GLOBAL EMPLOYMENT TRENDS FOR YOUTH
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The analyses provided within the *Global employment trends* series are only as good as the input data available to us. We take this opportunity to thank all institutions involved in the collection and dissemination of labour market information, including national statistical agencies and the ILO Bureau of Statistics. We encourage additional collection and dissemination of age-disaggregated data at the country level in order to improve the accuracy of the analyses of global employment trends for youth provided in future updates of this report.

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1 Overview

"Work" is inexorably tied up with humanity. At some point in their life, either within the age span that traditionally defines youth or later, the majority of the world's population will enter the world of work as both a path toward social integration and a means to earn income and support themselves and their families. The typical path from youth to adulthood is indefinable in separation from the context of the culture, gender, nation of origin and place of residence of the individual. However, there is one common denominator, and this is the eventual engagement in the labour market, either to work or to look for work. There is no doubt that what young people strive for is the chance of a decent and productive job.

This third *Global employment trends for youth* updates the world and regional youth labour market indicators presented in previous reports (2004 and 2006).[1] Instead of the thematic approach utilized in the previous report, this report aims to highlight those regions that are making progress in the economic integration of young men and women. The report is, therefore, organized according to nine sections containing regional analyses.[2] Our readers are encouraged to make use of both reports; this one for the latest set of indicators[3] and more in-depth analyses of the youth labour market situation within regions, and the previous report to gain a better understanding of themes which impact heavily on youth labour markets and development (working poverty, inactivity and vulnerability, and the school-to-work transition). The "misconceptions concerning youth and youth labour markets" outlined in the *Global employment trends for youth, October 2006*[4] (henceforth, GET Youth 2006) have not changed and can help demystify prejudices regarding youth labour markets.

1.1 What have we learned about youth labour markets?

An intensified focus on youth at the international level in recent years has brought a greater understanding of youth labour markets[5] and led to development of a growing number of national action plans for youth employment as well as other more specific youth-related policies and programmes at the national level. But has the increased global awareness of the vulnerabilities

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[1] The ILO *Global employment trends* series have been published on a yearly basis since 2003. On occasion, special editions are produced to analyse labour market trends for segments of the population such as youth (2004, 2006, 2008) and women (2004, 2007, 2008), or for certain regions (for example, *Global employment trends supplement for Europe & Central Asia*, 2005 and *African employment trends*, 2007). These publications have become a regular medium to inform ILO constituents, the research community and also a wider public on labour market trends at the global and regional levels. Data are based on the Trends Econometric Models, which are described in detail in Annex I. All past reports are available for download from www.ilo.org/trends.

[2] One known shortcoming of this approach is the fact that country-level variations can be masked due to the nature of world and regional aggregation. Regional aggregates are dominated by the trends of the most populous country, and without added information of trends at the country level, knowledge of country-level variations becomes lost. Trends for East Asia, for example, are clearly those of China, whereas the labour market situation facing youth in Mongolia, which is also a country in the region, might be quite diverse. Due to space constraints, few country-level examples are discussed in this report; however, our readers are encouraged to review country-level data from sources such as the ILO, *Key indicators of the labour market, 5th edition* (Geneva, 2007) and regional reports such as the ILO, *Labour and social trends in Asia and the Pacific* (Bangkok), annual series; and ILO, *Trabajo decente y juventud – América Latina* (Lima, 2007).

[3] World and regional data presented here should not be compared to those of previous reports since revisions of input data to the estimation model render the data incomparable. For more detail on data revisions, see Annex 1.

[4] ILO, *Global employment trends for youth, October 2006* (Geneva, 2006); (henceforth GET Youth 2006). The report is available for download in English, French and Spanish from www.ilo.org/trends.

[5] In addition to the ILO GET Youth series, the United Nations, many of its specialized agencies as well as other international organizations have put out numerous important studies on youth-specific topics in recent years. See, for example: UN, *World Youth Report(s)* (New York) 2003, 2005 and 2007; www.un.org/esa/socdev/unyin/; and World Bank, *World Development Report 2007: Development and the next generation* (Washington, DC, 2007); www.worldbank.org/wdr2007.

