

**YOUTH UNEMPLOYMENT, VIOLENT EXTREMISM AND JOB  
CREATION**

**FOR PEACE AND PROSPERITY- SILATECH as a Case  
Study**

**SILATECH**

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## Abstract

The first section of this Paper portrays the youth unemployment situation in the Arab region. The scale of youth unemployment in the Arab region, being more than double the average world rate, justifies why Silatech, the case study of the Paper, has decided to start focusing on the region despite being launched by its initiator as an international youth-oriented initiative, a role that still Silatech endeavours to move onto.

The second section exposes violent extremism as a threat to global peace and security. It also shown that youth represent a primary recruitment target of violent extremists. While youth unemployment may be a push factor leading to violent extremism, it has been argued that there are other push and pull factors that need to be understood and considered when developing strategies and interventions to prevent and combat violent extremism.

The third section affirms employment creation as a priority for peace, security and for attaining global sustainable development goals. It discusses and draws lessons from donor youth programming.

The fourth section present the activities and the organisation of operations of Silatech, as an organisation that works in the economic empowerment of youth.

Two points make the conclusion: the employment promotion role of Silatech as peacebuilding; helping in preventing and dealing with the consequences of violent extremism, and how can Silatech avoids two of the negative international experiences in youth development programmes.

## YOUTH UNEMPLOYMENT, VIOLENT EXTREMISM AND JOB CREATION FOR PEACE AND PROSPERITY- SILATECH as a Case Study

### Introduction, Objective and Methodology

The situation of young people in the world today presents unprecedented challenges and opportunities. Standing effectively to the challenge of the high youth unemployment prevailing in most of the world regions, can yield great opportunities to accelerating and sustaining economic growth, reducing poverty and enhancing global peace and security. In developing and approving the Sustainable Development Goals 2030, the World has shown commitment to, among other goals, the goals of empowering youth to play their leading role of growth, equity and peace. The road, however, is still long.

The main objectives of this Paper are to discuss violent extremism, youth and unemployment and to present Silatech as an international youth employment initiative and situate its current and future roles within the youth current global realities and future aspirations. In doing so, the Paper examines youth unemployment situation and involvement in conflicts and violent extremism and provides an overview of the international agenda and efforts in tackling the current challenges facing youth and of the role of Silatech.

This paper rests on desk research. Three sets of data bases were used in the literature search; Google search, the websites of some international organisations related to the topic (ILO; UNDP; The World Bank) and information from Silatech. Main keywords used in the general literature survey, were poverty, unemployment, employment policy, employment programmes, microenterprises, conflict, violence and violent extremism. All these keywords were searched in relation to the words youth, Arab countries, Arab region, Middle East, Middle East and North Africa, and MENA.

Perceived relevant resources were selected through examining abstracts or introductions, with a focus on resources providing literature review. The search then adopted the snowballing method to reach and use relevant resources to each of the topics examined. For the section on the case study, internal resources of Silatech have been used.

## **Background and Context: Unemployment Situation in the Middle East and North**

In brief, this section portrays the unemployment situations in the countries of the Middle East (ME) and North Africa (NA) (referred to interchangeably as MENA and Arab countries in the below). Focusing on MENA region is justified by the fact that Silatech, the case study of the Paper, currently operates mainly in this region (although has plans to go beyond it).

### **Unemployment**

While the scale of poverty varies considerably among MENA countries, the severity of unemployment is consistent among all of them.

Unemployment in MENA region ranks the highest among the world regions. In 2016, MENA registered unemployment rate of 10.7%. Second highest region was Northern, Southern and Western Europe at 9.9%, while the average for the world was 5.7% (ILO, 2017).

Table 1

Youth Unemployment in 2016, by ILO World Regions (in percentage)

<b>World</b>	<b>13.1</b>	Sub-Sahara Africa	10.9
Arab States	30.6	Latin America & Caribbean	16.8
North America	11.5	Central and West Asia	17.1
East Asia	10.7	South-East Asia & the Pacific	13.0
South Asia	10.9	North, South and West Europe	19.7
East Europe	17.1		

Source: ILO, World Employment Social Outlook-YOUTH, Trends for Youth 2016, Geneva, 2016

Unemployment in the region (and globally) is more of a youth phenomenon. While global youth unemployment rate averaged 13.1% in 2016, corresponding rate in the Arab States was 30.6% (Table 1). This rate was by far the highest among all world regions.

It is also to be noted that youth unemployment in the Arab states is more three times that of the adults.

Gender disparities in labour force participation and employment were heavily evident in MENA both for youth and for all ages. In 2016, the youth unemployment gender gap worldwide and in the Arab states were, respectively, 14.9 and 28.0 percentage point (ILO, 2016).

