providing peer, family and community support, including lasting relationships with competent and caring adults;⁹ and
5. ***Measurable impact*** - capability and systems to collect and analyze information about participants and each aspect of the project.

The following table illustrates the kinds of questions NGOs need to answer in demonstrating their compliance with the standards.

⁹ Fostering effective mentoring relationships is particularly challenging in transition economies where the attitudes and experiences of the older generation often are not helpful to the challenges faced by youth in a market economy.

Measuring effectiveness of youth employment/entrepreneurship projects

Standards	Indicators that document achievement of standards				
Clear measurable goals	Are project goals congruent with program objectives?	Are they congruent with organizational goals?	Are they realistic and achievable?	Are the outcomes clearly Defined?	Are the outcomes measurable?
Effective Management	How is data collected and used to make decisions? Are decisions about recruitment, selection and services based on the needs of youth?	How are staff recruited and developed? Is there a staff development plan? Are staffing decisions based on competence and experience?	Are resources adequate to achieve planned outcomes? Does staff understand their roles and expected outcomes?	How do they propose to develop collaborative partnerships to maximize services and minimize duplication?	Is there a plan to sustain the project? Can the funding base be broadened?
Preparation for livelihoods	How do youth get information about opportunities for livelihood? How are employers engaged in the project?	How does project assess competencies of youth at intake, during the project, and at completion?	Does project document competencies of youth? Do youth achieve any credentials?	What percent of youth get jobs or start a business after completion? How much do they earn?	Does the project follow-up with youth after they get a job
Youth Transformation	How does the project promote relationships between, youth & peers, family and other adults?	How are leadership skills and responsibility developed?	Are services geared to individual youth's age & stage of development?	Does project provide or refer youth to all needed services and follow-up to determine the quality of services?	How does the project propose to measure transformation?
Measurable Impact	What is the impact of the project on Youth? Is the project administered in a fair, honest and transparent way?	What percent participants get jobs and earn an adequate income? Is job placement based on merit and competence of youth?	What percent go back to school or continue training?	What percentage goes into business that provides an adequate income?	How does the project document these outcomes?

Build awareness of youth issues through better media reporting. This activity fits well with the scope of the EMMA (Empowerment and Mobilization of the Media in Azerbaijan) project and is particularly timely in preparation for the upcoming election. USAID/Baku should consider asking this project to target data collection on youth and gender issues in order to improve the media's awareness of and reporting on these issues

develop reporting based on local sources and investigative techniques. This activity would include collection of information about the most pressing issues confronting youth (both genders) and allow young people to present their views (either through interviews or by contributing stories). The data could then be used in advocacy training for NGOs and organizations involved in community mobilization. A monthly or a quarterly special newsletter (or a newspaper insert) could be established. Such an activity would emphasize the importance for the media of working with NGOs, sensitize NGOs to their responsibility for monitoring the quality of media reports, and promote issue-based reporting. As a result of this activity, NGOs will become more adept at applying/using data on voter preferences as part on pre-election debates; clarifying for voters their choices based on articulated party platforms as opposed to individual candidates, and thus assisting voters with making informed choices; possible outcome might be formation of an issue based advocacy or an interest group that will continue its activities post-elections.

Develop advocacy skills among legal professionals. USAID/Baku should explore ways of including youth in their current projects directed at enhancing public information of critical legal reforms through voter and civic education and youth initiatives. One possibility to involve law students (who do not have much contact with communities, especially in the regions) in community-based volunteer and advocacy work similar to those carried out under Street Law program. According to anecdotal information gathered during the assessment, most of these law students hope to work for the state in the Office of Prosecutor. Clearly, this is neither possible, nor desirable. Involving these students in volunteer and advocacy work might further strengthen these under-represented activities.

