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USAID YOUTHPower JORDAN NATIONALLY SCALABLE STRATEGIES

Youth Economic Empowerment: A Technical Brief

This technical brief is one of three that USAID YouthPower developed documenting high-impact strategies that proved effective across the activity and show promise for scale. They are as follows: 1) Youth in Governance, 2) Youth Economic Empowerment, and 3) Youth Leaders and Influencers.

Introduction

Jordan's youth unemployment rate has remained above 25% over the past three decades and is significantly higher for young women (in 2020 youth unemployment was 37% overall and 49% for young women compared to 35% for young men).¹ With a lack of opportunities and a mismatch between skills gained through education and skills demanded by employers, as many as 45% of youth have considered emigrating from Jordan for better economic opportunities. The COVID-19 pandemic has only exacerbated the situation; unemployment among youth ages 15-24 reached 50% by the end of 2020.² With limited job opportunities, many youth are interested in entrepreneurship; 48% of youth reported wanting to start their own business or project within five years. However, many lack the skills, resources, and supportive policies and programs to succeed. A survey conducted between 2020 and 2021 found 85% of Jordanians ages 16-30 who previously tried to start a business had failed.³

USAID YouthPower worked within the context of these challenges to help at-risk youth in Jordan realize their potential. Although economic empowerment was not expressly a goal of USAID YouthPower, through the youth-led approach youth made it clear that developing their economic agency was a top priority. Thus, a model for youth economic empowerment organically emerged through USAID YouthPower's Innovation Fund component, which was designed around youth-identified priorities and challenges and supported opportunities for youth to design and lead innovative community development and social entrepreneurship initiatives. As a result, 153 youth (80 female, 73 male) developed 135 business concepts, and 90 operate as registered home-based businesses and freelancers. Additionally, 658 youth (419 female, 239 male) received skills training in in-demand vocations and 10,525 youth received soft skills/life skills training to prepare them to enter the workforce. This technical brief outlines the elements of USAID YouthPower's model for youth economic empowerment, and provides lessons learned and recommendations for its use as a nationally scalable strategy.

¹World Bank. 2022. Unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate) – Jordan. The World Bank Group. Accessed at: <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?end=2020&locations=JO&start=1991&view=chart>

²OECD. 2021. Empowering Youth and Building Trust in Jordan. OECD Public Governance Reviews. Accessed at <https://doi.org/10.1787/8b14d38f-en>.

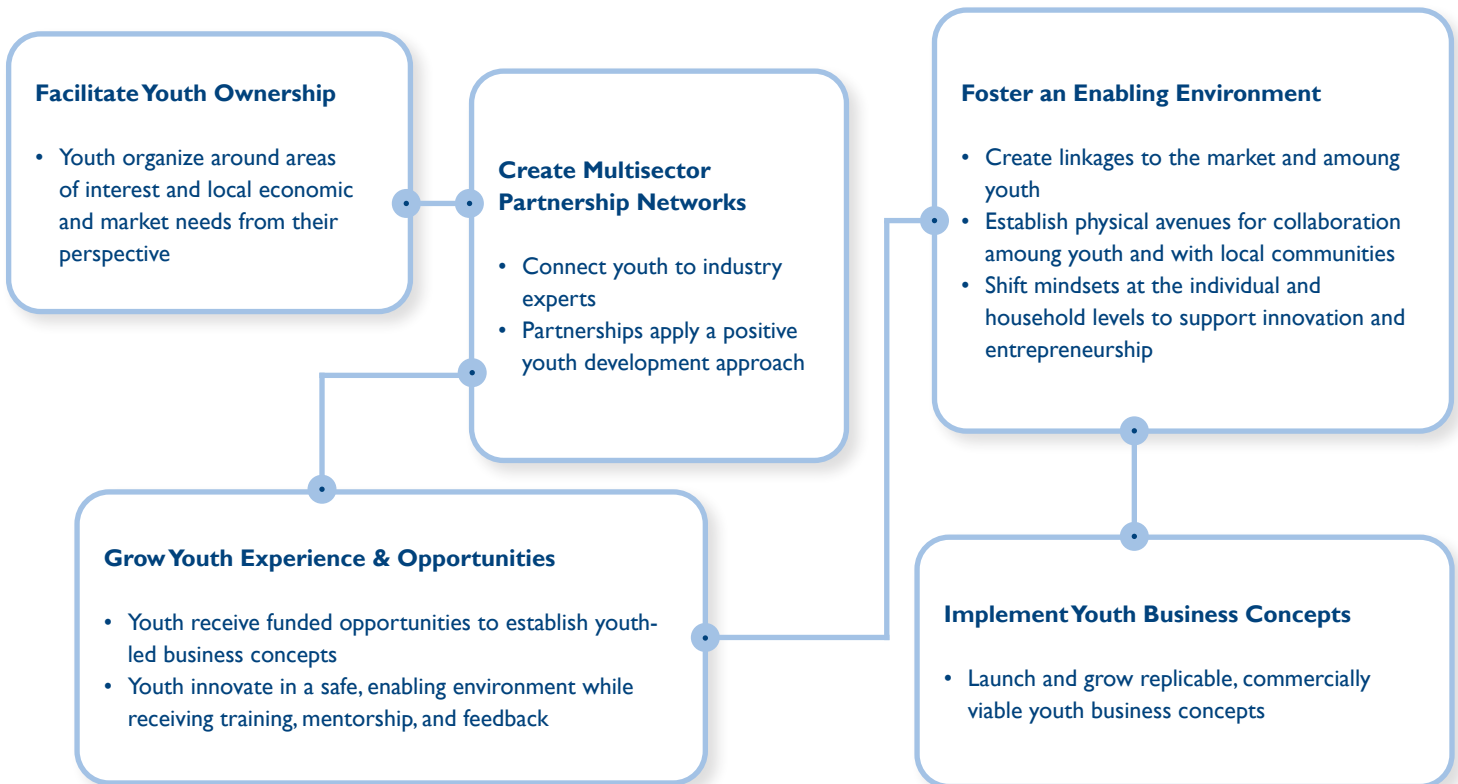
³UNICEF. 2021. Youth Entrepreneurship Readiness in Jordan: High Interest, Low Success Rates. Accessed at <https://www.unicef.org/jordan/media/8556/file/Policy%20Brief:%20Youth%20Entrepreneurial%20Readiness%20in%20Jordan.pdf>.

