In a climate of renewed concerns about global economic growth, youth unemployment is on the rise after several years of improvement

Global economic growth in 2016 is estimated to stand at 3.2 per cent, 0.4 percentage points lower than the figure predicted in late 2015. The downward revision is a result of recessions that were deeper than expected in some key emerging commodity-exporting countries, including Argentina, Brazil and the Russian Federation. In addition, growth in developing countries, at only 4.2 per cent in 2016, is at its lowest level since 2003. Despite anticipation of a slight improvement in global growth for 2017, global investment and hiring decisions remain subdued in the face of the uncertainty generated by a rapidly changing environment.

Consequently, the global youth unemployment rate is on the rise after a number of years of improvement, and is expected to reach 13.1 per cent in 2016 (from 12.9 in 2015). This is very close to its historic peak in 2013 (at 13.2 per cent) and where it is expected to remain in 2017. As a result, after falling by some 3 million between 2012 and 2015, the number of unemployed youth globally will rise by half a million in 2016 to reach 71 million and will remain at this level in 2017.

The deterioration is particularly marked in emerging countries where the unemployment rate is predicted to rise from 13.3 per cent in 2015 to 13.7 per cent in 2017 (a figure which corresponds to 53.5 million unemployed in 2017, compared to 52.9 million in 2015). The youth unemployment rate in developing countries is expected to remain relatively stable, at around 9.5 per cent in 2016, but in terms of absolute numbers it should increase by around 0.2 million in 2016 to reach 7.9 million unemployed youth in 2017, largely due to an expanding labour force. Finally, in developed countries, the unemployment rate among youth is anticipated to be the highest globally in 2016 (14.5 per cent or 9.8 million) and although the rate is expected to decline in 2017, the pace of improvement will slow (falling only to 14.3 per cent in 2017).

…and job quality, especially in emerging and developing countries, remains a major concern for youth

Unemployment figures understate the true extent of youth labour market challenges since large numbers of young people are working, but do not earn enough to lift themselves out of poverty. In fact, roughly 156 million youth in emerging and developing countries live in extreme poverty (i.e. on less than US$1.90 per capita per day) or in moderate poverty (i.e. on between US$1.90 and US$3.10) despite being in employment. Moreover, youth exhibit a higher incidence of working poverty than adults: 37.7 per cent of working youth are living in extreme or moderate poverty in 2016, compared to 26 per cent of working adults.

Meanwhile, in developed countries with available information, youth are more at risk of relative poverty (defined here as living on less than 60 per cent of median income) despite having a job. For example, the share of employed youth categorized as being at risk of poverty was 12.9 per cent in the EU-28 in 2014, compared to 9.6 per cent of working adults, i.e. aged 25–54. In addition to low pay, young people frequently work involuntarily in informal, part-time or temporary jobs. For example, in the EU-28, among youth employed in part-time or temporary positions in 2014, approximately 29 per cent and 37 per cent, respectively, are doing so involuntarily.
leading to an increased willingness to migrate.

Facing the prospect of unemployment, working poverty and/or vulnerable forms of employment, young people tend to look abroad for better education and employment opportunities. In 2015, almost 51 million international migrants were aged between 15 and 29, more than half of whom resided in developed economies. Additionally, in 2015, 20 per cent of the global youth population in this age range were willing to move permanently to another country. At the regional level, the willingness to migrate among youth is highest in sub-Saharan Africa and Latin America and the Caribbean, at 38 per cent in 2015, followed closely by Eastern Europe at 37 per cent. The percentage of young people willing to move remains high, at 35 per cent, in Northern Africa, as well as in the Arab States where this rate grew from 21 per cent in 2009 to 28 per cent in 2015. The lowest average inclinations to move are instead found in Southern Asia and Northern America where only 17 per cent and 15 per cent of youth respectively are willing to leave their country (data for Northern America refer to 2014). Within each region, and especially in sub-Saharan Africa and Northern, Southern and Western Europe, cross-country differences remain sizable, with youth in poorer countries typically showing the highest propensity to migrate.