Another option is to involve youth connected with NGO or community run youth centers as consumers of information and/or as active participants in data collection. It would be particularly important to establish such programs in the regions that do not have a ready access to legal information. For example, a ‘Legal Wagon’ could be created to visit communities on a regular schedule to address the challenge of access. Youth participating in these activities would learn such skills as collection of information, analysis, advocacy, articulation, and teamwork. All of these skills would serve them well in any future professional undertakings. In addition, community-based advocacy activities would provide important inroads to identify and groom potential candidates for municipal representation. This is particularly important for youth in general, but especially for younger women who shy away from such activities.

Implement a “Youth Mapping” project to train and deploy unemployed youth to identify resources and other assets in their communities to support youth development. Such a project would build the capacity of youth serving NGOs, increase youth involvement in planning and design of youth programs, increase youth’s analytical skills, and their understanding and interest in volunteer and community service. Under the guidance of a strong competent youth NGO, Azerbaijan youth could be employed as “mappers,” either as volunteers or at a nominal salary, and trained to canvass communities door-to-door to identify the places and people that are providing information, services and support to youth. In addition to mapping existing community

assets, the exercise would identify gaps in services to youth. This data could be made available to help government agencies, donors, NGOs and young people guide and set priorities for the planning of youth services. The initial youth mapping exercise would also inform USAID and Azerbaijan youth organizations about the value of this methodology.

“Youth Mapping” has been implemented successfully in many communities in the United States and is now being launched in Haiti under a USAID youth employment/youth development project planned and managed by EQUIP3 / Youth Trust.

Work more closely with the Ministry of Youth, Sports, and Tourism (MYST) to address youth-related priorities. This ministry appears to be open to and eager for collaboration with various international donors. Unlike most other ministries, most of MYST staff (at least in Baku) is young and many have previously worked for NGOs. The Ministry also has a track record of collaborating with youth NGOs, especially with the umbrella organization NAYORA.

As the first step, USAID/Baku could approach the Ministry with a proposal of on-going information sharing about each other’s program activities and as part of such discussions explore potential for collaboration. Establishing such open channels of communication could provide an opportunity for shaping direction of discussions without necessarily providing funds. Alternatively, relatively modest amounts of funds (administered through an intermediary organization and not directly transferred to the ministry) could be leveraged with the Ministry’s in-kind contribution (The minister has expressed his readiness to provide financial support for a youth project.) to support community-based youth centers or regionally coordinated activities. One example of such collaboration could be contributing buildings or other space to public works or other infrastructure projects for rehabilitation so that the MYST can use it as a youth information or activity center, a community school or a sports facility. (Public works recommendation below)

USAID/Baku might also consider including MYST personnel in Baku and particularly in the regions in the regularly planned training sessions offered either by SOs 1.3 and 2 on youth development, youth employment practices, strategic planning, project design, management and implementation.

Economic Growth

The current and future generation of Azerbaijani youth has to learn how to navigate in an increasingly complex world that is defined by technological progress. As the pace of technological progress accelerates, so does the need for upgrading skills and knowledge to maintain competitiveness in the market. In addition to any specific subject matter training, this challenge requires analytical and evaluative skills that would facilitate adaptation to new requirement. Within the context of the global economy, even lower skill jobs are becoming more sophisticated and technical jobs are becoming increasingly more complex. In contrast to the Soviet era, job security guaranteed by the State is no

longer the norm and increasingly individuals have to take the initiative to create their own jobs. This shift requires a significantly different set of skills.

Today's education and training institutions do not equip young people for the evolving and future market needs in which fast paced, customized production and service industries will play an important role as a catalyst for growth. Markets will reward (employers will seek) workers who can manage themselves, work in teams and relate to others, solve problems, and adapt and apply knowledge to changing world. According to ILO, the modern workplace requires two types of skills: (1) a variety of foundation skills such as ability to learn, to communicate, and to analyze and solve problems; these skills are central to a work environment that relies on rapid innovation, interpersonal exchange, and creation of knowledge; (2) technical skills relating to the economy as a whole [ILO, World Employment Report 2001, Geneva] USAID/Baku could:

