



COMCEC

**CCO BRIEF**  
**ON**  
**POVERTY**  
**ALLEVIATION**

COMCEC COORDINATION OFFICE  
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# CCO BRIEF ON POVERTY ALLEVIATION

## I. Introduction

The basic definition of poverty is the inability of an individual to possess sufficient resources to satisfy his or her basic needs. The definition and range of basic needs depend on the place and time, or even the source of the definition. Hence, there are several ways to investigate the poverty levels of the countries. One of the most frequently used methods is to define poverty in monetary terms, like the US\$2.15 a day poverty line of the World Bank or the value of a minimum calorie requirements.

Nevertheless, poverty is a complicated phenomenon that goes beyond the monetary terms. In this sense, poverty is also investigated in non-monetary terms from a multidimensional viewpoint considering education, health and/or living conditions. The widely used non-monetary poverty indices are Human Development Index, Multidimensional Poverty Index, and Global Hunger Index.

In this context, poverty alleviation is an important component of economic and social development. Although most of the developing countries have experienced significant progress in poverty alleviation in the last decades, poverty levels are still high in many countries. Especially, the countries in Sub-Saharan Africa and Asia account for nearly half of the total poor living in developing countries. Twenty-one of the forty-six countries on the list of least developed countries are members of the OIC and poverty is a very serious problem in these countries. The global financial crises and food shortages that have been encountered in the recent period have also worsened this situation.

Although the total population of the OIC Member Countries accounts for nearly one-fourth of the world's total population, their total GDP accounted for only 8 percent of the total world GDP in 2022. On the other hand, per capita GDP levels vary across the OIC Member Countries, (i.e. \$1,364 in Somalia to \$114,648 in Qatar) . The poverty status also displays a diverse picture in the OIC countries with poverty headcount ratios in the Member Countries ranging between zero and 68.6 percent.

As an important component of economic and social development, poverty alleviation occupies a significant place in the agenda of the COMCEC and it was identified as a cooperation area in the COMCEC Strategy. The Strategy established the Poverty Alleviation Working Group (PAWG) with the strategic objective of “Eradicating extreme poverty and hunger in the member countries”.

In this context, the PAWG attaches great importance to improving the living conditions of the poor and increasing their productive capacities by providing more effective social assistance to the poor, establishing sound social protection systems, enhancing human capital through vocational education and training. In line with this perspective, the PAWG discussed (i) targeting mechanisms of social safety net systems in its 2<sup>nd</sup> Meeting, (ii) monitoring mechanisms of social safety net systems in its 3<sup>rd</sup> Meeting, (iii) institutional structure of social safety net programs in its 4<sup>th</sup> Meeting, (iv) accessibility of vulnerable groups to social protection programs in its 7<sup>th</sup> Meeting, (v) skills development through vocational education in its 12<sup>th</sup> Meeting, (vi) effective social assistance provision and socio-economic empowerment in light of COVID-19 Pandemic in its 18<sup>th</sup> and 19<sup>th</sup> Meetings, and finally (vii) effective vocational education and training strategies to reduce youth unemployment in the 20<sup>th</sup> and 21<sup>st</sup> Meetings. The research reports prepared on these topics laid the groundwork for discussions and enriched the discussions at the relevant meetings.

The COVID-19 outbreak has disrupted economies and worsened the state of poverty globally. Paralyzing daily life in many aspects the outbreak has devastating impacts on the global economy resulting in recession and downsizing. Most of the companies have difficulties to carry on their activities and a high number of people have lost their jobs. The situation of the poor is much more fragile.

The outbreak of the COVID-19 pandemic erased several years of efforts in poverty alleviation. While the economic contraction due to the COVID-19 has been relatively slower in the OIC region, the impact on poverty has been drastic. The COVID-19 pandemic has led to an increase of more than 13 million poor people in OIC countries from 2019 to 2021. Despite this background, the policy response has been slower among the OIC members than in the rest of the world.

