

Findings from PPRC Rapid & Intensive Regional Economy Diagnostics on Youth Economic Opportunity & Realities in Post-Uprising Bangladesh

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Meso-economy and the Missing Middle

Why opportunities are failing to turn into outcomes for youth

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PPRC
Power and Participation Research Centre

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The economic promise of the July uprising

The test of change is whether young people can build a dignified livelihood.

The quota protest raised a larger question: who gets access to secure work, through what process, and on whose terms?

More than two years later, we need to judge change through everyday economic experience. Can a young person enter work, earn a living and build an enterprise on fair terms?

WHAT SHOULD CHANGE IN EVERYDAY LIFE

Entry into work

Can young people find a first job on fair terms?

Earnings

Does work pay enough to build a livelihood?

Enterprise survival

Can a young person's business start, survive and grow?

Fair access to services

Do public services respond without informal payment?

Source: PPRC Policy Brief 8/26 (2026), Section 1.

1

Context



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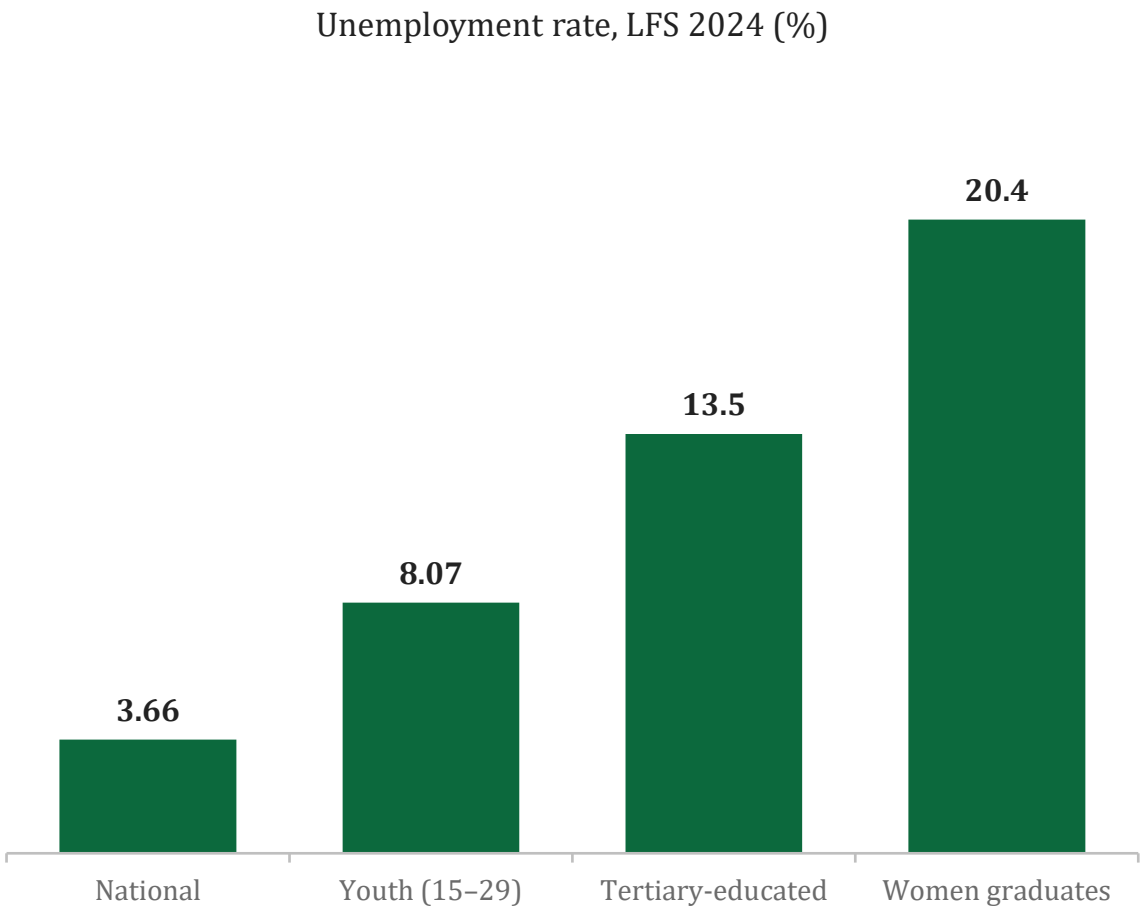
Youth exclusion: Scale of the problem

Youth exclusion includes unemployment, insecure work and the unequal burden of care.