The unemployment problem in MENA countries has both supply and demand dimensions. From a supply side, the labour force has been growing at 2.7% annually for the first decade of the millennium; among the fastest worldwide. This trend has been evident since 1970 (Ahmed, 2012). Another supply-side issue is related to irrelevance of outcomes of education and training programmes to labour market needs. In MENA, unemployment increases with schooling; the highest educated face

higher levels of unemployment (Ahmed, 2012; Drine, 2012; Mottaghi, 2014). From a demand side, MENA countries have not been able to generate enough new and good quality jobs. Economic growth has not been guided by employment-oriented strategies, and most of the countries have not been able to structurally transform their economies away from production of primary goods and low productivity service sectors into industrial and knowledge-based economies (see among others, Messkoub, 2008).

Employment as such does not provide a safeguard against poverty. While the working poor (those whose earnings fall below the poverty line) formed 20.9% of all employed in the Arab States, (lower than the average for developing and emerging countries), they made substantial segment of youth employment in 2016- 39.0% (37.9% of male and 45.0% of female) (ILO, 2016 and 2017). It is to be noted that the percentage of working poor vary considerably between countries (Messkoub, 2008).

In addition to problems arising from labour force supply and demand and socioeconomic policy failures, some Arab countries have been disfigured by intensive internal conflicts leading to wars and population displacement, some others have been undergoing political upheavals and economic instability, and many have been marred by wide-spread corruption. All these dislodge tackling unemployment (and combating poverty) from the country's policy priorities.

A commentator on the severity of youth unemployment in the Arab region said “the biggest threat from and to MENA region stems not from ISIS, not from extremism, not religious conflicts. While all these are serious threats, at their root is the massive unemployment problem of growing youth population’ (Ataya, 2014, p.1).

The Arab Human Development Report 2016, which focused on youth, states that two thirds of the Arab region's population are under 30 years, of which half are youth, defined in the Report as those in the age bracket of 15-29. The Report affirms that ‘this unprecedented mass of young people at the prime of working and productive abilities constitutes a huge potential for advancing economic and social development, if given the opportunity’ (UNDP, 2016/a).

## Violent Extremism and the Youth

This section surveys literature on various aspects of violent extremism and discusses youth unemployment as a driver or a conducive factor of conflict and violent extremism.

### What is Violent Extremism?

A report of the UN Secretary General presented to the General Assembly states that ‘Violent extremism is an affront to the purposes of the United Nations. It undermines peace and security, human rights and sustainable development. No country or region is immune from its impacts’ (UN General Assembly, 2015, p.1).

Violent extremism is rarely defined. The UN has no official definition of it. The USAID defines it as ‘advocating, engaging in, preparing, or otherwise supporting ideologically motivated or justified violence to further social, economic or political objectives’ (Glazzard and Zeuthen 2016, p.1). The Australian Government defines violent extremism in a similar fashion as ‘the beliefs and actions of people who support or use violence to achieve ideological, religious or political goals. This includes terrorism and other forms of politically motivated and communal violence. All forms of violent extremism seek change through fear and intimidation rather than through peaceful means’ (Australian Government website- link provided). Glazzard and Zeuthen (2016) ask whether violent extremism is related only to non-state actors, and in conflict situation how is it possible to differentiate between violent extremists and more legitimate conflict actors? Striegher (2015) discusses in detail the dilemma of the definition of violent extremism and points out the confusion of using the concept interchangeably with terrorism.

In response to violent extremism, two concepts have come up for use: counter-terrorism (CT), which indicates using government military or police forces to deter terrorists, and countering (or preventing) violent extremism (CVE or PVE), which is understood as using preventive approaches and mostly non-coercive measures to tackle the drivers of violent extremism (Frazer and Nunlist, 2015; Glazzard and Zeuthen, 2016).

### Who Are Involved?

It is extremely difficult to know by any degree of certainty the socioeconomic and demographic characteristics of those involved in armed conflicts in any region or country. However, a leaked information of the personnel records of Daesh provides data on 3,803 foreign recruits. The information shows that the foreign recruits come from many countries from all continents. The top five countries of Daesh foreign

recruits are Saudi Arabia, Tunisia, Morocco, Turkey and Egypt. The non-Muslim majority countries supplying largest numbers of Daesh foreign recruits are Russia, France and Germany. The average age of the foreign recruit is 27.4 years (youngest come from Libya, average of 23.7, and oldest from Indonesia, 33.5), with the majority falling in the age range 20-35. That most of the fighters are of young age confirms the conventional wisdom that violent extremist groups focus their recruitment on the young. Of those who had data on schooling (83.7% of all the records), 30.3% have university degree, 82.1% have attained at least a secondary qualification, and less than 2% are illiterate. The average schooling attainment of the foreign recruits is higher than the average of their cohort in each region of origin, except Eastern Europe (World Bank, 2016).