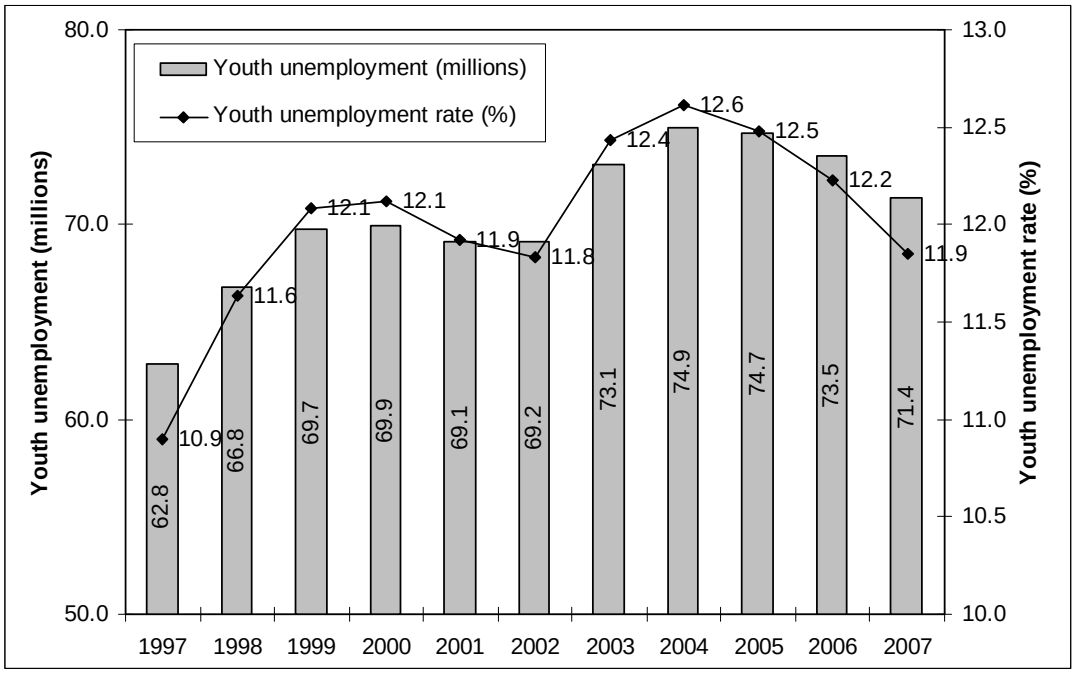
of youth brought about any quantifiable changes in their labour market situation? Are more young people attaining their desired job? The purpose of this report is to answer these questions.

The answers? At this point in time, we can only venture an unsatisfying and equivocal "yes and no" to each. A review of trends at the global level will show that little has changed in recent years (see "Some global trends" below). The indicators show that young people still suffer disproportionately from a deficit of decent work opportunities. However, progress has been seen in some regions as is demonstrated below. In fact, it is because the characteristics of youth labour markets and their subsequent opportunities are so diverse from one region to the next that this report is presented along regional lines. A lot has been learned in terms of tying regional youth labour market characteristics to policy responses and subsequent outcomes, although admittedly many youth employment challenges extend beyond regional boundaries. The "Some regional trends and lessons learned" found in this section attempts to stratify youth employment policy focus areas by region.

1.1.1 Some global trends

Today's young people are the most educated generation ever. They have clear ideas about fulfilling their aspirations at work and in society and seek opportunities for personal autonomy and active citizenship. Young people bring energy, talent and creativity to economies and create the foundations for future development. Why is it then that so many young men and women are still unable to find work or find only work that does not bring with it the levels of economic and social certainty needed to ensure their full productive and personal potential?