Create a school-to-work program in the banking industry. USAID should explore the possibility of building on its current investment with the Azerbaijan Bank Training Centre to implement a special program with one or more secondary schools in Baku to address shortages of trained bankers and bank employees at all levels. Such a program would combine appropriate training at the high school and university levels with work experience in banks. High school students could be trained for entry-level jobs. University trained economists could be trained as bank managers, accountants and other professions in a short time. The Azerbaijan Bank Training Centre could manage the training and assist employers in designing work experience opportunities during school vacations. They could convene employers to set standards for the project and design curriculum. The program should be competency-based and lead to a credential recognized by the banking industry. The materials and methods used in highly successful Banking and Finance Academies in the United States could be adapted to the needs of Azerbaijan, possibly under a Global Development Alliance (GDA) project. In the US, participating youth either take entry-level jobs after high school graduation or continue their education in college at a business school.

The School to work model has the potential to become self-supporting. It will need financial support for planning, curriculum and program development and creating a collaborative relationship between the Azerbaijan Bank Training Centre, local schools and local banks. Once it is established (in three to five years) and has demonstrated its capacity to provide skilled bankers to the industry, the industry should be asked to contribute funds to continue the training academy.

Create “virtual agricultural networks.” This could either be a pilot project under SO 1.3 or a NGO activity supported by SO 2.1. USAID could contract with the ten regional Business Development Resource Centers developed under the Rural Azerbaijan Development Program to work with a youth NGO specializing in IT services [for example, Bridges to the Future] collect information on market needs and establish a virtual clearinghouse for agricultural commodities, services, and job opportunities. An

important component of this project would be involving young people both in the regions and larger cities in information gathering and as traders and service providers. Additionally, both the NGO and the regional centers could offer IT training.

This approach could serve as an effective entry point for women since it would eliminate long-distance travel that for both security and customary reasons has prevented many young women from pursuing professional careers. Another important target group would be young men who leave in search of seasonal work either within or outside of Azerbaijan. In addition, this activity could provide opportunities for mentoring in a less traditional sense – the young people who are more adept with IT could work with their families and communities as facilitators and serve as a bridge between traditional labor activities and increasingly technologically advanced market.

This activity would directly support Rural Azerbaijan Development Programs goals of developing business resource and information centers that would help establish market linkages by collecting and disseminating business and market information.

Improve young women’s access to job opportunities in agriculture. This is important because even with growth in this sector, women are likely to gain access only to the lowest paid jobs. Women often end up the mainstay of their communities for much of the year because, unlike men, they rarely leave their communities in search for work [except for trafficking victims]. Young women, in particular, have attained educational levels that would qualify them for better jobs than those they have access to in agriculture, but currently most of good jobs are available only in regional centers and in Baku. Including young women in rural development, therefore, is central for the long-term development of the country. This activity would require a better understanding of how women are currently involved in agricultural activities as well as how their involvement could be increased both in terms of earning opportunities as well as moving from micro to small businesses. Such efforts might involve establishing networks or associations of women farmers. An important component would include understanding of impediments that might exist in securing loans – knowing how banking institutions function and how to translate their assets, either individually or as a group, so that they could secure a loan.

Provide support to young entrepreneurs. The target group for such a program should be youth who have some marketable skills or work experience or small land holdings that could be developed as a small business; and the motivation to start a small business as individuals or as members of a small cooperative or corporation. Most of these youth will be over the age of 20 with some vocational training. Young entrepreneurs need:

- Mentors who can help them learn about the pressures and responsibilities of ownership;
- Life skills training to help them with family responsibilities including assessment of business related competencies, money management, health & safety, interpersonal relations and civic responsibility.;
- Help in developing a sound business plan, accounting for funds and marketing their product or service; and

- Assistance in identifying collateral to secure loans..

