



The importance of youth employment in a globalizing world: the ILO viewpoint

Presentation by Jane Stewart, 3 December 2004

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Good morning, ladies and gentlemen. It is my pleasure to be here. I would like to thank the Government of Japan for joining with the ILO to provide us all with an opportunity to continue our dialogue on the important issue of youth employment. I say, continue, because Feb of 2002 in Bangkok, we joined our forces to have what was probably one of the first discussions in the new Millennium on youth employment. Since that time, many of the countries participating today have increased their efforts in support of their young citizens. Sri Lanka and Indonesia for example, made the political decision to become lead countries in the ILO-led Youth Employment Network, partnership of the UN, the World Bank and the ILO and numerous stakeholders including young people. The Government of Korea has provided what is arguably the first direct investment to the ILO in support of youth employment initiatives and we are currently using those funds in the countries of Viet Nam, Nepal, Sri Lanka, and soon in Mongolia and China. Certainly as I read the important and valuable reports from participating countries today, I can tell you they will help me and the ILO to formulate and prepare for the general discussion on youth employment to be held in 2005 at the International Labour Conference in Geneva.

Since our meeting in 2002, there has been an ever-increasing interest by governments, and employers and workers organizations, about the importance that youth play in their success, socially, economically and politically. All are recognizing that the importance of tackling youth employment is key to the broad issues discussed at yesterday's sessions including poverty reduction, sustainable development, indeed, even stability and world peace.

At the International Labour Office, we have been continuing our work increasing our research and analysis to better understand and be able to respond as to:

- Why youth unemployment continues to increase. As mentioned by the Director-General yesterday, the number of youth unemployed in



1993 was 69 million. A decade later, they are 88 million, or half of all the world's unemployed, despite being only the 18% of the world's population.

- We are interested in why youth unemployment compared to adult unemployment rate is at best two times higher, and in some countries over five times higher. As the Director-General said yesterday, this is a fault line between generations and we are all responsible to deal with it.
- We are interested in why young women continue to find it harder to find employment than young men. What the impact of increasing part-time, contract, temporary work is having on young people, how the fact that 93% of job opportunities for young people are now found in the informal economy will impact youth and their employment today and in the future.
- We are vitally interested in school-to-work transition. Traditional transition is being replaced by far more varied, complex and lengthy transitions. The NEETs of Japan, those “not in education, employment or training”, certainly is a reflection of that changing transition.
- We are researching and trying to better understand changing youth aspirations toward the world of work and think of the “freeters” who themselves may be reflecting the changing aspirations.
- Of course, we remain interested in very specific realities of young people with disabilities, those who are indigenous peoples, minority youth, and those who are affected by the HIV-AIDs pandemic.

These questions were discussed fully at the recent tripartite meeting on youth employment held in Geneva in October. Countries and social partners who participated agreed that with these and other complex questions abounding, tackling the youth employment challenge has become even more important. They advised that understanding the dynamics of youth unemployment is critical but only the tip of the iceberg and that our work must include those young men and women who are employed but in circumstances that are far from being described as Decent Work.

The participants acknowledged that there is no one size fits all solution, but the days of thinking that the solution is a programme here or a programme there is gone. As the



Director-General mentioned yesterday, a key conclusion of the meeting was that our policy message recognize the need for an integrated and cohesive approach that includes interventions at the macro economic and the micro economic level, focuses on labour supply and demand, and on job quantity and quality.

Thinking of the importance of the macro economic policy, we know and many of you in your reports highlighting the necessity of increased aggregate demand and economic growth. At the same time, as was clear from yesterday's discussion, leaving it strictly to the market does not always mean there is a pro-employment aspect to that growth. The meeting concluded that we have to ensure that employment is placed at the heart of macro economic policy and not just left as a derivative. It was interesting yesterday to hear how many panellists referenced the complementarity of globalization and localization. This highlights the important roles that meso and micro policy play in any effective youth employment strategy. Communities knowing their local population of young men and women need to take the responsibility for policies at the local level. When we think of supply and demand, we know from our experience that on the demand side, there are opportunities for young people when countries and communities use employment-intensive infrastructure programmes. When sectoral policies of encouraging economic sectors reflective of the interests of youth like ICT are supported, when appropriate flexibility and protection are considered in labour market regulations, when entrepreneurship is encouraged and when wage supplement and other related schemes are thoughtfully utilized. On the supply side, and significantly supported yesterday, we know that investments in basic primary education, vocational and technical education and training and life-long learning are essential. Employment services, including career counselling, pertinent labour market information, support employability.

As mentioned, increasing the quantity of jobs available is important, but the quality of those jobs is equally important. Here, good governance in labour market regulation, use of labour standards and the involvement of social partners are all essential ingredients.

Finally, and perhaps most importantly that the participants of the tripartite meeting recognized that the voices of youth and their inclusion in the development of policies and programmes supporting their employment is what will make or break our 21st century solutions.



The ILO is critically placed to encourage and support such an approach. Our Decent Work agenda is the paradigm into which these conclusions fit. And our Global Employment Agenda, that is, the employment strategy of the Decent Work agenda, gives us an integrated and cohesive framework in which to work. Our leadership is important in the Youth Employment Network, or YEN, as a global platform through which to work. And I hope the Director-General's suggestion of "more yen for YEN" will be something for which we can work together.

Finally, the tripartite meeting encouraged us to ensure that our policy messages on youth employment become overlaid on other national programmes including Poverty Reduction Strategy Papers (PRSPs), Decent Work country programmes and other work associated with the Millennium Development Goals. The participants also concluded that the work of the Office should continue to develop more and better indicators of youth employment challenge, identify and share good practices at the national and I would suggest even at the local level and to prepare and provide tools for youth as appropriate country by country, to respond to the specific needs of their young citizens.

Ladies and gentlemen this is a short summary of where we find ourselves with regards to the ILO's policy message and technical programme. And we look forward to the important discussion that will occur at the June International Labour Conference in 2005 to get confirmation of this preliminary conclusions and support from member states and social partners to go forward in our efforts to meet the youth employment challenge. I hope that the work of today's sessions will help you in your own planning and participation in the discussion at the International Labour Conference.