Figure 1.1
Global youth unemployment and youth unemployment rates, 1997-2007



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

The number of unemployed youth continues to increase; between 1997 and 2007, the number increased by 13.6 per cent, from 63 million to 71 million.[6] There has been a declining trend in more recent years, however. The number of unemployed youth seemed to reach a peak of 74.9 million in 2004 and has been declining since then. The youth unemployment rate[7] increased

[6] Unless otherwise indicated, youth data throughout the report refer to persons aged 15 to 24 years.
[7] The unemployment rate is defined as the number of unemployed persons (those who engage in an active search for employment and are immediately available to take up such work) as a share of the labour force.

as well from 10.9 to 11.9 per cent over the longer term period of 1997 to 2007, but decreased from the decade high of 12.6 per cent in 2004. (See figure 1.1.) Youth make up as much as 40.2 per cent of the world's total unemployed although they make up only 24.7 per cent of the total working-age population (ages 15 and over). Clearly, labour market integration of today's youth remains a significant, and perhaps even growing, challenge. A review of the youth employment trends in global figures follows:

- The global youth **labour force**, which is the sum of the employed youth and unemployed youth, grew from 577 to 602 million (by 4.4 per cent) between 1997 and 2007 (table A1).
- The share of the youth labour force in the youth population (the youth **labour force participation rate**) decreased globally from 55.2 to 50.5 per cent between 1997 and 2007, which means that in 2007 only every second young person was actively participating in labour markets around the world. Conversely, the youth inactivity rate (as a measure of the share of young people who are outside of the labour force in the youth population) rose from 44.8 to 49.5 per cent over the same period (tables A3 and A7). As will be discussed further throughout the report, the main "driver" of both trends is gains in the number of young people participating in the education system.
- In 2007 the number of **employed** young people was 531 million, an increase of 17 million from ten years before. However, because the youth population grew at a quicker pace than youth employment, the share of youth who are employed in the youth population (the youth **employment-to-population-ratio**) saw a decrease from 49.2 to 44.5 per cent between 1997 and 2007 (table A4).
- The number of young **unemployed** increased from 63 million to 71 million between 1997 and 2007, an increase of 13.6 per cent (table A1).
- The youth **unemployment rate** stood at 11.9 per cent in 2007 (compared to 5.7 per cent for the overall global unemployment rate and 4.2 per cent for the adult unemployment rate). The youth rate in 2007 was an increase of 1.0 percentage point from that of 1997 but a decrease of 0.3 percentage points from the previous year, 2006 (table A5).
- Compared to adults, the youth of today are almost three times as likely to be unemployed; the **ratio of the youth-to-adult unemployment rate** was 2.8 in 2007, up from 2.6 in 1997 (table A6).
- Never before has a generation been as educated as that of today. Secondary enrolment ratios as well as tertiary enrolment ratios have increased considerably, especially for women (see enrolment tables in each of the regional sections).[8]

1.1.2 Some regional trends and lessons learned

Since detailed analyses of regional youth labour market trends are presented in the subsequent sections, little detail is provided here beyond the following attempt at summarizing current developments, including "encouraging" and "discouraging" trends, based on the indicators available.

- Regions showing some **encouraging trends** with declining youth unemployment rates over time (comparing only 1997 and 2007) and declining youth-to-adult unemployment ratios:
  - Developed Economies & European Union

[8] Gross enrolment ratios are defined as the ratio over time of the total persons enrolled in higher education (secondary or tertiary level), regardless of age, to the population of the age group that officially corresponds to the secondary or tertiary level of education in the country. The data source for the enrolment ratios used in this report is the UNESCO Institute for Statistics. See website www.uis.unesco.org/ for the latest available data and information on definitions and methodology.