885,000 of the 2.62 million unemployed were university graduates. A degree is not guaranteeing a route into work

18.9% of youth were outside work, education and training in 2023. Young women: 22.1%. Young men: 15.4%.

92.7% of working youth were in informal employment in 2022. For working young women: 98.5%.

Women spend 5.9 hours a day in household work

43% - Women's participation rate in the labour force

Source: BBS Labour Force Survey 2022–2024; ILO (2024); BBS Time Use Survey 2021 and UN Women (2024), as cited in PPRC Policy Brief 8/26.

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Job creation and household security are under strain

A young person's start depends on both local demand and the family's capacity to support it.

THE DEMAND SIDE

–9.6%

fall in manufacturing employment, 2016–2022, even as the sector grew 9.1% a year

11.7 million

economic units engaging 30.6 million people; about 95% are micro and cottage units

Net job losses

in Chattogram, Rajshahi and Sylhet divisions while Dhaka gained

THE HOUSEHOLD BACKDROP

27.93%

poverty in PPRC's May 2025 national survey of 8,067 households

0.436

expenditure Gini in the same PPRC survey

Little surplus

household income barely covers expenditure, limiting support for a young person's start

Sources: World Bank (2024), BBS Economic Census 2024 and PPRC State of the Real Economy (2026), as cited in the brief.

What the literature tells us, and what it leaves out

The literature documents the scale of youth exclusion with some precision but says little about the institutional mechanisms that produce it.

Skills and training

Studies document difficult school-to-work transitions and employers' difficulty finding suitable workers (World Bank, 2018; CPD, 2022). The vocationally trained share of the working-age population fell from 5.4 percent in 2013 to 1.7 percent in 2016–17, and only 8.4 percent of TVET institutions offered placement support (NSDA, 2023). TVET carries a stigma as "labourers' work" (Shimu & Howlader, 2025).

Aspirations

Youth aspirations cluster around secure, high-skilled and public-sector jobs that labour markets supply in limited numbers (OECD, 2017). In Bangladesh the public-sector premium, and the quota grievance, sharpen this gap.

Gender and capital

Women's participation is tied to childcare, mobility and safety (Kotikula et al., 2019). Gains from skills programmes for young women fade when family pressures reassert themselves (Banks et al., 2024). A "missing middle" between microfinance and conventional bank lending leaves growth-stage youth enterprises unserved. Evidence from elsewhere suggests capital can be the binding constraint: cash grants to unemployed youth in Uganda raised earnings by 38 percent after four years (Blattman et al., 2014).

Institutions and voice

Data from TIB surveys of 2024 and 2026 suggest corruption in public services rose from 70.9 percent of households in 2023 to 81.6 percent in 2025; 81.5 percent of bribe-payers could not obtain the service without paying. Only 1.4 percent of households knew of the Grievance Redress System, and the burden is regressive: 5.1 percent of income for poor households against 3.2 percent for others. In private hiring, referrals substitute for public employment services that are too thin to work (Heath, 2018).

Sources: World Bank (2018); CPD (2022); NSDA (2023); Shimu & Howlader (2025); OECD (2017); Kotikula et al. (2019); Banks et al. (2024); Blattman et al. (2014); TIB (2024, 2026); Heath (2018).

Our enquiry: listening to both sides of the local economy

A rapid, intensive regional appraisal, 28 August–25 September 2026.

3

paired regional consultations

Separate youth and employer sessions in Rajshahi, Jashore and Chattogram, centred on participants' experience.