USAID should consider creating intermediary lending institutions in the NGO community and in the banking sector to make loans to young people who are starting small enterprises. The purpose of these institutions would be to show commercial banks alternative methods of securing loans to young people who do not have much collateral. Experience in other developing countries demonstrates that small and medium sized loans to youth owned small businesses can be structured and secured by careful business plans, business mentors, technical assistance, on going training and monitoring.

The Prince of Wales Trust in Great Britain has created Youth Business International to support youth run businesses. They have years of experience and are working in more than 100 countries. Azerbaijan can learn from the experience of Youth Business International effective ways to support young entrepreneurs with mentors and coaches.

USAID/Baku should also explore opportunities for collaboration between connectivity project and Junior Achievement (JA) both of which are implemented by Project Harmony (the former funded by the State Department). JA has developed curriculum that has been recognized as an official curriculum and included in 28 schools. The school connectivity project has established 59 Internet centers throughout the country. It would be worth exploring if JA's curricula could be adapted to smaller modules that could be delivered through the Internet centers to provide entrepreneurship skills training for out of school youth, perhaps in collaboration with a local NGO. USAID and the NGOs that it selects to manage this effort can learn from other international agencies engaged in SMME development.

Increase the responsiveness of vocational training institutions to market needs.

As part of the Mission's competitiveness activities, it should promote improved communication and linkages between businesses and vocational training institutions (especially vocational Lycees) to better align the programs of these institutions with emerging market needs. Depending on industry needs and priorities, partnerships could be formed to better prepare young people for entry into fields with anticipated job growth and/or to upgrade the skills of current workers and managers so that they can meet new on-the-job requirements associated with the introduction of new technology and more sophisticated production processes. Discussion with the Minister of Education and his deputy who oversees vocational education confirms their awareness that much remains to be done in this regard and assistance would be welcomed. USAID efforts should be coordinated with those of the MOE, the World Bank and the European Training Foundation that have made major investments in the Azerbaijan education system to link vocational education to labor market needs. At a minimum, USAID could include vocational education administrators in relevant training offered by the current and future programs (such as strategic planning, preparation of business plan, accounting/bookkeeping, etc.). It may also be feasible to assist with identifying regional skill needs (for example, by involving youth NGOs or community projects in mapping exercises).

Social Sector

Create a Pilot Career Development Center. Youth in Azerbaijan are facing the daunting task of preparing themselves for life, getting a job and building a career under conditions of high uncertainty. The purpose of this center would be to test appropriate methods of getting information to young people and pilot test materials to assist youth in making career choices. The lessons learned could then be incorporated in employment service operations as that system is more fully developed. The career development center would help youth assess their interests and aptitudes, gather information about opportunities for jobs and careers, develop plans to prepare themselves for work and careers and to assist youth to find and keep jobs. It could also become a referral source for temporary job listings to which youth could be referred. Training at the Center would teach youth that any job can be developmental and that they can build their skills by doing even manual labor for a neighbor. This will support other efforts to improve young people's ability to meet their needs. The center would also be a valuable asset in increasing labor market transparency, thereby combating the prevailing view among youth that they will have to pay someone under the table to get a job.

It is realistic to plan that it will take 6 months to plan and organize the Youth Development Center and during the first 6 months of operation, the Center could help 200 youth plan for careers and get jobs for 50 youth.

USAID could implement such a project by issuing an RFP, select a youth NGO to manage the center (Bridge to the Future has expressed an interest in doing this) and support implementation of a career development center.

Provide opportunities for out-of-school and/or disaffected youth to gain needed work-related skills through participation in enhanced public works programs.

Young people could be recruited, trained and supervised to take on small scale community public works projects that might include building houses for Internally Displaced Persons, renovating space to create youth centers or career development centers, repairing roads, cleaning up polluted rivers, building playgrounds or athletic facilities, staffing pre-school programs, assisting in the provision of primary health care or any other needed community service identified as priorities by youth and community leaders. The project would include training, job placement and entrepreneurship development support activities for participants as well as opportunities for positive interaction with peers and adults. In addition, it could assist participants with establishing small service companies that then could offer their services to other communities or to municipal and regional authorities for projects involving rehabilitation of public buildings, including schools. Depending on the specific choice of project design, such activities could promote reintegration of young people into community activities and volunteerism since some youth may want to participate in such work activities in exchange for future access to training and/or possible internships with businesses. All of these activities contribute to greater social cohesion which, in turn, supports development of civil society.