- Central & South-Eastern Europe (non-EU) & CIS
- East Asia
- Middle East
- North Africa
- Sub-Saharan Africa

- Regions showing some **discouraging trends** with increasing youth unemployment rates over time and increasing youth-to-adult unemployment ratios:
  - South Asia
  - South-East Asia & the Pacific
  - Latin America & the Caribbean

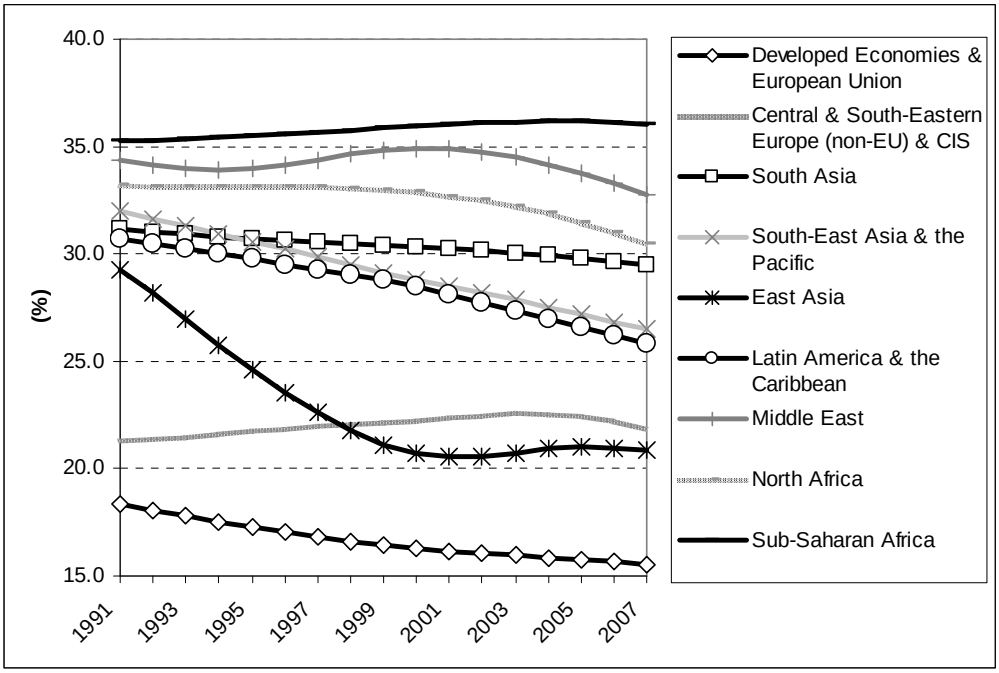
  It is worth noting, however, that in more recent years these same regions have also started to show some encouraging signs, with youth unemployment rates descending from peaks in 2006 (South-East Asia & the Pacific), 2005 (South Asia) and 2003 (Latin America & the Caribbean).

- All regions, with the exception of the Middle East, showed decreasing youth labour force participation rates and employment-to-population ratios over time. Because interpretation of these trends depends on other factors – reasons behind falling rates, for example – here they are termed **neutral trends**.

- All regions demonstrated **encouraging gender trends** with decreasing gaps in both male-to-female labour force participation rates and employment-to-population ratios.

- Decreasing shares over time of youth in the total working-age population (15 years and over) in all regions but Central & South-Eastern Europe (non-EU) & CIS and sub-Saharan Africa are indicative of **encouraging demographic trends** in the populous regions (Developed Economies & European Union and Central & South-Eastern Europe (non-EU) & CIS are the exceptions here) where economies struggle to absorb the large cohorts of youth entering the labour market stream each year. (See figure 1.2.)