159

questionnaire respondents

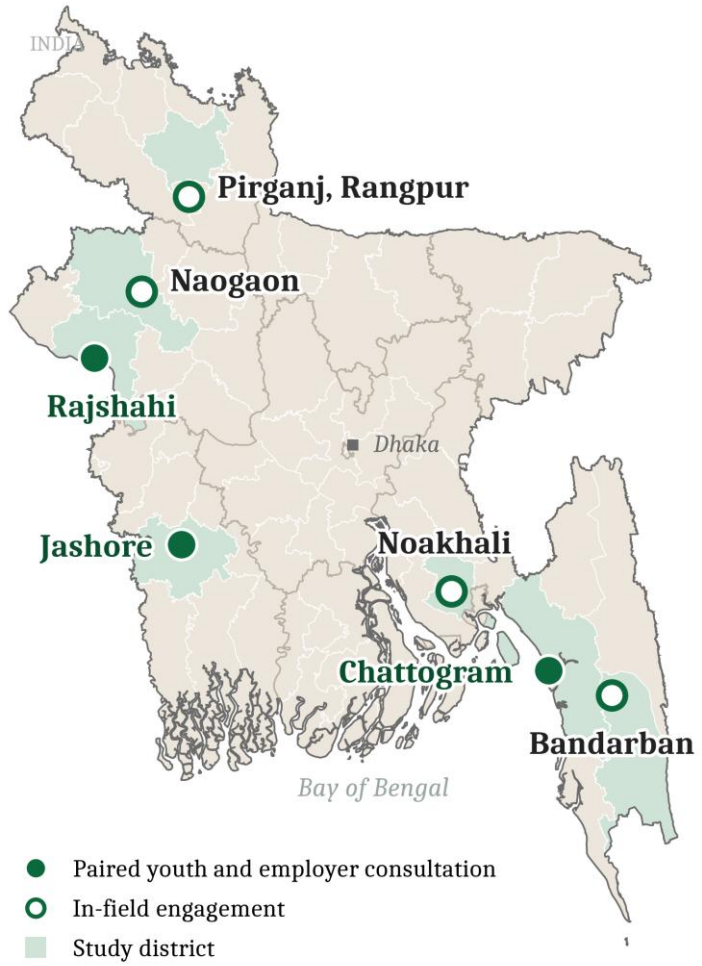
100 young people and 59 employers and entrepreneurs completed a short, self-administered questionnaire.

5

in-field engagements

Naogaon, Pirganj, Jashore High-Tech Park, coastal Noakhali and indigenous communities in Bandarban.

Purposive selection. Findings identify institutional barriers among participants, not their national prevalence.



Source: PPRC regional consultations and field engagements, 2026. Boundaries: geoBoundaries (CC BY 4.0).



2

Regional Realities

Opportunity is visible everywhere; the conversion layer is not

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Rajshahi: production has outgrown processing

Horticulture offers entry points for youth, but the supporting economy remains thin.

Setting

Barind horticulture is expanding. Rajshahi's urban economy offers few routes into skilled work beyond education-related services.

Youth voice

Young people want viable livelihoods locally. Their ventures lack capital, devices and mentoring.

Employer voice

Employers see processing potential but report weak research support and lending that excludes nurseries and apiculture.

Priorities

A fruit-processing cluster, testing and cold storage, with credit suited to seasonal cash flow.

FIELD INSIGHT

The jobs beyond the orchard

~50%

of Bangladesh's mangoes come from the Rajshahi region

Processing can create work in food technology, quality control and logistics. The opportunity extends well beyond growing and selling fresh mangoes.

Source: PPRC Policy Brief 8/26, Rajshahi and Naogaon consultations, Section 3.1.

Rajshahi and the north-west: assets not yet creating work

Mango, silk and a community library show local potential running ahead of institutional support

BOX 1

Mango: half the national crop, little of the value

The region produces about half of Bangladesh's mangoes, yet participants reported substantial post-harvest losses, with the crop sold almost entirely as table fruit.

Processing into dried slices, concentrate, seed butter and oil could create jobs in food technology, quality assurance, logistics and export marketing. The constraint is storage, processing, testing and market access.

BOX 2

Rajshahi silk: a brand without an industry

Sericulture Board nurseries remain idle, and cooperatives have not been allowed to run them, even on trial. Reeling machinery lies unused for lack of technicians.

Imported synthetic yarn attracts low duty while local raw yarn is taxed. Weaving, mulberry cultivation, design and retail could all employ young people.

BOX 3

Pirganj, Rangpur: the self-learning opportunity gap

At the launch of a community library founded by local young people in memory of a July Uprising martyr, youth were asked what they needed. A library was their first and only demand.

