MOBILE SERVICES FOR YOUTH EMPLOYMENT

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A collaborative venture

This global study was undertaken to understand the challenges and needs of youth overcoming employment obstacles. It addresses how mobile services could play a key role in combatting the problems and providing solutions.
Contents

04  The current global situation
10  Hurdles to youth employment
20  The potential for mobile employment
30  Mobile employment in action
34  Seizing the opportunity
39  Moving forwards
• 73 million (12.6%) youth unemployed worldwide
  
  Source: ILO

• Across several countries, a large number of youths have access to mobile phones (92%)

• A lack of innovative business models exist for mobile operators to provide solutions to youth unemployment

The current global situation

Source: GSMA

86%

have access to a SIM card

92%

have access to a household mobile phone

85%

of youth have their own mobile phone

HOW CAN THE SITUATION BE TURNED INTO AN OPPORTUNITY?
Four countries, many stories, *multiple opportunities*

**SPAIN**
- Total population: 46m
- Mobile penetration: 98%
- Youth unemployment rate: 53%

**BANGLADESH**
- Total population: 166m
- Mobile penetration: 65%
- Youth unemployment rate: 9%

**GHANA**
- Total population: 24m
- Mobile penetration: 69%
- Youth unemployment rate: 26%

**INDONESIA**
- Total population: 240m
- Mobile penetration: 95%
- Youth unemployment rate: 25%

Sources: IMF, UN, OECD, Global innovation Index, ILO, AfDB, GSMA
How did we gather data?

16 FOCUS GROUPS

BANGLADESH   GHANA   INDONESIA   SPAIN

Male and female participants (aged 16-24)

300 participants surveyed in each market (150 urban/150 semi-rural)

INTERVIEWS CONDUCTED WITH INDUSTRY EXPERTS
There is a large youth population (20%), but few employment opportunities.

Youth are well-educated, but suffer from skills mismatch (500,000 unemployed graduates).

There is high youth unemployment, largely due to lack of experience.

Highest youth unemployment mainly due to economic factors.

Sources: IMF, UN, OECD, Global innovation Index, ILO, AfDB.
One common issue – female labour participation

Bangladesh and Indonesia have the largest difference in male and female labour participation rate.

- In Bangladesh, 5% more female youths are unemployed than males.
- In Indonesia, 4% more female youths are unemployed than males.

Source: World Bank Development Indicators.
HURDLES TO YOUTH EMPLOYMENT
The root causes of unemployment

**PERSONAL FACTORS**

- Lack of experience
- Lack of skills
- Lack of contacts
- Limited awareness of job availability
- Limited means to travel to find work

**SITUATIONAL FACTORS**

- Skill mismatch
- Lack of jobs
- No opportunities
- Poor economy
- Gender discrimination
It is personal rather than situational

SPAIN
- Not enough jobs available: 46%
- Lack of experience: 45%
- Not enough contacts/don’t know right people: 31%

BANGLADESH
- Lack of skills: 52%
- Lack of experience: 51%
- Not enough jobs available: 43%

GHANA
- Not enough contacts/don’t know right people: 47%
- Lack of experience: 42%

INDONESIA
- Lack of experience: 60%
- Lack of skills: 58%
- Not enough jobs available: 15%

Source: GSMA/ALU Mobile for Employment Research
Lack of skills, knowledge and contacts drive youth unemployment

Lack of skills necessary for employment

I never had a computer lesson in school. So, I won’t be able to operate a computer at all.”

Female, INDONESIA

Lack of knowledge to start own business

When you start out they say you need to conduct marketing studies. So, I had to hire someone to do the research and this was more expensive than the financing I would be obtaining.”

Male, SPAIN

Disconnection between employers and potential employees

In the villages, there are not enough people to work in the fields, while in Dhaka they are roaming around looking for work.”

Female, BANGLADESH

Source: GSMA/ALU Mobile for Employment Research
Lack of skills and information are perceived as bigger barriers than a lack of job availability

Source: GSMA/ALU Mobile for Employment Research
For young **women** it is even harder...