### **Scale of the Phenomenon**

The Arab Youth Survey 2017, covering 16 countries and comprising a sample of 3,500 young men and women in the age group 18-24, states that while the respondents perceive that Daesh has become weaker over the past year, they still consider unemployment and extremism as the biggest problems holding back the Arab region (ASDA'A Burson-Marsteller, 2017).

Over 30,000 foreign recruits from over 100 countries have joined violent extremism in Syria and Iraq, as well as Afghanistan, Libya and Yemen (UN, 2016, p.2). Terrorist attacks have been rising. Between 2011 and 2014, the number of incidents have more than doubled in Iraq, Nigeria, Afghanistan, Pakistan and Syria, and the rest of the world (Institute for Economics and Peace, cited in World Bank, 2016).

### **Drivers of Violent Extremism**

The question about what are the root causes of violent extremism that lead people (youth and adults) to participate in political violence and armed groups has not generated a conclusive standpoint. Drivers of violent extremism are complex, multifaceted and tangled, and relate to the historical, economic, cultural, social and political circumstances affecting people at a specific time and place.

Many authors have gone into describing the causes that lead to (radicalisation and convert it into) violent extremism. Most base their perspectives on speculation or free thinking not based on empirical evidence.

A useful way of examining how people get radicalised and decide to join armed forces (whether these are freedom fighters or terrorists, state-backed or not-state backed) is to investigate the push and the pull factors that drive them in that direction. A publication by ICCT (International Centre for Counter-Terrorism) describes the push



factors behind violent extremism as: 1- reaction to experience of violence, 2- anger based on experience of discrimination and injustice, 3- socioeconomic marginalisation and political exclusion, 4- frustrated aspiration and lack of future perspectives, and 5- unresolved political conflicts. Push factors normally act in combination with pull factors, which include the following: 1- existence of extremist ideology, 2- charismatic leadership, 3- existence of like-minded local peer-group, 4- adventure and the image of 'heroism', 5- expectation of success, 6- opportunity to boost one's image, and 7- promise of reward on earth and afterlife (Schmid and Tinnes, 2015).

The UN Plan of Action to Prevent Violent Extremism states that there are certain drivers of violent extremism that are common among a variety of countries and which work in isolation or in combination with other factors. They include: 'lack of socioeconomic opportunities', 'marginalisation and discrimination', 'poor governance, violations of human rights and the rule of law', and 'prolonged and unresolved conflicts' (UN General Assembly 2015, p.7-8).

UNDP (2016/b) pronounces several factors that may lead to radicalisation. They include: 1- economic exclusion, 2- political exclusion, 3- rejection of diversity in society, 4- changing global culture, 5- perceptions of injustice, corruption and discrimination, 6- rejection of socioeconomic and political system, 7- weak state capacity and failing security. To lead to radicalisation, these factors (or some of them) are to be accompanied by certain individual, emotional and psychological factors and by certain socialisation influence (friends, family, education, places of worship, etc). Active recruitment may then turn a radicalised person or group into a violent extremist. While the seven factors leading to radicalisation stated above represent push factors, socialisation and active recruitment represent pull factors.

A more recent empirical study considers the main drivers of political violence to include, experiences of injustice, discrimination, corruption and abuse by security forces (youth rebel not because they are poor, but because they are angry). (MercyCorps, 2015)

### **Youth Unemployment and Violent Extremism**

The ILO (2012) affirms that 'it is so difficult to countenance the continuation or exacerbation of the current youth employment crisis. Such a prospect raises the

spectre of pervasive social and political tensions that could reshape the entire social fabric and economic system in unpredictable and unwelcome ways' (p.3-4).

The UN 2003 World Youth Report states that 'the dearth opportunities in their communities often leads them to gravitate towards violent conflicts and acts of terrorism' (cited in Gouda and Marktanner, 2017, p. 5).

The literature depicts a strong acceptance of the assumption that youth unemployment is an important push factor leading youth to violence- both criminality and political violence (Idris, 2016). In their literature review, Idris (2016) and Gouda and Marktanner (2017), refer to many authors who perceive a link between youth unemployment and violence. In her search for empirical evidence to back up this perception, Idris came to conclude that 'the review found that, while numerous reports and papers claim youth unemployment is a factor in youth participation in violence, few, if any, studies provide concrete proof of this' (Idris, 2016, p 2).

Bhatia and Ghanem (2017) use data from Gallup World Poll to investigate if educated people in the MENA region with no, or no adequate employment are more inclined to support violent extremism. They have been able to establish a positive correlation, and cautiously concluded that 'individuals with secondary educations who are unemployed or underemployed have the highest risk of becoming radicalised' (Bhatia and Ghanem, 2017, p. 3). It is to be noted that the authors have investigated the possible link of education and employment to propensity of radicalisation but have not tested the possible role of other factors.