## **II. Poverty Alleviation Efforts under the COMCEC**

As the COVID-19 pandemic has put a severe burden on economies, unfortunately, achievements in poverty alleviation in the last decades have been adversely affected. As a result of the restrictions applied to prevent the spread of the virus, the economic problems experienced worldwide led to job losses and other income losses, so more people became poor.

According to the International Labour Organization, the global youth (ages 15-24) unemployment rate is at 15.6 per cent in 2021, more than three times the adult rate. Furthermore, alarmingly, the proportion of the youth who are not in education, employment or training (NEET) has increased to its highest level in at the last 15 years.

The situation is even worse in OIC member countries, where the youth unemployment rate and NEET rate are 19.97% and 25.8%, respectively, and have been increasing since 2020. This increase has been partly due to COVID-19 pandemic, which has further worsened the hardly achieved gains towards improving the labour market situation in OIC member countries and elsewhere. For this reason, in accordance with the global development agenda, youth unemployment is an important research and policy priority in OIC member countries.

Due to the importance of the subject, the Poverty Alleviation Working Group has dedicated its Meetings in 2023 to the issue of reducing youth unemployment through effective vocational education and training programs. In this respect, 20<sup>th</sup> Meeting of the PAWG was held on May 10<sup>th</sup>, 2023, in a virtual-only format, and 21<sup>st</sup> Meeting was held on 9-10 October 2023 in Ankara, Türkiye with the same theme “Effective Vocational Education and Training Strategies to Reduce Youth Unemployment in the OIC Member Countries.”

Within this framework, since the 38<sup>th</sup> COMCEC Session the COMCEC Poverty Alleviation Working Group held its 20<sup>th</sup> and 21<sup>st</sup> Meetings focusing on the youth unemployment and vocational education.

### **A. Effective Vocational Education and Training Strategies to Reduce Youth Unemployment in the OIC Member Countries**

#### **(20<sup>th</sup> and 21<sup>st</sup> Meetings of the Poverty Alleviation Working Group)**

The 20<sup>th</sup> Meeting of the COMCEC Poverty Alleviation Working Group was held virtually on May 10<sup>th</sup>, 2023 with the theme “Effective Vocational Education and Training Strategies to

Reduce Youth Unemployment in the OIC Member Countries.” The 21<sup>st</sup> Meeting of the Working Group was held on 9-10 October 2023 in Ankara, Türkiye with the same theme.

A research report on the aforementioned topic has been prepared for two consecutive COMCEC PAWG meetings (20<sup>th</sup> and 21<sup>st</sup>). While the first draft version of the report was submitted to the 20<sup>th</sup> PAWG Meeting, the final draft version of the report was submitted to the 21<sup>st</sup> PAWG Meeting.

The report includes background and key concepts of youth unemployment and vocational education, and reviews the experiences and recommended practices from the OIC as well as non-OIC countries. Furthermore, the report covers four case country analyses on the issue namely Germany, Tunisia, Türkiye, and Uganda backed by field visits with government agencies and private sector counterparts.

The 20<sup>th</sup> and 21<sup>st</sup> Meetings of the Working Group thoroughly elaborated on the issue and considered the main findings of the draft research report.

The report highlights that the youth unemployment rate in the OIC Member Countries is much higher than in other countries. Moreover, unemployment of young women is much higher than that of men and is a chronic problem. In addition to youth unemployment, the rate of NEET youth is quite high in the OIC Member Countries.

It is also highlighted in the report that there are many challenges that the OIC Member Countries face in their efforts to reduce youth unemployment. These include weak macro-economic outlook and lack of stability, size of the informal sector, illiteracy and low level educational participation, poor quality of education, existing gender disparity, poor basic skills, knowledge and skills mismatch, labor market structures and rigidities, illegal migration, brain drain, climate change, fertility rate, and high youth bulge.