Launched in 2017, USAID YouthPower Jordan was a five-year program that engaged 16,415 youth ages 10-29 to act as engaged citizens and productive members of society with the agency to advocate for themselves and shape services designed to better prepare them to enter higher education, vocational training and the workforce.

A model for youth economic empowerment

USAID YouthPower’s approach to youth economic empowerment uniquely positioned youth as primary decisionmakers, while partners took on the role of mentoring and transferring knowledge to youth. Youth learned to identify gaps, assets and opportunities in their communities and used these to determine the skills and resources necessary to create business concepts or increase their employability. Safe spaces such as Learning

Clubs provided an environment for youth to build their confidence and experiment with innovation, build a resilience network with other youth and community stakeholders, and break gender-based barriers to economic opportunities. The model for this approach is summarized in the figure below and detailed in the following sections.



Facilitate youth ownership

USAID YouthPower aimed to engender youth ownership across all program components from its start. After joining the activity, youth engaged in Transformational Learning (TL), an intensive learning curriculum that built a foundation for youth to interact positively with others by exploring agency, critical thinking, decision-making and negotiation, gender and inclusion, and community asset mapping, and culminated in community practicums. Youth community asset mapping provided youth an opportunity to explore resources and needs in their communities and set priorities based on their findings. As **youth identified their interest areas** through this method, thematic areas emerged around which USAID YouthPower helped youth to **organize themselves to develop their professional skills and explore employment and entrepreneurial opportunities**. Detailed community profiles, developed by USAID YouthPower, informed a tailored approach to introduce youth to the unique context of each community's business environment as they worked to transform community challenges into opportunities.

Creating multisector networks of partners

USAID YouthPower sought out **partnerships with the private sector, community-based organizations (CBOs), and government entities** to provide market-driven trainings, mentorship, and networking opportunities to youth in their respective areas of interest. Through a committee of staff and youth representatives under the Youth Advisory Council (YAC), USAID YouthPower selected qualified industry experts to receive grants from an Innovation Fund to mentor groups of youth on sustainable social and entrepreneurial concepts. As part of the youth learning journey, the grantees also created market linkages between youth and other entities, such as ministries, municipalities, entrepreneurship hubs, investors, and other market actors.

Just as the partners mentored youth, USAID YouthPower also **mentored partners in applying a positive youth development approach** and utilizing proven USAID YouthPower tools, such as the PAVAL (problem-solving, awareness raising, volunteering, advocacy, learning and further education) methodology for designing youth-led solutions. This was a necessary step in shifting partners'

perspectives away from conventional youth programming which views youth as recipients of services, to youth taking ownership and leading decision-making in design and implementation.

Growing youth expertise and opportunities

After receiving foundational skills, youth were able to access opportunities to further their workforce training and prototype entrepreneurial ideas. Under its \$3.7 million Innovation Fund, USAID YouthPower **funded innovative youth concepts** through in-kind grants signed directly to individual youth and through the youth social innovation support grantees who then worked with groups of youth at the governorate level to design concepts.