Frances Stewart, the long-time prominent development economist states that 'in civil wars, the state is normally involved, as instigator or defensively, as well as rebel groups, normally organised along ideological, ethnic, religious or regional lines ... these features of civil war suggest that un- and underemployment are not likely to be sufficient to cause a conflict; such an employment situation is only likely to lead to conflict when combined with motivated leaders and potential lines of identity difference'(Stewart, 2015, p. 5). Walton (2010, p. 2) maintains that job creation initiatives alone are unlikely to generate a reduction in armed violence, even if they are successful in creating job opportunities. Evidence suggests that although frustration at lack of livelihood opportunities can play a part in motivating youth violence, social and political grievances are usually more central'

The statements above received strong empirical backing in the Arab Youth Survey 2016 when respondents were asked about their opinion on the primary reasons that may attract young people to DAESH. Respondents could choose up to three answers from a given list of fifteen. Of the sample, 25% said they can't explain it; as they don't understand why anybody would want to join DAESH. Among those who gave answers, 24% chose the answer 'lack of jobs and opportunities for young people', 18% 'the belief that their interpretation of Islam is superior to others', 17% 'religious tensions between Sunni, Shia, and other religions in the region', 15% 'the rise of secular Western values in the region', 13% 'a desire to establish a caliphate, ruled by religious values', 13% 'the Palestinian-Israel conflict', 12% 'the American invasion of Iraq', and 12% 'perceived corruption of national Arab governments' (ASDA'A Burson-Marsteller, 2016, p.16).

While (many) interviewed youth perceived unemployment as number one factor affecting young people's choice to join Daesh, they also mentioned many other factors. It is important to study the situation of each country separately, as drivers of violent extremism vary according to historical, economic, social, cultural and political situations of each country. In the Survey referred to above, the response of the different Arab countries varied on the question as to why young people join Daesh.

Unemployed youth, as is clear from evidence provided in World Bank (2016), are targeted for recruitment by violent extremist groups. In this way, youth under- and unemployment may be perceived as providing a conducive condition for recruitment.

## **Employment Promotion and Strategy and Donor Programming for Youth**

This section relies heavily on selected quotations from prominent sources to put forward some relevant thoughts pertinent to youth employment policy and programmes.

## Employment as Priority for Security and Peace

In September 2015, World leaders gathered at the United Nation General Assembly to pass the Global Sustainable Development Goals. Youth economic empowerment featured prominently in the stated goals:

Goal 4.4: by 2030 substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Goal 8.6: by 2020, substantially reduce the proportion of youth not in employment, education or training.

In its report entitled Employment Promotion in Contexts of Conflict, Fragility and Violence, GIZ (German Society for International Cooperation) states: 'It is generally assumed that peace and security can only be reached if the economic foundations of a country allow for a prosperous life of all groups. Employment and sustainable growth present key components of economic foundations and, hence, a peaceful development (GIZ, undated, p.6).

Employment-focused sustainable growth in conflict, post-conflict or non-conflict situations requires a governance system that allows participation of all stakeholders. The World Development Report entitled Conflict, Security and Development sustains that 'the central message of the Report is that strengthening legitimate institutions and governance to provide citizen security, justice, and jobs is crucial to break cycles of violence'. (The World Bank, 2011, p. 2).

Employment policy and employment programme development in conflict and post-conflict situations require policy makers and planners to 'combine and regularly update employment and labour market analyses with conflict analyses. Understanding the political economy of markets is critical to ensure that employment promotion does not inadvertently exacerbate inequality, vulnerability, and conflict. It is not a one-time exercise but a continual attempt to show the interaction between intervention and the context (GIZ, undated, p. 61).

'Employment policies in a post-conflict situation must start by analysing the actual employment situation and not assume that because youth are often mobilised for

conflict and frequently show high rates of un- or underemployment, the ‘solution’ is to expand formal employment. In many countries, the marginalization that can be a potential source of conflict is found not in open unemployment, but in low productivity and poorly recognised work in informal settings. In such a context, current policies towards employment are misconceived for three reasons:

1. They are based on the presumption that an expansion of formal employment will provide the answer.
2. In relation to formal sector employment, they put prime emphasis on ‘supply’ measures, whereas the major problem is inadequate demand by employers.
3. They ignore horizontal inequalities in employment’ (Stewart, 2015, p.14).

In the above text, Stewart is critically evaluating the intervention programmes (initiated primarily by donors) in conflict and post-conflict situations in some countries. She is referring to three main problems: 1- Focus of employment creation programmes in the formal sector; 2- Focus on supply-side intervention, e.g. vocational programmes to develop skills, when the demand is not there; 3- Lack of targeting horizontal inequality in programme development, e.g., ethnic and religious groups, migrants, etc.