The report also indicates that policies and programmes need to be developed to reduce poverty, improve the system and quality of education, and strengthen the link between labor market and education. In this sense, VET plays an important role to reduce youth unemployment. It is necessary to transform the VET system in accordance with the needs of the digital age. Digitalizing the VET system is not only the transfer of training from face-to-face to online platforms. In addition to training, digitalization of VET includes all these dimensions of improving teacher quality, preparing digital contents, organizing training modules according to new skill needs, certification, guidance, employment, in-service training, and re-skilling.

The final report has also come up with a Guide including policy recommendations to give insights about effective ways of developing functional vocational education and training strategies to enhance the employability of the youth by the conditions of employment markets in the OIC Member Countries. After listening to the main findings of the report and policy options drafted therein the participants discussed the Policy Recommendations to be considered by the 39<sup>th</sup> COMCEC Ministerial Session.

In this respect, the Working Group came up with the following policy recommendations to be submitted to the 39<sup>th</sup> COMCEC Ministerial Session.

- *Conducting a needs assessment to identify areas of improvement for addressing youth unemployment and crafting effective policies*
- *Developing effective active labour market policies to reduce youth unemployment and create opportunities for decent work*
- *Developing/improving well-designed monitoring and evaluation systems with key indicators for the effective implementation of vocational education programs*

- *Upgrading workforce skills and increasing employability through promoting digital skills development and digital transformation of national VET systems as well as by creating the public-private partnership*
- *Initiating full-fledged incentive schemes in order to encourage entrepreneurship and business management, employment assistance, and on job training*
- *Developing policies and initiating labour market reforms to reduce informal employment*
- *Developing sound policies with comprehensive strategies aiming to reduce NEET rate*
- *Promoting effective coordination of all the stakeholders and creating synergy for the realization of inclusive youth employment policies*

The research report and the Policy Recommendations document are available on the COMCEC website ([www.comcec.org](http://www.comcec.org)).

## **B. COMCEC Project Funding**

COMCEC Project Funding (CPF) is the other important instrument of the Strategy. Projects financed under the CPF serve cooperation among member countries and are designed in accordance with the objectives and the expected outcomes defined by the Strategy in the poverty alleviation section. Projects also play important roles in realization of the policy recommendations formulated by the member countries during the PAWG meetings.

Under the 9<sup>th</sup> Call for Project Proposals, 2 projects were implemented by Türkiye and SESRIC in the area of poverty alleviation in 2022. The projects implemented under the CPF in 2022 are as follows:

The first project titled “Impacts of Digitalization in Social Assistance Program for Forced Migration” was implemented by Türkiye with two beneficiary countries: Oman and Cameroon. The project aimed at increasing and strengthening institutional capacity of countries for social assistance programs in the case of forced migration. In this regard, a training and a workshop were organized within the project.

The second project, titled as “Fostering Information Technology Solutions to Improve the Effectiveness of Public Employment Services (PES) in the OIC Member Countries”, was implemented by SESRIC with the participation of 12 Member Countries as beneficiaries. It was aimed to share best practices and tools for high-level IT involvement in PES systems and to increase the capacities of the staff working in relevant areas of PES through conducting a capacity building training course and a workshop on the topic.

Moreover, under the 10<sup>th</sup> Call for Project Proposals, 2 projects were selected in the area of poverty alleviation to be implemented in 2023. The projects were implemented under the CPF in 2023 are as follows:

The first project’s title is “Improving interoperability between information systems of social assistance programs” and the project was implemented by Benin with the partnership of Türkiye. The project aims at improving strong and interoperable social assistance systems for

effective social assistance delivery services. In this regard, study visit and training were organized in the project.

The second project, titled as “Promoting Digital Technologies for an Integrated and Efficient Social Protection Systems in the OIC Member Countries” was implemented by SESRIC for the benefit of 36 Member Countries. The main objective of the project is to share best practices and tools for high-level digital involvement and inclusive social protection and to increase the capacities of the staff working in relevant areas. In this regard, training and workshop were organized in the project.

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