- Unemployment rate is even higher among young women (13.2%) than young men (12.9%)
  
  **Source:** UN

- Early departure from school leaves a **wide knowledge gap**

*Source: World Bank EdStats*

**Women face forms of discrimination and social injustice**

“...My parents don’t have a problem that I’m not working. My brother is always getting pressure from my mum to find a job, maybe because I can help doing daily chores like washing dishes.”

**Female, Unemployed,**

**INDONESIA**
FEMALE ENROLMENT RATES ARE IMPROVING, BUT THERE IS STILL A GAP IN EDUCATION LEVELS BETWEEN MEN AND WOMEN

Only **87%** of eligible females in both **North Africa** and **South Asia** are enrolled in primary education.

Between **2000** and **2010**, the difference between males and females enrolled in secondary education dropped **12%** in South Asia.

In **North Africa**, the difference between male and female **tertiary** enrolment has shrunk by **20%** in the past 10 years.

Source: World Bank EdStats
There are limited resources but there is a desire

65% of youth in Bangladesh said they would like to have a business in the retail sector

49% Interested in owning a business

30% of youth in Ghana said they would like to have a business in the IT or telecommunications sector

94% Interested in owning a business

37% of youth in Indonesia said they would like to have a restaurant or café business

82% Interested in owning a business

31% of youth in Spain would like to own a business in retail

56% Interested in owning a business

“I have realised there is no car washing bay in our area. I will start washing people’s cars and if I raise enough funds I will establish a washing bay.”

Male, Unemployed, GHANA

Source: GSMA/ALU Mobile for Employment Research
Potential youth entrepreneurs need **training, mentoring and access to capital**

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I have no idea about finance. So to start a business it would be good to take a financial course or one on how to deal with human resources.”

Male, **SPAIN**

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Source: GSMA/ALU Mobile for Employment Research
THE POTENTIAL FOR MOBILE EMPLOYMENT SERVICES
Is mobile a viable channel for employment services?

Are youth open to using their mobile for employment services?

Which mobile employment services can meet the needs of unemployed youth?

Are young people willing to pay for these services?

Can mobile employment services be commercially sustainable for MNOs?

What mobile employment services currently exist?
Job search tools are informal rather than formal

Word of mouth is the most common search tool in all four markets*

- 95% in Bangladesh
- 79% in Ghana
- 95% in Indonesia
- 62% in Spain

About 40% of youth in all 4 countries use newspapers & magazines in their job search*

- 50% in Bangladesh
- 50% in Ghana
- 41% in Indonesia
- 37% in Spain

Visiting a business is a common way of finding work in all countries, except Indonesia*

- 15% in Bangladesh
- 38% in Ghana
- 7% in Indonesia
- 49% in Spain

96.7% of people online in Indonesia use social media***

Facebook penetration
- 2.1% in Bangladesh
- 6.4% in Ghana
- 20.6% in Indonesia
- 37% in Spain**

*Source: GSMA/ALU Mobile for Employment Research
**Source: Facebook
***Source: Telefonica report

* * *
The potential of mobiles as a job search tool is a reality

**BANGLADESHI** youth show low levels of mobile (7%) and PC (8%) use to search for work

*Mobile penetration: 65%

Only 8% of youth in **INDONESIA** have accessed job search information on their mobile, but 30% were aware they could do it

*Mobile penetration: 95%

**GHANAIAN** youth prefer to use the internet on their mobile (25%) than on a PC (21%)

*Mobile penetration: 69%

17% of youth in **SPAIN** have used their mobile to search for work, whilst over half were aware they could do this

*Mobile penetration: 98%

Source: GSMA/ALU Mobile for Employment Research

*Source: GSMA
Skills training via mobile is appealing

"I have decided to learn something online as it's cheaper than taking a course directly and it can be done through my mobile."

18-20, Female, BANGLADESH

Willingness to use mobile for training

<table>
<thead>
<tr>
<th>Country</th>
<th>Willingness to use mobile for training</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANGLADESH</td>
<td>29%</td>
</tr>
<tr>
<td>GHANA</td>
<td>66%</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>53%</td>
</tr>
<tr>
<td>SPAIN</td>
<td>52%</td>
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Source: GSMA/ALU Mobile for Employment Research
Trust in mobile network operators will drive service adoption

Percentage of youths who would trust their MNO to provide employment-related services

Source: GSMA/ALU Mobile for Employment Research

BANGLADESH: 42%
GHANA: 73%
INDONESIA: 42%
SPAIN: 37%
Demand is there

Which mobile services would people pay for?