Speakers wanted it kept a place of learning, open equally to girls and boys. Demand for knowledge exceeds what institutions provide.

Source: PPRC Policy Brief 8/26 (2026), Section 3.1, Boxes 1–3. Pirganj (Rangpur) was an informal engagement outside the structured consultations.

Jashore: enterprise outpaces institutional support

Public assets and financial services need to respond to the businesses that actually exist.

Setting	Flowers, aquaculture, light engineering, women-led services and digital enterprise form a diverse local economy.
Youth voice	Freelancers say banks fail to recognise software and platform income. Young people lack practical career support.
Employer voice	Women entrepreneurs report deed and spousal-signature demands. Producers describe licensing rules poorly suited to local conditions.
Priorities	Recognition of digital and service income, accessible licensing and accountable management of public assets.

FIELD INSIGHT

A flagship with limited access

Tk 305 crore

reported cost of the park (Prothom Alo)

IT entrepreneurs reported high rents, power charges and vacancies. Their accounts were not independently verified. The policy question is whether the asset enables local enterprise.

Source: PPRC Policy Brief 8/26, Jashore consultations, Section 3.2. Park cost from Prothom Alo, as cited.

Jashore: a flagship public asset that is underused

The High-Tech Park was meant to create digital jobs; entrepreneurs describe a different reality

BOX 4

The Jashore High-Tech Park: a flagship underused

Built at a cost of about Tk 305 crore (Prothom Alo), the park was intended to establish Jashore as a regional hub for software and freelancing. It was leased to a private operator on a long-term basis.

IT entrepreneurs at the dialogue described terms unfavourable to small firms, citing high rents and power charges. They reported extensive vacancies; an earlier press report put the vacancy rate at 38 percent. The operator left after August 2024.

Participants said officials without IT expertise now run the park, while a well-equipped university IT laboratory nearby remains unused. These accounts could not be independently verified.

Tk 305 crore

reported cost of the park (Prothom Alo)

38%

vacancy rate in an earlier press report

The public asset has yet to fulfil its intended role in creating youth employment.

Source: PPRC dialogue with IT entrepreneurs, Jashore, 2026 (Section 3.2, Box 4). Participants' accounts were not independently verified.

Noakhali: value leaves the coastal economy

Local processing and seasonal finance could retain more income and employment.

Setting	Agriculture and livestock support a varied coastal economy, exposed to waterlogging, salinity and insecure land access.
Youth voice	Young people seek apprenticeships as well as capital. Families often back overseas migration over local enterprise.
Producer voice	Soybean leaves without local crushing or feed mills. Loan repayments begin before crops generate cash.
Priorities	Local processing, seasonal loans with grace periods and enterprise support linked to practical learning.

FIELD INSIGHT

An affordable loan can still be inaccessible

Signature

a reported condition for women's access to credit

A home-based entrepreneur said she was refused a loan because her husband was absent. Access depends on frontline practice as well as the terms of a scheme.

Source: PPRC Policy Brief 8/26, coastal enterprise dialogue, Noakhali, Section 3.3.

Noakhali: a concessional loan women cannot reach

A scheme intended to widen inclusion can reproduce the barriers it was designed to remove

BOX 5

The 4 percent loan and the husband's signature

Bangladesh Bank's refinance scheme offers women entrepreneurs concessional loans at 5 percent, falling to 4 percent for repeat borrowers (The Daily Star, 2023).

In Noakhali, a woman operating a small home-based business was refused a loan because her husband was not present to sign. Women across the coast and the south-west reported similar requirements: land deeds, land records or a husband's signature.

At the same time, husbands often control loans registered in women's names, creating "paper" women entrepreneurs.

4%

concessional rate for repeat women borrowers

"Paper"

entrepreneurs: loans in women's names, controlled by husbands

Access depends on frontline practice, not only on the terms of a scheme.

Source: PPRC coastal enterprise dialogue, Noakhali, 2026 (Section 3.3, Box 5); The Daily Star (2023).

Chattogram: demand exists, entry routes are weak

Employers need skills while young people struggle to gain their first experience.

