ADVANCING ECONOMIC CITIZENSHIP FOR CHILDREN AND YOUTH IN SUB-SAHARAN AFRICA

Child & Youth Finance International

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Introduction

There are currently 1.8 billion young people[1] in the world, representing 25 per cent of the global population, with 87 per cent of this youth population residing in developing countries.[2,3] These figures are projected to increase in the coming years with both challenges and opportunities for youth development.[4]

The Synthesis Report of the United Nation's Secretary-General on the post-2015 agenda states that, ***"young people will be the torch bearers of the next sustainable development agenda through 2030."***[5] Child and Youth Finance International (CYFI) and UN-Habitat support this statement and emphasize the importance of financial inclusion and financial, social and livelihoods education in the development of the next generation of economic citizens across the world. Youth aged between 15 and 24 years can find themselves in economically vulnerable situations, being disproportionately affected by poverty, lack of tangible economic opportunities, high unemployment rates, and financial illiteracy. This is further exacerbated when young people find themselves excluded from formal financial and economic systems.

Less than five per cent of youth worldwide have savings accounts and are frequently being denied access to formal financial services.[6] In combination with low levels of financial capabilities, such participatory barriers can prolong and deepen youth poverty.

In order to enhance young people's individual self-confidence and structural economic opportunities, greater investments must be made in the development of essential financial, social and livelihood skills, increasing the availability of Child and Youth Friendly banking products,[7] and thereby nurturing a greater sense of economic citizenship for youth at global and local levels.

Financial inclusion and education are key factors in helping youth escape poverty, take advantage of livelihood opportunities and achieve their full potential as economic citizens. This publication introduces the concepts of financial inclusion, financial capability and CYFI's Theory of Change for economic citizenship and focuses on the demographic challenges and opportunities for youth aged 15-24 in sub-Saharan Africa as well as the numerous initiatives currently underway to advance economic citizenship for the continent's young people.[8]

Despite high rates of youth poverty and barriers that continue to prevent young people from accessing financial and educational services, significant progress is being made by pioneering government authorities and youth serving organizations to increase economic opportunities and enhance financial capabilities for young people.

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[1] Aged 10-24 years. The United Nations, for statistical purposes, defines "youth", as those persons between the ages of 15 and 24 years, without prejudice to other definitions by Member States. Children are defined as those under the age of 18.

[2] Population Reference Bureau, The World's Youth 2013, 2013, *http://www.prb.org/pdf13/youth-data-sheet-2013.pdf.*

[3] UNCDF, Financial Inclusion of Youth, 2013, 1-5. *http://www.un.org/esa/socdev/documents/youth/fact-sheets/youth-financial-inclusion.pdf.*

[4] UNFPA, State of the World Population 2014: The Power of 1.8 Billion – Adolescents, Youth and the Transformation of the Future, *http://www.unfpa.org/sites/default/files/pub-pdf/EN-SWOP14-Report_FINAL-web.pdf*

[5] UN Secretary General's Office, The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet, 2014, *http://www.un.org/ga/search/view_doc.asp?symbol=A/69/700&Lang=E.*

[6] UN Youth, Financial Inclusion of Youth, *http://www.un.org/esa/socdev/documents/youth/fact-sheets/youth-financial-inclusion.pdf.*

[7] CYFI and UNICEF, Beyond the Promotional Piggy Bank: Towards Children as Stakeholders, 2014, *http://issuu.com/childfinanceinternational/docs/beyond-the-promotional-piggybank.*

[8] Population Reference Bureau, The World's Youth 2013, 2013.

CYFI proposes that financial inclusion, along with financial, social and livelihoods education, are the building blocks of empowerment and financial capability that underpin economic citizenship for children and youth.[9] An economic citizen is financially capable, knows their rights and responsibilities within the community, and can build a sustainable livelihood for themselves.

By providing young people with a full range of appropriate and high-quality financial and education services, greater socio-economic empowerment and sustainable livelihoods can be achieved for the world's youth promoting both individual and collective well-being.

The objective of this publication is to inspire and guide policy-makers and practitioners globally to develop new and expand existing initiatives that integrate financial inclusion and education for children and youth. Such efforts will promote youth development, contributing to the rise of young, empowered economic citizens that can sustain a livelihood for themselves while supporting the well-being of those in their community.