It is of paramount importance to combine employment creation programmes (for youth or for the whole community and in conflict-preventive, conflict, or post-conflict situations) with other interventions that deal with social and political grievances, and with other lines of identity differences, in a multi-pronged approach. This will require partnership building among diverse initiatives and organisations (government agencies, private sector, civil society groups, NGOs and communities) each contributing to the overall objective of creating security, peace and prosperity for all.

### **Youth Employment Directions and Strategy**

The ILO has had a long-standing involvement on issues related to youth employment. The earliest Convention adopted was the ‘Night Work of Young Persons’ in 1919. More recently, five resolutions were adopted between 1978-1998. The ILO 2005 Conference adopted a resolution calling for a comprehensive action; ‘an integrated and coherent approach that combines macroeconomic and microeconomic

interventions' and 'highlighted the importance of achieving high, sustained and employment-intensive growth' (ILO, 2012, p.4).

A prominent work addressing youth employment issues was The World Development Report 2007- 'Development and the Next Generation'. The Report states that the biggest challenge writing the Report was that the evidence base was uneven, and there were very few rigorous evaluation of youth programmes and policies for any of the issues covered. The Report identifies three major policy areas for youth development: 1- expanding opportunities (opportunities for building human capital and polices for acquiring, improving and deploying skills), 2- enhancing capabilities (capabilities for choosing among the opportunities, and information and incentives to help good decisions), and 3- providing second chances (policies that put back youth on path to (re-)build their human capital). (The World Bank, 2007).

With the rising youth unemployment rates and youth protests spanning over Europe (UK, Spain, Greece and spreading) and protests and involvement in armed conflicts in Africa, the Middle East and Latin American, the ILO presented to its 2012 Annual Conference a report entitled 'The Youth Employment Crisis: Time for Action'. The Report maintains that 'the main messages that can be distilled from past ILO work on youth employment could be summarised as follows.

- Meeting the employment aspirations of young people requires a high rate of overall job creation. Economic policies must therefore include employment creation as a major goal. Within this framework, it is also essential to have specific policies targeted at the employment problems faced by youth.
- Educational and vocational training policies are especially important and must impart employable skills to youth entering the labour market, while labour market institutions such as employment services should assist youth in finding appropriate employment.
- Active labour market policies are required to support unemployed youth to regain employment, and to provide remedial training and support to disadvantaged youth.
- Enterprise development programmes are also needed since self-employment and small business creation are an important means for young people to find gainful employment.

- All these programmes should ensure gender equality, target the most disadvantaged young people, and eliminate all forms of discrimination.
- These programmes should be carefully designed, monitored and evaluated, to ensure high economic and social benefits.
- Finally, it is important to ensure the involvement of workers' and employers' organisations in all youth employment programmes. (ILO, 2012, p.5). To this point, this Paper may add, involvement of youth organisations.

This lengthy quote provides a summarised overview of youth employment strategy at a national level.

### **Donor Programming for Youth Employment**

The growing youth-focused donor programming covers many area; education, health, employment, youth rights and participation, etc. The increasing focus on youth programmes by donors has been motivated by a number of factors, including: 1- 'youth bulges' (increase of the percentage of 15-24 year-old to over 20%, and the 0-14 to over 30% as a result of reduction in child mortality and the continuation of high fertility in developing countries), 2- high levels of youth unemployment, 3- high level of youth participation in violence and armed conflicts, 4- appreciation of role of youth in in making contribution to economic growth and peace building (Idris, 2016).

In his mapping study of donor job creation programmes in conflict and post-conflict situation, Walton (2010, p.4), explains the donors' stages and areas of intervention:

'Donor approaches to using job creation as a tool for violence reduction span a number of response phases. These include the immediate post-conflict or stabilisation phase (Disarmament, Demobilisation and Reintegration (DDR) programmes and cash for work schemes), the medium-term (livelihoods creation, private sector development) and long-term (shaping policy environment, public sector reform)'.

'They also span the three broad areas of youth programming:

- rights-based work (which focuses on protection, basic education, psycho-social work and advocacy),
- socio-political programmes (focused on peace education and support for youth organisations), and

- economic initiatives (vocational training, job-creation programmes and income-generating activities’

Two observations made in Walton (2010) are directly relevant to this Paper (and will be reflected on in the last section): 1- donors have become more committed to comprehensive approaches to youth employment, and 2- donor employment creation programmes have been poorly evaluated.

In a report entitled ‘Youth and Violent Conflict: Society and Development in Crisis?’ UNDP (2006, p. 107) evaluating various multilateral and bilateral donor initiatives targeting youth employment in conflict situation maintains the following:

‘If youth employment is to be seriously addressed, training must be accompanied by entrepreneurial opportunities (notably micro-credit); governmental regulations and incentives favourable to the employment of young people; an increase in international investment; and an improved macroeconomic environment.