Setting	The port, industrial clusters, healthcare and digital services offer a wide range of employment opportunities.
Youth voice	Young people report experience requirements, informal payments and childcare costs that can exceed starting pay.
Employer voice	Employers identify skills gaps and compliance burdens that small firms struggle to meet.
Priorities	Employer-linked training and paid entry routes, regional testing facilities and proportionate SME compliance.

FIELD INSIGHT

A disconnect in technical education

30,614

private polytechnic enrolment in 2024–25, against 160,000+ seats

Employers identify shortages in logistics and nursing. Low polytechnic enrolment raises a basic question: how well do training institutions connect to local demand?

Source: PPRC Policy Brief 8/26, Chattogram consultations, Section 3.4. Enrolment: Prothom Alo (2026), as cited.

Chattogram: a port economy short of the skills it needs

Demand for new skills is rising while technical education contracts

BOX 6

A port economy short of the skills it needs

Shipping and logistics linked to the Matarbari deep-sea port and the Bay Terminal will require skills in Incoterms, chartering and port rules that are not yet taught. Hospitals struggle to recruit trained nurses and administrative staff.

Employers reported finding only a handful of eligible candidates among the university graduates they assess. An IT firm recruited very few of the engineering graduates it interviewed.

Meanwhile, technical education is contracting. Admissions have been suspended at 137 diploma-level institutions that enrolled no students for three consecutive years.

30,614

private polytechnic enrolment in 2024–25, against 160,000+ seats

137

diploma institutions with admissions suspended

Training institutions are shrinking just as employers look for new skills.

Source: PPRC regional consultations, Chattogram, 2026 (Section 3.4, Box 6); Prothom Alo (2026). Enrolment figures are national, not Chattogram-only.

Bandarban: resources need access and a local voice

The hill economy links questions of markets with water, education and community rights.

Setting

Orchards, coffee, cashew and crafts offer livelihoods. Returns depend on roads, storage and access to buyers.

Community voice

Communities report spoiled fruit and barriers to secondary schooling. Local initiatives offer residential education and STEM learning.

Producer voice

Producers seek cold storage and fair tourism partnerships. They also report permit costs and weak protection of local knowledge.

Priorities

Market links and storage, mother-tongue schooling, water provision and community participation in tourism.

FIELD INSIGHT

Livelihood change has consequences

Dry streams

reported by participants in Mro villages

Participants associated the shift to orchards with water stress and reliance on purchased rice. Their account calls for investigation and consultation before further intervention.

Source: PPRC Policy Brief 8/26, Bandarban community dialogue, Section 3.5. Water impacts are participants' accounts.

Bandarban: planting trees, losing livelihoods

Public action without consultation has placed hill livelihoods at risk

BOX 7

Planting trees, losing livelihoods

For decades, the state discouraged jhum cultivation and promoted fruit orchards. “Following the state’s advice, everyone planted orchards,” a Mro participant said. “But the more mango trees you plant, the more the water dries up.”

Streams in many Mro villages now run dry during the dry season. Households that once relied on their own jhum rice depend on rice from the plains.

Cashew farmers received processing training but felled their trees before processing became profitable.

Dry streams

in many Mro villages during the dry season

“If vehicles stop for a month, we will starve.”

Participants’ accounts call for investigation and consultation before further intervention.

Source: PPRC dialogue with indigenous communities, Bandarban, 2026 (Section 3.5, Box 7). Water impacts are participants’ accounts.

Different regions, a common institutional gap

The missing services are specific enough to guide regional investment.

Region	Visible opportunity	Missing conversion layer
Rajshahi and the north-west	Barind horticulture and mango, organic inputs, silk, digital services	**Fruit processing, cold storage, export certification, sericulture revival**
Jashore and the south-west	Aquaculture, flowers, tailoring, light engineering, women-led services, IT	**Technical extension, skill certification, credit for services and software**
Noakhali (coast)	Integrated farming, machinery services, soybean, buffalo curd, hogla mats, youth ICT and food enterprise	**Crushing and feed mills, finishing units, GI registration, seasonal credit**
Chattogram	Port and logistics, garments, food processing, healthcare and caregiving, IT	**Maritime and health skills, SME-scaled compliance, cash-flow finance**
Bandarban (hills)	Orchards, coffee, cashew, apiculture, tourism, crafts	**Roads to market, cold storage, processing, community share in tourism**

Source: PPRC Policy Brief 8/26 (2026), Table 3.