Grantee Jordan Heritage worked with 101 youth (55 female, 46 male) under the local tourism and heritage thematic area, training them on heritage preservation, hospitality and tourism markets, and tourism-specific entrepreneurship. Youth developed 12 commercially viable, market-driven business concepts in the form of cultural products and experiences for tourists. A team of 6 youth (1 female, 5 male) created Zarkai Walks in Zarqa, establishing the first food walking tour in Jordan. The tour includes multiple food stops with activities along the way aimed to conserve and share the local community's heritage. The concept proved to be profitable early on, especially with the ease of COVID restrictions and an increase in internal tourism. The business is now looking to apply the same concept in different communities and create a national Jordan food tour experience.

USAID YouthPower actively ensured the equitable inclusion of female youth, youth with disabilities (YWD), and refugee youth as funding recipients.

USAID YouthPower held an open call to registered youth to participate in design workshops and submit proposals for in-kind grants, with detailed project descriptions and budgets. An evaluation committee of youth and USAID YouthPower staff reviewed applications, and ultimately approved 153 concepts for award (typically around USD 5,000 each). USAID YouthPower applied a 70/30 model for in-kind grants, with approximately 70% of the youth's budget allocated to procuring tools and equipment, and 30% allocated to training costs to ensure they could utilize the tools. Also critical was a final agreement with clear milestones and deliverables. For example, a youth who received a camera and equipment to start a videography business was asked to produce 10 high quality videos on youth priorities to **receive constructive feedback** from mentors and demonstrate mastery of the skillset.

Youth Tech is a youth-founded community entrepreneurship incubator in Ajloun that provides a safe space for local youth to develop their entrepreneurial ideas and expand their technology and business skills. Husband and wife Raed Smadi and Du'aa Hazamey created Youth Tech, partnering with a local community-based organization to host the business. With their in-kind grant, they obtained a 3D printer and circuit board technology, trained 22 youth, and selected three youth ideas for incubation. Since its award, Youth Tech has partnered with government ministries and private companies to provide training opportunities to youth, such as robotics and 3D printing trainings to female youth to address the gender gap in the technology industry. Youth Tech recently received 40,000 euros from French investors to provide entrepreneurship training and incubate 20 additional youth concepts.



Eight grantees took on a group of youth to mentor under their thematic area. Beginning with a learning phase, youth received specialized **technical and business etiquette training** and conducted a landscape analysis of their interest areas before designing and implementing their business concepts and social innovations. While many of the initiatives put youth directly on a business start-up path, others provided youth with marketable skills and real-world experience applying them, such as certifying youth as psychosocial support coaches or specialists in installing and maintaining household renewable energy systems.

Fostering an enabling environment

Expert **mentors and coaches** were critical to building youth skills and confidence and ensuring youth established networks that can be sustained beyond USAID YouthPower. The activity also helped youth establish **market linkages** to potential customers and investors. Additionally, USAID YouthPower raised youth awareness of the legal environment of business to understand basic rules around taxes, registration and labor.

USAID YouthPower's model intentionally created an **ecosystem for youth to leverage each other's expertise**. Funding agreements required youth to share their skills with one another; for example, a youth given graphic design training was required to develop logos for other youth initiatives. This served multiple purposes by helping youth to maximize their limited funds, grow their professional portfolios, create a network of youth experts, and foster youth-to-youth mentorship. Other youth established concepts to directly connect to and support youth businesses, such as the Youth Tech youth entrepreneurial incubator. Learning Clubs organized by

thematic interest areas served as **physical avenues for youth to collaborate** and share their business concepts and were hubs of youth expertise for other youth to draw upon. Learning Clubs and many youth initiatives are housed at Youth Centers or local CBOs to sustain their work and partnerships beyond the USAID YouthPower activity.

Importantly, USAID YouthPower also fostered enabling conditions at the individual and household levels. At the start of the activity, many youth reported they and their families believed that youth were not capable, trustworthy or productive. Along the economic empowerment journey, youth improved their self-efficacy and became more resilient to challenges, and their families viewed them more positively after seeing them start their own businesses and take on leadership positions. This was particularly important for female youth and youth with disabilities, who required USAID YouthPower to hold dialogues with their families to shift social norms and enable their participation. The resilience of the youth was also evidenced throughout the pandemic as they continued to develop entrepreneurial ideas while going digital and embracing evolving business trends.