- **23%** of young people in **BANGLADESH** would pay for job search and job matching information if delivered via mobile
  - Preferred access method: **Voice calls**

- **55%** of young people in **GHANA** would pay for job search information and job matching delivered via mobile
  - Preferred access method: **SMS**

- **14%** of young **INDONESIANS** would pay for foreign language training, job training or business skills training delivered via mobile
  - Preferred access method: **Voice calls**

- **32%** of young **SPANISH** people would pay for foreign language training delivered via mobile
  - Preferred access method: **Mobile internet**

Source: GSMA/ALU Mobile for Employment Research
Convenience will drive commercial adoption

Top 3 reasons for paying for mobile services

1. I can use the service when I like
   - Bangladesh: 27%
   - Ghana: 64%
   - Indonesia: 56%
   - Spain: 34%

2. I don't have to travel to use this service
   - Bangladesh: 22%
   - Ghana: 28%
   - Indonesia: 19%
   - Spain: 17%

3. This would be the only way I would have access to this service
   - Bangladesh: 22%
   - Ghana: 28%
   - Indonesia: 19%
   - Spain: 17%

Source: GSMA/ALU Mobile for Employment Research
MOBILE EMPLOYMENT IN ACTION
Global pioneers in the field have proven the viability of delivering mobile employment services

<table>
<thead>
<tr>
<th>Issues addressed</th>
<th>Examples of existing mobile services</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| Mismatch or lack of skills necessary for employment | **Paje-Neita/Stepping Stone** – [Click for website](#)  
Aimed at out-of-school youth, Stepping Stone is a mobile phone-based curriculum that supports youth to improve their literacy, math and oral French as a first step to building entrepreneurial skills and supporting increased access to market information systems once basic skills are more developed. | **Helps jobseekers to:**  
• Find and secure employment  
• Be promoted in the workplace  
• Participate in the connected global community |
| | **BBC Janala** – [Click for website](#)  
Multimedia English learning program that combines television, radio, and SMS to reach millions which originated in Bangladesh | |

Global pioneers in the field have proven the viability of delivering mobile employment services.
Global pioneers in the field have proven the viability of delivering mobile employment services

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| Disconnection between employers and potential employees | **Souktel Job Connect** – [Click for website](http://website)  
Connects unemployed youth throughout the Middle East with potential employers and uses SMS and voice-menu technology. | • Time saving and convenient                                              |
|                                                      | **mKazi** – [Click for website](http://website)  
Online and mobile recruitment platform with the largest number of jobs all over Africa. | • Formalises the job search                                               |
| Lack of tools, resources and training for business support | **Ooredoo Najja7ni** – [Click for website](http://website)  
Offers career guidance, financial literacy, links to local training and opportunities and tips on starting a business. Also includes quizzes, coaching and psychometric tests. | • Connects employers to employees                                           |
|                                                      |                                                                          | • Provides tools and tips to research and apply for jobs                  |
**Employment services targeted to women**

<table>
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| Women face additional employment challenges | **Mobilink Literacy Program** – [Click for website](#)
Builds writing and reading skills and delivered via SMS | • Helps break down cultural barriers for access to mobile phones for women |
| | **Nokia Life Business Women services** – [Click for website](#)
Entrepreneurship development service for women in Nigeria using SMS and in Indonesia and Tanzania using mobile internet | • Encourages women to start their own businesses |
SEIZING THE OPPORTUNITY
How did we size the market?

- Total population size
- Youth population (%)
- Mobile penetration (%)
- Paying service users (%)

Source: Published population data
Source: Published penetration data
Source: Nielsen survey data

\[
\text{Total number of paying service users} \times \text{Estimated spend per user} = \text{Market value}
\]

Source: Current service price points in market
What did we find?

Across all four markets, 18.8 million youths could have access to mobile employment services by 2018.