Youth and employers describe the same broken transition

Both see opportunity. The disagreement concerns who makes young people ready for it.

COMMON GROUND

Real economic opportunities exist in every region

A missing middle of processing, services and market access

Skills rank as the first priority

Finance is poorly suited to small and youth-led enterprises

Employers emphasise

- Weak practical preparation
- Difficulty retaining trained recruits
- Little influence over training provision

Young people point to

- Experience demanded before a first job
- Few routes into practical learning
- Recruitment that lacks transparency

Source: PPRC paired consultations, Rajshahi, Jashore and Chattogram, 2026 (Section 3.6).



3

Youth and Productive Employment

Employers question readiness; young people question access to becoming ready

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Certificates are not translating into competence

The transition into work needs shared responsibility from educators and employers.

Soft-skills crisis, hard-skills gap

Participants identify weak communication and practical knowledge, linked to rote-based schooling.

Employers outside the training system

Only a third of surveyed employers had links to public skills, apprenticeship or youth enterprise programmes.

Budgets without outcomes

Training rewards enrolment and attendance. Employers need evidence of practical competence.

A shrinking technical pipeline

Participants describe outdated equipment and examination calendars that reduce teaching time.

The experience paradox

Young people report jobs demanding experience, while internships and part-time work remain scarce.

Self-learning without support

Young entrepreneurs often learn by doing. Mentors and practical projects could strengthen that effort.

Source: PPRC employer and youth consultations and questionnaires, 2026 (Section 4.1, Boxes 8–9).

Institutions remain difficult to access

The consultation questionnaires support the accounts we heard in the field.

YOUNG PEOPLE (100 RESPONDENTS)

4%

find work mainly through government employment centres

80%

faced delays or informal payments, among those needing a government service

67%

name lack of collateral as the main obstacle to finance

4.2 / 10

average trust in government institutions

EMPLOYERS (59 RESPONDENTS)

33%

ever linked to a public skills, apprenticeship or youth enterprise programme

15%

find it easy to recruit qualified young candidates

70%

say microfinance is too small and bank collateral too hard to meet

42%

rate dealings with the best-rated public agency as good

Source: PPRC–TAF consultation questionnaires, Rajshahi, Jashore and Chattogram, Aug–Sep 2026 (Table 2). Purposive sample; shares are of those answering each item; not nationally representative.

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Structural Barriers to Youth Enterprise

Skills matter, alongside finance, fair recruitment and the rules governing access.

Finance that values land	Lenders require land, a trade licence and TIN; software, plant stock and platform income are not recognised.
Rules built for large firms	Participants report multiple licences, fixed assessments and compliance costs poorly suited to small firms.
Rent-seeking, idle assets	Informal payments move files; salami secures premises; public assets lie underused.
Value captured by others	Middlemen and conglomerates capture value; without testing, cold chains and branding, regions sell raw.
Exclusion by group	Young women, indigenous youth, madrasa learners and youth with disabilities face barriers that differ in kind.

Barriers named by young participants

Nearly half	cite non-transparent recruitment
2 in 5+	cite political or social influence
~2 in 5	cite lack of capital
~2 in 3	put finance in their top three barriers

Source: PPRC consultations and youth questionnaire, 2026 (Section 4.2, Box 10). Responses reflect perceptions, not direct measurement.

Voice is part of economic reform

Those who bear the consequences need a role in the decisions.

No channel for participation

Few standing forums bring youth, producers and regional employers into dialogue with decision-makers.

Limited knowledge of how to engage

Young people and small producers often lack the information and organisation to press a demand or use a rule.

No response or accountability

Letters go unanswered, complaints are not acted on, and underused public assets carry little consequence.

LOCAL CONSEQUENCES, UNHEARD VOICES

No response

Curd producers reported unanswered requests for GI support

Rules and jobs

Jashore producers described licensing barriers affecting livelihoods

+41%

Chattogram port tariffs, Oct 2025, despite users' objections

1.4%

of households know of the Grievance Redress System

Source: PPRC Policy Brief 8/26 (2026), Section 4.3; The Daily Star (2025); TIB (2026).