Some of the key lessons to be learned regarding youth employment are:

- Small loans, start-up capital and tools often help youths start businesses. This needs to be accompanied by basic business skills, such as accounting, how to make a business plan and the value of saving and reinvesting their earnings.
- Market surveys are needed to determine short- and long-term labour and skill needs for youth. When these are undertaken in participation with youth, more viable livelihood opportunities can be created.
- Productive skills can make youth financially independent and/or enable them to contribute to the family income, both of which will facilitate their social acceptance.
- In rural economies, income generation for youth and programme sustainability can be facilitated by the production of agricultural tools by local blacksmiths because the tools can then be maintained and repaired locally’.

Referring to other sources evaluating donor programmes, Idris (2016) sustains that most of the employment programmes focused on provision of training, but have not measured the impact of training. Training was geared toward the formal sector, which



has a limited capacity to create jobs in most of the developing countries, while the youth were/are concentrated in the informal sector.

## **Silatech as a Case of an International Youth Employment NGO**

Silatech was formally announced at the Alliance of Civilizations Forum in January 2008 in Madrid, Spain, by Her Highness Shaikha Moza bint Nasser as an International development NGO that links youth with employment and economic opportunities. In H.H. words, ‘by investing in our youth, we are investing in the security of our nations, and only secure and confident nations can build alliances based on mutual respect and common objectives’. The United Nations Secretary General by then, Ban Ki-Moon, announced his full support to Silatech.

The objective of this section is to present Silatech as a case study of an organisation which, through youth employment promotion, is helping peacebuilding and overcoming conflict and violence.

### **A Brief History: The Journey from a Comprehensive to an Employment-Focused Approach**

Silatech developed its first strategic framework in 2008 based on the vision: ‘Silatech envisions a world in which every young person is prepared to succeed, engaged in descent work, and actively pursuing their dreams. Three pillars were identified, all of which were thought of to be based on partnerships. These were, 1- Investment, 2- Technology, and 3- Mindset. The partnership-driven model made significant headway in establishing projects in its three initial focus countries: Syria, Yemen and Morocco. Projects like Al-Amal Microfinance Bank in Yemen and Emploi Habitite in Morocco accounted for much of the jobs Silatech created later. However, the organisation’s ‘mindset’ pillar and its focus on some partnerships produced limited direct impact on youth.

In 2011, as Silatech was entering its three-year mark, upheavals and uprisings in the region brought the issue of youth employment and empowerment further to the fore. In a strategy revision, a focus on both the economic conditions of youth and their voice in society emerged. Silatech’s vision shifted to read: ‘an Arab world in which young people are able to work and are engaged in the economic and social development of their societies’. This vision signaled an intention to develop into a (more) comprehensive youth organisation that compliments economic empowerment with social empowerment. The three pillars standing on youth as a focus became ‘employment’, ‘enterprise’ and ‘engagement’, supported by activities in knowledge, technology, investment, networks, policy advocacy and mindset and outreach.

While by implementing its 2012-2014 strategy, Silatech expanded its activities to more countries in the Arab region, worked with youth-facing organisations across the region and the world to promote access to finance for youth-led startups, develop and upgrade youth employment portals and support Arab youth leaderships, the comprehensive approach adopted, and the multiple components of the strategy led to a lack of focus on creating jobs, which was meant to be the primary objective. The

operating model had to be changed; the comprehensive approach had to be dropped. The Board of Silatech decided to close the civic engagement unit, cancel all stand-alone mindset and outreach activities, restructure research to focus on supporting Employment and Enterprise programmes, and restructure all activities under the Employment and the Enterprise programmes that did not lead to direct impact on jobs so that they fed into programming that did. In this last step, the SME unit was merged with the microenterprise unit, which was producing more impact, and the stand-alone training programmes were replaced with train-to-place programmes (i.e. train only on demand of employers who are ready to employ the trainees).

### **Countries and Mode of Operation and Achievements**

From the beginning Silatech has chosen to operate mainly in countries in conflict or post-conflict situations or/and which may be described as fragile states (fragility defined as substantial shortcomings in one or more of: monopoly of use of force, legitimacy, and delivery of basic government services- GTZ, undated, p. 6).

Silatech's Statute defines youth as those in the age bracket of 18 to 30-year-old. It identifies women and the marginalised youth as target groups. Currently, the Organisation functions among the youth in the following 17 countries, the first 10 of which are considered focus countries: Comoros, Morocco, Oman, Palestine, Qatar, Somalia, Sudan, Syria, Tunisia, Yemen, Algeria, Egypt, Jordan, Lebanon, Saudi Arabia and Turkey (Syrian refugees).