The various “enhancements” to the public works program could be provided through NGOs with capacity in these areas. USAID could facilitate such engagement through collaborative discussions with the relevant ministry (for example MYST) and other international donors such as the World Bank that are involved in such activities. Business Resource Centers could support this activity by providing training in writing a business plan, a resume, or a loan application, as well as providing assistance with job search.

The project could be designed as a demonstration activity tied either to current or future public works, infrastructure rehabilitation and community mobilization and economic growth activities. For example, USAID could require the contractor responsible for public works projects to hire a certain number (or percent) of local young men and women and to provide in conjunction with NGOs with capacity in these areas. The project could involve needs assessment of relevant skills for the given rehabilitation venture (accounting, bookkeeping, project planning, material procurement, installation, maintenance, etc); initial training during the planning period; additional on the job training accompanied by mentoring and culminating in a certificate.

A useful model for such a program is Youth Build. Youth Build is a highly successful US-based training program for unemployed and undereducated young people that has been implemented in South Africa and is now being adapted for implementation in other countries. Youth Build participants divide their time between working toward an educational credential and learning construction skills by building or rehabilitating affordable housing for low-income people. The skills they acquire qualify them for positions in carpentry, demolition, masonry, painting, and other construction-related jobs. Strong emphasis is placed on leadership development, community service and the creation of a positive mini-community of adults and youth committed to success.

This activity would provide a good opportunity for collaboration between SO 1.3 and 3.4. It would contribute to stimulating secondary employment, re-integrating out-of-school and unemployed youth into community, contribute to SME development by providing additional jobs as the companies become more sustainable.

Collaboration with other international donors and government ministries.

According to the USAID Mission Azerbaijan 2003 Annual Report coordination among international donors is good with a primary focus on development of a democratic society and an open market economy. The assessment team met with many organizations that were receiving funding from multiple donors.

As indicated, the World Bank and the European Training Foundation are funding major investments in the Azerbaijan education system to link vocational education to the labor market. They are also focusing on labor market training, subsidized job creation and job counseling. There is an opportunity to coordinate efforts with the European Training Foundation to support development of an active labor market policy. For example, a

community based career center demonstration project managed by an NGO, such as Bridges to the Future in Ganja, could be coordinated with the State run Employment Services run by the Government of Azerbaijan.

The World Bank is funding the Community Empowerment Network and making a significant Investment in Education. Azerbaijan Youth Organizations have received funding from the European Union and private donors and there is an opportunity to build on their investments to create examples of community service volunteer programs for youth.

The World Bank is also supporting the development of rural infrastructure. This is being coordinated with USAID's Rural Business Development Program (RABD) and Rural Enterprise Competitiveness Program. There is an opportunity to create a crosscutting youth focus that will assist rural youth to develop youth-owned and youth run businesses in the regions.

In addition, USAID/Baku should consider the following options:

- As part of USAID engagement in and support for SPPREAD and Ministry for Economic Development, explore the possibility of discussing budget priorities related to different levels of education (basic, vocational, tertiary) and formulation of regional education budgets.
- Promote donor coordination through a Youth Working Group. DOES THIS ALREADY EXIST? Explore synergies with upcoming WB youth and gender assessments.
- Explore the possibility of collaborating with SIDA (Swedish International Development Agency). SIDA has funds but limited personnel for program development, implementation, and oversight and therefore there might be areas of common interests where SIDA would be willing to provide additional funding for USAID managed programs.
- Increase information sharing and, whenever feasible, collaboration between USAID and State Department sponsored projects.