Figure 1.2
Youth share in working-age population, by region, 1991-2007

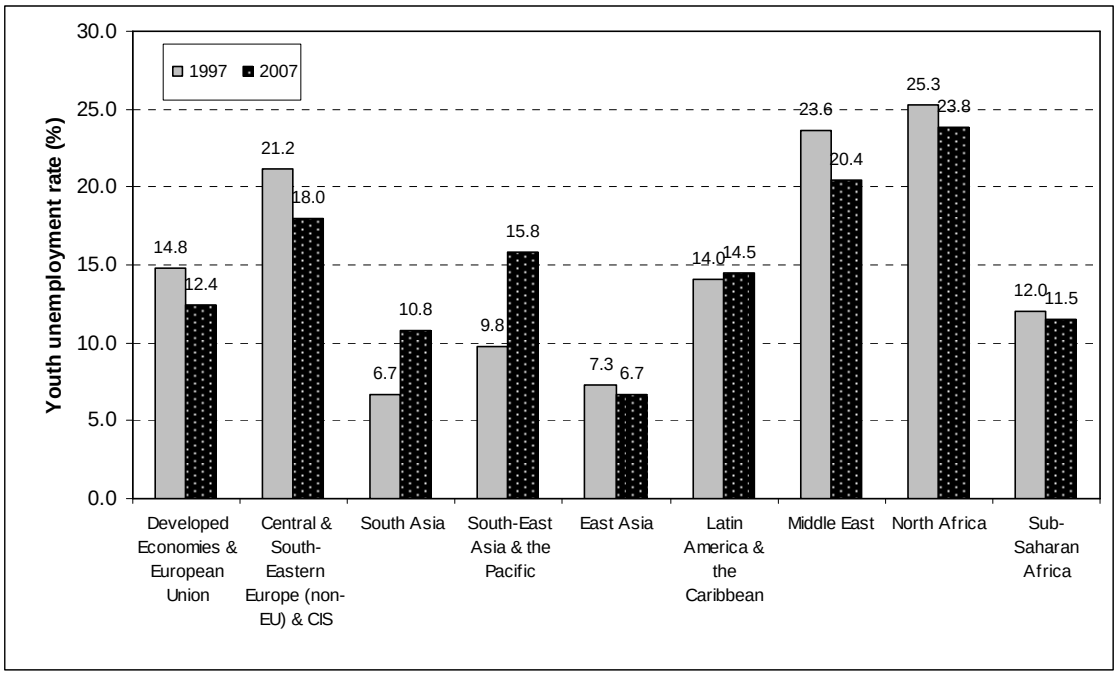


Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

As is shown above, there is a stronger trend toward improvements than deterioration vis-à-vis youth unemployment at the regional level. Youth unemployment rates and youth-to-adult

unemployment ratios decreased in all but three regions. Significant increases were seen only in South-East Asia & the Pacific and South Asia (by 6.0 and 4.1 percentage points, respectively) and a very slight increase in Latin American & the Caribbean (0.5 percentage points) between 1997 and 2007.

Figure 1.3
Youth unemployment rates, by region, 1997-2007



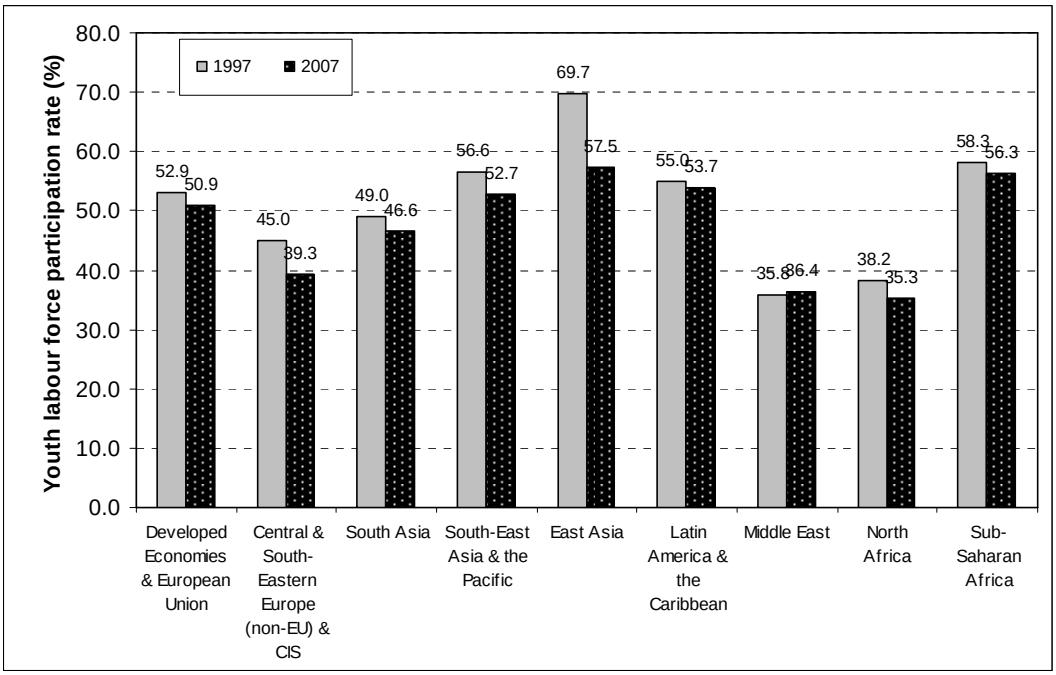
Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