Progress has been made in terms of educational attainment, but too many young people are neither employed, nor in education or training...

Global labour force participation rates of youth are following a long-term downward trend, from 53.6 per cent in 2000 to 45.8 per cent in 2016. The increasing opportunity to pursue upper secondary education, with a global gross enrolment rate of close to 75 per cent, is the main driver for falling participation rates among 15–19-year-olds and should hence be seen as a positive development that allows them to expand their skill sets and knowledge in anticipation of better jobs in the future. Nevertheless, a significant proportion of youth, especially in developing countries, is unable to enrol in education (e.g. due to the economic necessity to work and to supplement their household incomes), thereby running the risk of remaining trapped in poverty through lack of access to better jobs.

For young people between 20 and 29 years of age, the lack of viable employment opportunities is often the primary factor discouraging their participation in the labour market. As youth unemployment rates remain persistently high and transitions from education into work become increasingly difficult, a growing share of youth are neither employed, nor in education or training (NEET), a status which carries risks of skills deterioration, underemployment and discouragement. Survey evidence for some 28 countries around the globe shows that roughly 25 per cent of the youth population aged between 15 and 29 years old are categorized as NEET. Results also show how dramatically the NEET rate increases as a young person ages. This issue is particularly severe in developed countries, where, despite widespread access to tertiary education opportunities, NEET rates for youth above the age of 20 years old are consistently higher, and by a wide margin, than those for youth aged 15–19.

...while persistent gender gaps undermine social progress.

Across most labour market indicators, wide disparities exist between young males and females, underpinning and giving rise to wider disparities during the transition to adulthood. Such disparities can represent inequalities of opportunity and reflect deep-rooted socio-economic and cultural challenges that tend to disproportionately disadvantage women.

While some modest improvements have been made in a number of areas and regions, progress is slow. In 2016, for instance, the labour force participation rate for young men stands at 53.9 per cent, compared to 37.3 per cent for young women – representing a gap of 16.6 percentage points. This compares to a gap of around 17.8 percentage points in 2000 (62 per cent for young men versus 44.2 per cent for young women). The challenge is particularly acute in Southern Asia, the Arab States and Northern Africa, where female youth participation rates are, respectively, 32.9, 32.3 and 30.2 percentage points lower than those of male youth in 2016.
Young women are also confronted by higher unemployment rates globally than young men. In 2016, 13.7 per cent of young women in the labour force are unemployed – a full percentage point higher than their young male counterparts. The Arab States and Northern Africa exhibit the largest gaps in unemployment rates between males and females aged 15–24 – at 27.6 percentage points and 20.3 percentage points, respectively, in 2016 – despite the rising educational attainment of young women in these regions.

Female unemployment rates are not, however, uniformly higher than those of males. For instance, in 2016, in a number of regions (i.e. in Northern, Southern and Western Europe, Eastern Asia and Northern America) unemployment rates among female youth are lower than those of their male counterparts.

Looking forward, the achievement of the Sustainable Development Goals (SDGs) depends on addressing decent work deficits and labour market inequalities, especially for youth, as they are both proxies and consequences of wider inequalities.

Improving outcomes for youth is fundamental to building inclusive and sustainable societies.

The 2030 Agenda for Sustainable Development provides a unique opportunity to incorporate youth policies into comprehensive sustainable development strategies. After all, improving outcomes for youth through appropriate youth employment and social policies is fundamental to inclusive and sustainable societies and to the achievement of the SDGs. In this regard, the four strategic objectives of the ILO Declaration on Social Justice for a Fair Globalization, adopted in 2008 and evaluated in 2016, can help to develop and shape national strategies for youth employment, combat decent work deficits for youth, address poverty and inequality and equip youth with the means to achieve a more equitable and prosperous future.