While Silatech currently focuses almost most of its operations in Arab countries, this is considered a beginning. The intention is, and the mandate of the organisation allows, to move beyond the Arab region, and currently such plans are being discussed with some partners.

The youth employment-focused model has yielded substantial results and is promising more. By the end of the first half of 2017, Silatech has connected about 500,000 young men and women to jobs, raised about US\$ 250 million in partner co-funding (which does not include funding received from the State of Qatar), and created a network of more than 150 local, regional and international partners. The Organisation has signed commitments to connect two million young men and women to jobs by 2020.

Silatech's operating model rests on working with partners: government, business, NGOs, International multilateral and bilateral organisations, and others, with each partner bringing unique resources, insights and solutions.

Currently, the Organisation achieves its objective through two core programme units, four enabling (programme-support) functions, and country operation units.

The two core programmes address two key elements of the employment challenge: employment opportunity creation and employability enhancement.

- **Employment Creation:** Silatech supports young aspiring and existing entrepreneurs to start and grow their businesses, thereby enabling them to create jobs for themselves and for others.

- **Enhancing Employability:** Through this programme, Silatech facilitates job matching and placement, supports career guidance and contributes to upgrading skills for identified vacancies.

### **Enterprise Programme: Creating Jobs through Microenterprise Development**

Silatech focus on creating jobs through supporting mainly microenterprise development is justified in the below.

#### *Why Focus on Microenterprises?*

The share of public sector in total employment in the Arab countries is high by world standards and may not be extendable further. According to the IMF, public sector wage bill is 9.8% of Gross Domestic Product (GDP), while the world average is 5.4% (Ahmed, 2012). The prospect for creating employment lies with the private sector. Meeting the political and economic stability conditions mentioned above, the major economic and regulatory task of the governments is to create enabling environment and provide support system for enterprise development, which are much lacking at present (Ahmed, 2012; Girgis, 2014). Promoting enterprise development to accelerate economic growth and create employment includes all enterprise size; large, medium, small and micro. However, the MSME sector warrants a special attention. MSMEs share in total private sector employment is higher than large enterprises in most of the countries (Reinecke, 2002; Dalberg, 2011). Having a large share of employment in the MSME sector is not the objective, as noted by Reinecke (2002). A study based on OECD countries, for which longitudinal data set are available concluded that the MSME sector has higher net job creation record (measured by employment created by birth of enterprises minus employment lost by death of enterprises) than large enterprises (Reinecke, 2002).

As for the MENA region, World Economic Forum (2011, p.10) states that 'more than 80% of entrepreneurs in the MENA region run very small-scale operations, with values of less than US\$ 15, 000'. In many countries, these microenterprises contribute a large share in total employment. In Morocco and Saudi Arabia, for example, they employ 65% and 40%, respectively, of total workers in the private sector. Microenterprises have developed with minimum support from governments, Non-Governmental Organisations (NGOs) and the established segment of the private sector. Some of them can grow into small and medium enterprises generating sizable employment, if

they receive financial and non-financial institutional support (World Economic Forum, 2011).

A core element of Silatech mandate is to focus on the less advantaged youth. It has been well established in the literature that micro (and small) enterprises encounter more obstacles in accessing finance and face higher proportional cost to access non-financial services and to adhere to government regulations and registration procedures (in relation to the Arab region, see Girgis, 2014). Without special programmes like that of Silatech (and of course the vast number of programmes supported by other organisations) marginalised youth would find it almost impossible to start their businesses. Through focusing on microenterprise development, Silatech can reach more young men and women. And indeed, its experience when providing support to both microenterprises and SMEs, compared to investment made, the job creation impact of the former was greater.

#### *Enterprise Financial and Non-Financial Support*

Silatech helps young entrepreneurs to establish and sustain successful enterprises through providing them with access to finance, training, mentorship, and bridging their access to new markets.

To reach the largest number of Arab youth, Silatech encourages financial institutions to lend youth to start their businesses through combining technical support and various types of innovative financing instruments. The Organisation also helps financial institutions to design loan products, market their products and services, provide credit officers with focused training programs, and implement best practices to benefit both youth and the institutions.

The Enterprise Programme achieves its aims through two main facilities:

##### 1- Enterprise financing facility

- Grants: Contributions made to financial and non-financial institutions, civil society organizations and other relevant organizations.
- Lending/Financing: Reinforcing youth lending portfolios to increase youth access to finance.
- Investment: Investment in the capital of startup companies that provide youth financing, as well as other related investments that benefit youths.

##### 1- Technical assistance facility

- Provision of training and mentorship services to entrepreneurs, as well as training of loan officers at financial institutions to better serve youths and cater to their needs.

- product design and the provision of technical assistance and training services to financial institutions to enable them to better develop and market their products and services to youth.