Source: Nielsen market research
<table>
<thead>
<tr>
<th>Country</th>
<th>2013 Market Size (USD million)</th>
<th>2013-18 Market Growth (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>4.4m</td>
<td>$36.3m</td>
</tr>
<tr>
<td>Ghana</td>
<td>2.9m</td>
<td>$13.7m</td>
</tr>
<tr>
<td>Indonesia</td>
<td>7.2m</td>
<td>$84.1m</td>
</tr>
<tr>
<td>Spain</td>
<td>8m</td>
<td>$37.6m</td>
</tr>
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</table>

Source: Nielsen market research
Positive social and economical benefits

- Youths represent the majority of growth within the industry
- 71% of youth would rather spend their last $10 on topping up their phone than on food*
- Mobile adoption rates among youth are driven by peer recommendations*
- Employment services can positively impact Net Promoter Score and drive adoption rates
- MNOs are frequently searching for new value added services to create competitiveness and brand differentiation

*Source: www.mobileyouthreport.com/latest-stats

Improved loyalty and reduced churn

“Every young person looks at your technology or brand and asks ‘where am I in this story?’”

The Mobile Youth Report

Positive social outcomes

“Partnerships are key. We try to work with all the mobile operators in the countries. All the partners are chosen because of their expertise.”

Nokia Life

“Women don’t perceive that the mobile phone can assist them in achieving their aims. If we can demonstrate its value, it would be a big step.”

GSMA

- Significant attention is being directed to women’s issues and youth employment
- MNOs can develop powerful partnerships with players in the space, including local governments, NGOs, vendors and universities to reduce the youth unemployment rate
MOVING FORWARDS
## Considerations for a successful rollout

<table>
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<tr>
<th>CHALLENGES</th>
<th>DESCRIPTION</th>
<th>SUGGESTED ACTIONS</th>
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<tbody>
<tr>
<td>SMS FORMAT</td>
<td>SMS can be limiting for users and MNOs have to find alternatives or adapt their contents (character limit, no image allowed, etc.)</td>
<td>• Drive down data costs for youth</td>
</tr>
<tr>
<td>PROFITABILITY</td>
<td>Lack of clear business models and unclear value chain for mobile employment services leads to inactivity in this space</td>
<td>• Target services to the right market to meet demand</td>
</tr>
<tr>
<td>PARTNERSHIPS AND CONTENT</td>
<td>MNOs are operating within traditional boundaries, limiting their opportunities</td>
<td>• Explore new partnerships, building innovative philanthropic and revenue share models</td>
</tr>
<tr>
<td>LACK OF MARKET KNOWLEDGE OF YOUTH SEGMENT</td>
<td>MNOs don’t have the knowledge of this specific consumer group</td>
<td>• Invest in building understanding of this segment</td>
</tr>
</tbody>
</table>
## Considerations for a **successful rollout**

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| **AFFORDABILITY**                    | Many youth don’t have sufficient finance to pay for additional mobile services                                                                                                                                                                                                 | • Explore freemium models  
• Price according to consumer affordability                                                                    |
| **FEAR OF THE NEW**                  | People are often comfortable with current methods and afraid to ‘take the leap’ to new services                                                                                                                                                                           | • Create strategies to raise awareness and educate on technical literacy                                      |
| **CULTURAL RESTRICTIONS**            | Some cultures limit many women using mobile phones                                                                                                                                                                                                                      | • Adapt communication and marketing strategies to target women and their families                           |
| **TRUSTED NETWORK ENVIRONMENT**      | Word of mouth is the most popular job search method. Social media is the modern day equivalent and there is high penetration among youth.                                                                                                                                 | • Build a trusted social media/portal environment for the job search that brings together employers and employees and provides employment enhancement tools |
Drive awareness, change perception and gain trust

AWARENESS MUST BE BUILT IN ORDER TO SEED DEMAND

75% of young people in BANGLADESH were unaware that business skills & training could be delivered via mobile phone.

THERE ARE PERCEPTUAL BARRIERS TO OVERCOME

51% of young people in GHANA thought it would be too expensive to use the mobile services mentioned.

TRUST IN MOBILE OPERATORS SHOULD BE ADDRESSED

29% of young people in SPAIN would trust their mobile operator to deliver language training to their mobiles.

Source: GSMA/ALU Mobile for Employment Research
Thank you

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