4

Meso-economy and the Missing Middle

Where opportunity fails to convert into outcomes

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The meso-institutional lens

Between national policy and household circumstance lies a meso-institutional space.

THE MESO-INSTITUTIONAL SPACE

Recruitment channels, training centres, universities, banks, licensing offices, regulators, utilities and market intermediaries.

It is here that a formal entitlement either becomes a usable opportunity or turns into practical exclusion. Frontline discretion, administrative delay, informal payments, poor information and unsuitable financial products do their work in this space.

THE STUDY DRAWS ON THREE BODIES OF THOUGHT

Street-level bureaucracy (Lipsky)

Focuses on the discretion of the loan officer, the licensing inspector and the examiner.

The capability approach (Sen)

Separates a formal resource from the real freedom to use it.

Institutional economics (North)

Shows how formal rules and informal practices, from commission systems to advance credit, shape incentives and distribute value.

APPLIED THROUGH AN OPPORTUNITY-CONVERSION CHAIN

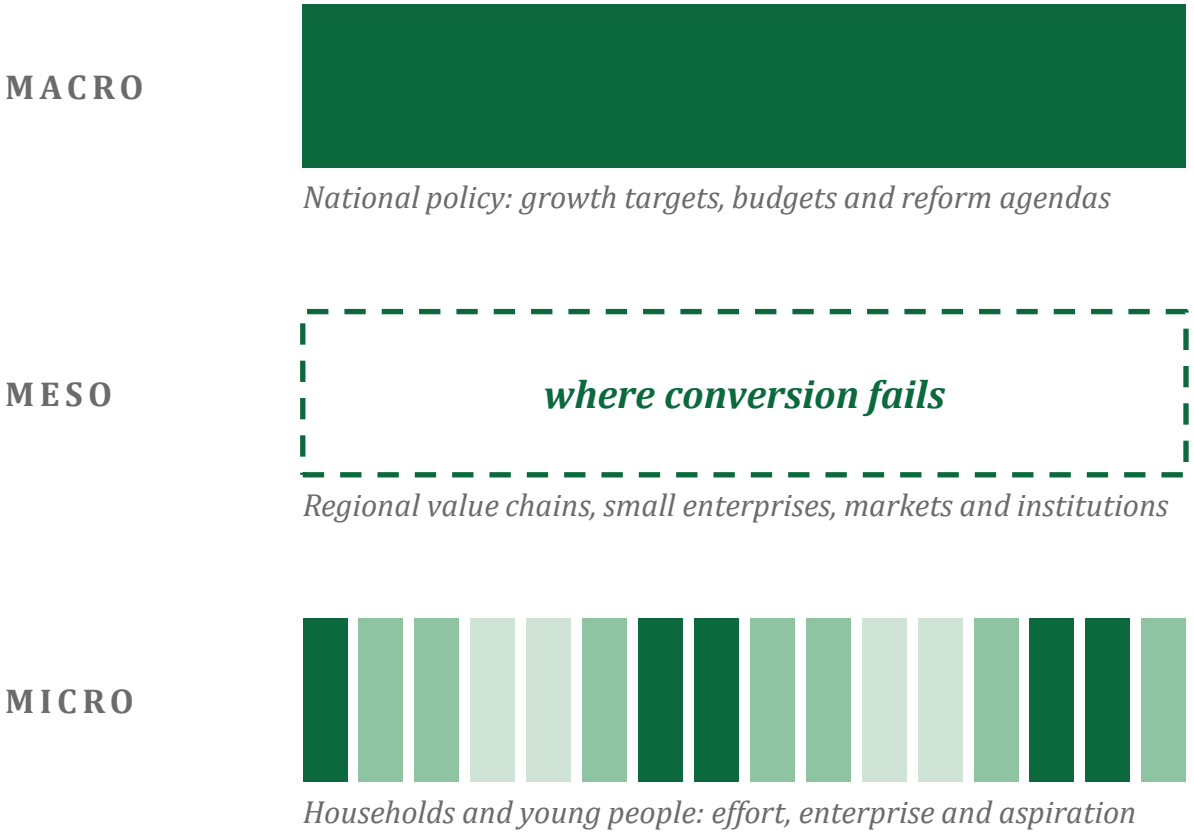
Visible opportunity → **Knowable information** → **Usable capability** → **Recognised capital** → **Authorised and supported activity** → **Viable outcome**

A viable outcome sustains income, dignity and resilience. A break at any link turns opportunity into exclusion.