### **Enhancing Employability: Job Matching, Career Advice and Train-to-Place**

The Employment unit works across the region to support youth placement into jobs by developing mechanisms to link jobseekers to employment, providing youth with the awareness, skills and experience to successfully transition into employment, and working with employers to enhance youth hiring practices.

Silatech connects employers and young job seekers through services such as the Ta3mal initiative, and various training programmes.

#### *Ta3mal Employability Portal*

In 2012, Silatech and Microsoft launched Ta3mal.com, the region's first employability portal that helps job-seeking young men and women to find jobs. Available in Arabic, English and French, the online platform offers online access to career guidance, soft-skills, e-learning as well as jobs and internship opportunities and entrepreneurship training programmes. The initiative relies on local partners to provide specialised content and direct services to youth and job seekers.

In addition to a regional version of the portal, there are currently local portals in eight countries, including Egypt, Qatar, Iraq, Tunisia, Morocco, Algeria, Palestine and Lebanon. In each of these countries, the localised portal is connected to physical career centers that include innovative programs complementing the services available on the portal. Ta3mal centres deliver a range of services and events including trainings and workshops, in addition to job search assistance.

#### *Tamheed*

In 2011, Silatech partnered with Mindmill to launch Tamheed, Silatech's career guidance programme. The programme includes online psychometric assessments, a career advising framework, and training and capacity building for career advisors. Available in Arabic, English and French, youth workers can be trained to become Tamheed advisors in less than a week, creating a large pool of certified advisors offering personalised professional advice. Employers can use the results of psychometric assessments in selecting candidates, and match skills with the right jobs and internships.

#### *Train-To-Place*

Train-to-place programme provides the full-cycle of youth training and job placement, usually in specific industries or sectors. Silatech works with training providers to equip youth with the technical skills that employers are looking for to fill the entry-level vacancies they have.

### **Main Enabling Functions**

These are four functions that provide support to operations.

### *Policy and Research*

Silatech undertakes research and mobilises knowledge to improve the effectiveness, impact and sustainability of its youth-serving programmes, facilitate the upscaling of successful initiatives, and identify and advocate for policy changes that improve youth economic outcomes.

### *Technology*

The Technology function supports the online platforms used by the Enterprise and Employability programmes. It provides technology solutions to increase reach to beneficiaries, reduce cost per job and improve reporting and monitoring processes.

### *Partnerships*

This function aims to augment the network of partners Silatech is working with and provide mutual benefit to Silatech and its partners and facilitate co-branding and ownership.

### *Country Operations*

Country offices and managers represent Silatech at the country level, accelerate programme deployment, identify new initiatives, and monitor and report on operations.

## **Conclusions**

In brief, the Paper concludes in two points: 1- the employment promotion role of Silatech as peacebuilding; helping in preventing and dealing with the consequences of violent extremism, and 2- learning from some negative international experiences in youth development programmes,

## **Silatech's Operations in Conflict and Post-Conflict Situations and Fragile States**

While not impacting in isolation from other interventions, the peacebuilding role of employment promotion in overcoming fragility, conflict violence, is not denied. Silatech has systematically focused most of its core resources provided by the state of Qatar and resources mobilised through partners in programmes targeting marginalised youth living in conflict, post-conflict situations and/or under fragility, e.g. its programmes in Yemen, Somalia, Syria (and for Syrian refugees in Turkey), Tunisia, Sudan, Palestine, Lebanon, Jordan, Comoros and Egypt. While the programmes target both women and men, some programmes target women only (in Palestine and Saudi Arabia). Some programmes reach marginalised youth in remote areas, not served by other programmes, often close to area of armed conflict (e.g. in Tunisia and Somalia). Some other employment creation and facilitation activities by Silatech in relation to the impact of armed conflicts is the support to refugees (Syrians, inside and outside Syria, and Palestinians in Lebanon)), and the reintegration of ex-combatants involved in violent extremism (Sudan).

## **Learning from International Experience**

Silatech has learned from the international and its own experience in providing training that was not linked to job placement. Currently, training is only provided when

agreements have been reached with certain employers to offer jobs to trainees (train-to-place programme). A major activity of Silatech is creating, sustaining and upgrading microenterprises. However, Silatech has not yet evaluated the social impact of its employment-generating programmes. Regular programme impact evaluation leading to programme improvement, as is known, helps in better targeting and maximising social benefits and efficient use of resources.

International employment programming targeting youth in conflict, post-conflict or potential conflict areas have not been integrated with youth social empowerment programmes. Silatech, being an employment promotion organisation, will need to build partnerships with organisations that are involved in youth social empowerment for its employment programmes to be effective in dealing with youth social and political grievances, and hence helping them to move away from the trap of extremism and to become effective participants in peacebuilding in their communities.

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