1.1 Co-authoring organizations

UN-Habitat is the United Nations Human Settlements Programme devoted to ***"working towards a better urban future."***[10] For almost forty years, UN-Habitat has been working in human settlements throughout the world, focusing on building a brighter future for villages, towns, and cities of all sizes. Building upon this experience, UN-Habitat works with partners such as governments, experts, civil society groups, multilateral organizations, and the private sector to develop a holistic and global approach towards processes of urbanization. UN-Habitat's six-year strategies concentrate on traditional engagement areas such as city planning, infrastructure, development, participatory slum upgrading, and research on urban trends, as well as new focus areas such as urban legislation, gender, and youth.[11,12]

UN-Habitat's mission, outlined in the Habitat Agenda adopted at Habitat II in 1996, is to promote socially and environmentally sustainable development of human settlements and the achievement of adequate shelter for all. In 2016, the United Nations will host Habitat III, where a New Urban Agenda will be a developed and adopted.

The New Urban Agenda is built on three pillars: 1) urban legislation and governance; 2) urban planning and design; and 3) urban economy and finance. Key to the New Urban Agenda will be the meaningful engagement of youth in all three pillars as almost half the world's population is under the age of 25 and it is estimated that as many as 60 per cent of all urban dwellers will be under the age of 18 by 2030. The cities of the developing world account for over 90 per cent of the world's urban growth and youth account for a large percentage of those inhabitants.

A guiding principle of UN-Habitat's activities is youth-led development, which places youth at the centre of both their own and their communities' development. UN-Habitat has a comprehensive livelihood approach and works with

[9] M. Sherraden and D. Ansong: Research Evidence on the CYFI Model Of Children And Youth As Economic Citizens(CSD Research Review No. 13-04, 2013).
[10], UN-Habitat at a glance, UN-Habitat, http://unhabitat.org/about-us/un-habitat-at-a-glance.
[11] UN-Habitat at a glance, UN-Habitat, http://unhabitat.org/about-us/un-habitat-at-a-glance.
[12] Goals & Strategies of UN-Habitat, UN-Habitat, http://unhabitat.org/about-us/goals-and-strategies-of-un-habitat/.

youth globally through programmes such as the Urban Youth Fund which partners with youth-led organizations.[13] Other programmes such as One Stop resource centres play a key role in UN-Habitat´s partnership with local authorities in the area of youth empowerment and vocational and entrepreneurship training.

Dedicated to enhancing the financial capabilities of children and youth, Child and Youth Finance International (CYFI) is the coordinator of the world's largest network of organizations in the field of child and youth finance. CYFI provides support in an advisory, relationship-brokerage and knowledge-sharing role to its partners who – along with stakeholders, collaborators and supporters – are collectively known as the Child and Youth Finance Movement. The Movement includes government authorities, financial service providers, civil society organizations, bilateral and multilateral agencies, leading academics, and, most importantly, children and youth.[14]

The central objective that CYFI aims to achieve is the increase of the economic citizenship of children and youth by giving all children and youth aged 8-24 the knowledge to make wise financial decisions and the opportunity to accumulate savings, the skills to find employment and earn a livelihood,

1.2. Terms and definitions

A child is an individual under the age of 18, as defined by United Nations Convention on the Rights of the Child,[15] or under the age of majority as prescribed by national law,

Youth are persons between the ages of 15 and 24 as defined by the United Nations for statistical purposes,[16] and young people are anyone between the ages of 10 and 24, as defined by the United Nations Children's Emergency Fund, the World Health Organization and the United Nations Population Fund.[17] Different UN agencies, however, include young people of various ages in their youth programmes. For its Urban Youth Fund, UN-Habitat has defined youth as persons between the ages of 15 and 32; in other programmes, UN-Habitat has a less rigid age definition for youth due to the varied definitions of youth in countries where they operate.

CYFI's Model of Economic Citizenship poses that financial, social and livelihoods education, as well as financial inclusion are the building blocks of empowerment and financial capability which in turn underpin economic citizenship for children and youth as illustrated in Figure A.