There has been some closing of gaps between young males and young females in terms of both labour force participation rates and employment-to-population ratios in all regions. In fact, employment growth for young females outpaced that of young men in six of the nine regions (exceptions being Central & South-Eastern Europe (non-EU) & CIS, South-East Asia & the Pacific and South Asia). The growth of female employment numbers was as much as twice that of males between 1997 and 2007 in the Middle East, North Africa and Latin America & the Caribbean. Does this mean that prospects for young women are improving? The answer depends, of course, on the type of employment that is made available to them. Reportedly, many new jobs are targeted at young women because they are perceived to be more amenable to control, more nimble-fingered, and cheaper to employ than their male counterparts. In many cases, the work to which young women gain access is characterized by long working hours with substandard conditions and subsistence wages. Many women are subjected to sexual harassment and/or abuse, and are routinely discharged if they marry, become pregnant or grow "too old".[9] It is an unfortunate fact that gender discrimination continues to limit the access of young women to quality education and ultimately to decent work in many parts of the world.[10]

[9] P. Hancock, "The lived experience of female factory workers in rural West Java", in *Labour and Management in Development* (Canberra, Asia Pacific Press, 2000), Vol.1, No.1, pp. 2-19; http://labour-management.anu.edu.au/volumes/prt/1-1-hancock.pdf.

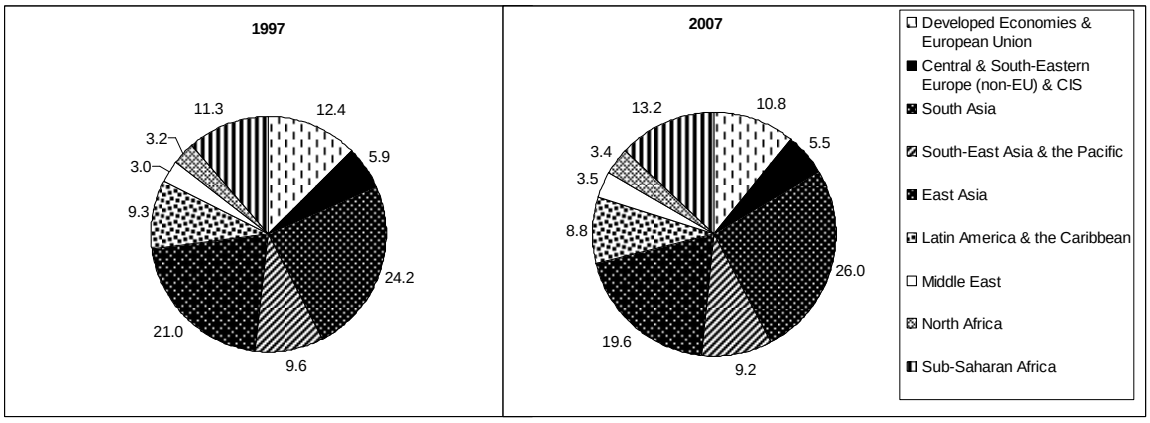
[10] A recent ILO brochure provides an overview of where barriers to gender equality between young men and women continue to exist. See ILO, *Youth employment: Breaking gender barriers for young women and men* (Geneva, 2008); www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_097919.pdf.