Source: PPRC Policy Brief 8/26 (2026), Section 5.

The missing middle in our policy debate

Regional institutions determine whether opportunity becomes a livelihood.



Our policy debate moves between national targets and household effort. The regional economy connects the two.

The processing unit and testing facility

The credit officer who reads land deeds rather than project viability

The licensing desk where files do not move without informal payments

This is the meso-economy: the firms, services and institutions through which people gain access to opportunity.

Source: PPRC Policy Brief 8/26 (2026), Section 5.

The missing middle takes four forms

These gaps connect enterprise development with the governance of access.

Value chains

Production has advanced beyond the available capacity for processing, storage and certification.

Enterprise

Numerous micro and cottage units coexist with dominant conglomerates, but few firms grow in between.

Finance

Microfinance offers too little capital and bank credit demands too much collateral for youth enterprises.

Institutions

Policy is formulated at the centre and experienced in households, with few effective connections between them.

Reform must connect these four levels. A training intervention cannot, by itself, repair finance, markets or access to public services.

Source: PPRC Policy Brief 8/26 (2026), Section 5.



5

Way Forward

From a training-centred approach to a connected employment and enterprise ecosystem

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Policy insights: finance, training and value chains

Turning opportunity into outcomes depends on change at the meso-institutional level.

1	**A new lending model for the middle layer**	Microcredit is too small and starts repayment too soon; banks look for land collateral. Growing youth enterprises need longer-term, risk-taking capital. Meanwhile banks earn high profits by lending to government rather than to SMEs.
2	**Training with outcomes, and room for self-learning**	Training is a mantra, but initiatives are fragmented and not focused on results. Expand self-learning and apprenticeships, for example by linking trade-licence renewal to hiring young apprentices, and through community libraries such as Pirganj's.
3	**Building value chains**	Value chains should not remain a slogan. Up to half of Rajshahi's mango output is reported to go to waste. Entrepreneurs in Naogaon and Bandarban show how value can be added, but receive little support at the meso level.

Source: Presentation by Dr Hossain Zillur Rahman, PPRC–The Asia Foundation dissemination event, Dhaka, 21 November 2026.

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Policy insights: education, services, assets and voice

Fundamental lessons from the field, not casual observations.

4	**Quality of education**	Move beyond rote learning and connect the classroom to the real world. Residential schools and local education entrepreneurs in Bandarban show what this can look like.
5	**Access to services**	Services exist, but can people reach them, and are they of good quality? Attention must shift to the front line, where the service provider meets the citizen.
6	**Governance of public assets**	The Jashore Hi-Tech Park, built without local entrepreneurs on board, is one of several such cases, including in Rangpur and Cumilla. Public assets must be governed around ground reality.
7	**Voice and new coalitions**	Young people in the regions lack channels and, often, the means to be heard. Mentoring and new coalitions are needed to give them a voice.

Source: Presentation by Dr Hossain Zillur Rahman, PPRC–The Asia Foundation dissemination event, Dhaka, 21 November 2026.

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Whether opportunity turns into outcomes remains open

It can, if the lessons are taken to heart: meaningful work, shared responsibility and sustained dialogue.

1

Meaningful work

Employment must offer dignity and a living wage, not tokenism. Opportunity has to be meaningful as well as available.

2

Responsibility of youth

Young people cannot only demand. They must come forward as competent actors, through self-learning and mentoring, as participants from Bandarban have shown.

3

Keep the conversation going

Voice was one of the day's main achievements. Lasting channels for dialogue must be built; conversation itself can become a force for change.

Source: Presentation and closing remarks by Dr Hossain Zillur Rahman, PPRC–The Asia Foundation dissemination event, Dhaka, 21 November 2026.

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THE PRACTICAL TEST

The credibility of reform rests on whether young people can turn opportunity into a dignified livelihood.

We can identify the barriers, assign responsibility and act. The regional economy is where this promise must become real.

Thank you

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