Implementing business concepts

With a small seed investment, USAID YouthPower provided an opening for youth to enter their local market systems by experimenting with entrepreneurship and innovation in a low-risk environment. A number of youth successfully launched their concepts, with 30 youth registering businesses (others chose to continue piloting their initiatives or postponed registration over concerns about paying taxes). Despite youth only launching their concepts in the last year of USAID YouthPower, many showed early signs of success and continue to provide products and services such as IbdAA' Animation Studio, which provides animation services, and Ademak Jdidi, which recycles used clothes into eco-friendly fashion products for sale on the popular Souq Fann online platform. Others have leveraged the networks they established under the Innovation Fund to seek further funding opportunities and expand their customer base.



GreenTech implemented the Environment and Green Solutions social innovation grant, mentoring 41 youth (27 female, 14 male) across eight governorates to design 10 business concepts focused on topics including recycling, smart agriculture and irrigation, and biodegradable product design. All were fully operational and registered as businesses by the end of the grant. For example, in response to resource-inefficient farming techniques in their communities, a team of five youth (two female, three male) designed Farm-Tech, a smart device that measures soil conditions and sends updates to the farmer. GreenTech linked the youth to engineers and manufacturers to create the device, and connected them to potential investors and customers. The team has already signed contracts with seven farmers. In another example, four youth entrepreneurs (three female, one male) who previously had no income established RePapel, a company that recycles paper into a range of paper clay products, from plant pots to accessories. RePapel's circular economy model addresses Jordan's growing solid waste issue while also avoiding persistent business challenges in Jordan related to a lack of consistent access to raw materials and high manufacturing costs. The team has focused on creating aesthetic, giftable packaging and online sales. In less than one month, RePapel already had 50 orders, indicating the high possibility for future expansion.

Going to scale: Lessons learned and recommendations

1. Start with needs and passions identified by youth

Youth found success in their concepts because they responded directly to community assets and needs that they were passionate about, in many cases filling gaps that the private sector and/or municipalities had not been able to for years. Youth also have the knowledge and constructs now to replicate this model on their own.

2. Recognize that the youth entrepreneurial journey takes time

Youth initiatives under the Innovation Fund were the pinnacle of their pathway through USAID YouthPower and occurred in the last year of the activity. Although many initiatives have continued beyond the lifetime of their award, allowing for more time to ensure youth businesses and entrepreneurial concepts are on solid ground would have been ideal, and would help ensure their formalization, particularly in the context of the hostile economic environment caused by the COVID-19 pandemic. A six-month follow-up survey to assess the progress and needs of youth economic activities would also be useful in this regard.

3. Embed innovation in government ministries that impact youth:

For example, an economic empowerment unit within the Ministry of Youth could integrate innovation learning and activities throughout Jordan's Youth Centers, while the Ministry of Education could adopt entrepreneurship and innovation trainings for in-school youth to consider diverse pathways to becoming productive citizens. USAID YouthPower's Innovation Fund demonstrated how a small amount of seed funding can have a ripple effect in youth communities, particularly in areas outside of Amman that have a significantly lower cost of living. A similar mechanism under the Ministry of Labor could support innovation in local economies and would be more accessible for at-risk youth than current funding pathways. Finally, some youth faced legal barriers to implementing their concepts; future activities would benefit from working with the government on policy changes to create a more favorable enabling environment for youth businesses.

4. Refine youth business models

Under the umbrella of the Innovation Fund, youth received basic training in business, marketing, and production as needed. To move beyond start-ups, the next phase of support would ideally be to refine their concepts through advanced technical training and more specialized business training in business modeling, branding, and market penetration, in addition to creating targeted business-to-business, business-to-government, and business-to-consumer linkages.



Going to scale: Lessons learned and recommendations

5. Test for replicability in multiple geographies

Scaling initiatives across geographies could pose challenges, as the social innovation grantees working at the governorate level found that a tailored approach was required to work through the issues of getting youth from various communities together. Future opportunities to study similar initiatives in different geographies and test replicability would also be valuable.

6. Establish a referral system to low-risk funding sources

While many youth will need to find additional funds to scale their businesses, from a “do no harm” perspective, USAID YouthPower does not recommend loans or microloans at this stage in their journey. Instead, youth could be provided with additional training on how to approach donors and investors and target diverse markets (including markets outside of Jordan), and they would benefit from a strong referral system linking them to opportunities in the private sector.

7. Remain flexible throughout the funding cycle to seize youth interests and opportunities

While USAID YouthPower did not have economic empowerment as a contractual goal, the youth-led approach made it clear that developing youth economic agency was a youth priority. This in turn shaped the activity’s components, particularly under the Innovation Fund and youth-led initiatives, to ensure youth had opportunities to explore entrepreneurial paths and workforce trainings that were responsive to both their passions and their community mapping findings. Future youth programming design should incorporate activities to support economic agency as a critical cross-cutting area.



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