

Executive summary

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GLOBAL EMPLOYMENT TRENDS FOR YOUTH 2017



Paths to a better working future

The 2017 edition of the series Global Employment Trends for Youth provides an update on key youth labour market indicators, trends and policies, focusing both on continuing labour market instability and on structural issues faced by young people across the world. It looks at the future of work for young women and men, in particular, the link between new automation and digital technologies and youth employment prospects. It also examines youth perceptions of the future based on the ILO's Youth and the Future of Work Survey.

There has been a modest economic recovery, though youth unemployment remains high and employment quality a concern. Youth labour force participation declined sharply in the past 20 years and many young women and men are out of the labour market for reasons other than education.

- Between 1997 and 2017, the youth population grew by 139 million people, while the youth labour force shrank by 35 million people. This dynamic is also reflected in a declining youth proportion of the overall global labour force, from 21.7 per cent to 15.5 per cent.
- The youth labour force participation rates have deteriorated in the past 20 years from 55.0 per cent to 45.7 per cent.
- An estimated 70.9 million young people are unemployed globally in 2017.
- The global youth unemployment rate for 2017 is 13.1 per cent – and it is highest in the Arab States, at 30 per cent.
- Across OECD countries, almost 18 per cent of unemployed youth have been without work for a year or longer.
- The latest data shows that 76.7 per cent of working youth are in informal jobs, compared with 57.9 per cent of working adults.
- The youth NEET rate is the proportion of youth “neither in employment nor in education or training”. The global estimate is 21.8 per cent, 76.9 per cent of which are female.
- In 2017, 16.7 per cent of working youth in emerging and developing economies live below the extreme poverty threshold of US\$1.90 per day.
- The bulk of international migrant flows consists of young people – around 70 per cent are younger than 30.
- Between now and 2030, 25.6 million young workers aged 15–29 will enter the labour force and will need jobs. This increase in the youth labour force will occur almost entirely in Africa.
- By 2030, 77.0 per cent of the youth labour force aged 15–24 will be in the developing countries of Africa and Asia and the Pacific.

Transitions to decent work can be long and difficult but improve with higher levels of education and by combining work and study.

- Young people are more likely to transition to stable and satisfactory employment in developed and emerging economies than in developing countries.
- In countries with high youth unemployment rates, young people are less likely to leave their jobs voluntarily.
- In developing countries, young persons are more likely to settle definitively into self-employment.
- The longer a young person studies, the shorter the transition time into employment. On average, the school-to-work transition duration was 1.6 times longer for primary than secondary graduates, 1.7 times longer for secondary than tertiary graduates, and 2.6 times longer for primary than tertiary graduates.

- For all levels of education, the school-to-work transitions tended to be longer in emerging countries than in the developing countries.
- A work-study combination substantially shortened the school-to-work transition period in all regions. On average across 21 countries, the duration of transition among youth combining work and study was 1.9 months – compared with 20.1 months for non-combiners.

New automation and digital technologies pose further challenges – though their impact will be uneven across countries, sectors, younger and older workers. Demand will increase for science, technology, engineering and mathematics, as well as transversal skills, and decrease for some medium-level skills. Young workers who grew up as “digital natives” should be well-placed to adapt to new jobs and continuous change.

- Compared to older workers, young workers are more comfortable with new technologies and likely to adapt faster to such technologies.
- The sectors identified as an expanding source of youth employment are: financial services; human health and social work activities; trade, hotels and restaurants; transport and storage and information and communications.
- Financial intermediation is booming in developing countries while health services is absorbing young workers in more developed countries. Transport and storage, information and communications, as well as trade, hotels and restaurants are absorbing young workers across the globe.
- Manufacturing employment has declined in most regions, but remains important, especially in Asia and the Pacific, and particularly for young workers. However, skills demand is changing, with greater demand for high- and low-skilled workers, and less demand for semi-skilled workers. This trend towards job polarization could be accentuated by new technology and can potentially exacerbate existing inequalities.
- Overall, constant innovation will require a strong need for core work skills such as complex problem-solving, openness to learning and adaptability, across all education levels.

The way in which young workers engage in the labour market is also changing, with a clear move towards less secure forms of work and while young women and men are ready to ride the wave of new technologies, they value stability and security in their working lives.

- Own-account workers and contributing family workers are being substituted by employees who have no written contract or are in casual and temporary jobs.
- Young people are twice as likely as adults to be in temporary employment.
- New forms of work like crowd working and the gig economy present opportunities because of their flexibility, but also dangers because of the lack of regulation.
- Young people value job security and expect to achieve it in the future.

Technology can be divisive but also inclusive. Realizing potential opportunities for youth in a technology-rich labour market requires clear strategies and policies along with global partnerships to ensure a better future for youth.

- Technological change will affect demand for skills, but also provide opportunities to expand training to disadvantaged groups.
- New technology can be used to increase young people's access to finance, as well as encourage green jobs and platform-based cooperatives that promote entrepreneurship.
- Macro-economic policies complemented by sectoral policies will play an important role in supporting paths to a better working future for young women and men, particularly as technology affects demand for labour.
- Expansionary fiscal policy and sectoral development policies can be combined with Active Labour Market Programmes to establish a coherent overall strategy for the integration of young people into decent work.
- Strong social partnerships between governments, firms and workers' organizations should collaborate on dynamically identifying and developing relevant skills. Youth voices and youth aspirations must also be taken into consideration.
- Labour market institutions and policies must adapt to rapid changes and take advantage of technological innovation. This will help to improve profiling of young people in youth employment programmes, expand programme delivery, and promote better coordination and monitoring.
- Diverse employment forms must be reflected in new and updated mechanisms for ensuring young workers' rights. The active participation of the social partners will be crucial in the promotion and protection of rights.
- Collaboration and synergies can be fostered through the Global Initiative on Decent Jobs for Youth, the overarching and inclusive platform to scale up action and impact on youth employment under the 2030 Agenda for Sustainable Development.