Figure 1.4
Youth labour force participation rates, by region, 1997-2007



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

Figure 1.5
Regional distribution of the youth population, 1997 and 2007



Source: UN, World Population Prospects: The 2006 Revision Population Database, Panel 2: Detailed data, median variant; http://esa.un.org/unpp/.

Perhaps the most notable trend when it comes to youth labour forces is their shrinking size. Youth labour force participation rates declined in all regions between 1 and 12 percentage points.[11] (See figure 1.4.) As noted in all the regional analyses that follow (see tables specific to enrolment ratios), this trend is closely tied to progress on the education front.[12] More young people are getting an education and staying in education for longer periods of time. Many now remain in education throughout the entire age span of 15 to 24 years. The result: labour force participation rates among this age group are down and inactivity rates are up. The fact that labour

[11] The 0.7 percentage point increase in the Middle East hardly constitutes an exception to the general trend. It was fully driven by an increase of female participation rates from their historically very low numbers.

[12] Discouragement, falling outside of the labour force due to a belief in the futility of undertaking a job search, is another possible explanatory factor behind shrinking youth labour forces in some regions (see, particularly, the text in section 9 for Central & South-Eastern Europe (non-EU) & CIS). As discussed in greater detail in ILO, GET Youth 2006, however, the number of discouraged youth is likely to represent only a small portion of the overall inactive. See especially, ILO, GET Youth 2006, section 4.

force participation rates of persons in the subsequent young adult age band of 25 to 29 years remain unchanged over time supports the argument that the decline in youth labour force participation rates is mainly a passive side-effect of longer education terms, namely the postponing of labour force entry beyond the years which define "youth".[13] Whereas, a few generations ago, it was common for a person to enter the labour force between the ages of 15 and 24 years, many now do not experience the transition until the age of 25 years or over. If the concern of researchers and policymakers is on assessing the integration of youth into labour markets, there is a strong argument here for expanding the standard definition of youth from 15 to 24 years to 15 to 29 years.

Beyond the basic data-driven trends, what have we learned given our supposed expansion of knowledge on the topic of youth labour markets? One thing we have learned is that youth born in developing economies – and this was as much as 89 per cent of the world's total youth population in 2007, up from 87 per cent in 1997 (see figure 1.5 for the changing regional youth population distribution over time) – face distinct challenges from those born into developed economies. Hence there is a need for disaggregation of data at least to the regional level. The distinctions between the two categories are made in table 1.1 below.[14] With diverse youth employment challenges in the two groups, it is inevitable that policy focuses differ as well (keep in mind, there is bound to be some overlap in policy focuses across the two groups).

There is increased recognition of the fact that there are specificities to youth employment that require directed policy responses. This fact, in itself, is an important "lesson learned". Job growth policies are crucial to setting the scene for promotion of decent and productive employment opportunities for all men and women, including youth, but only more targeted policies will promote employment opportunities for youth directly. Hence the need to strengthen (or create) labour market institutions that help youth access jobs, avoid discrimination based on the "experience gap", promote entrepreneurship and direct training toward market needs. The table above identifies a few of the targeted policy implications that are being taken up by countries. Other youth employment challenges and other policy responses do exist. The hope is that more countries will undertake detailed national situational analyses of youth employment challenges so that specific policy responses can be designed in a deliberated national context.[15]

[13] A review of global labour force participation rates by 5-year age bands does indeed show that the largest drop in participation rates between 1997 and 2007 occurred within the age bands of 15-19 and 20-24 but that participation rates of 25-29 year-olds as well as all older age bands remained more or less unchanged. Aggregate level data are available in the ILO Economically Active Population Estimates and Projections database at http://laborsta.ilo.org.

[14] The authors recognize that the attempt to categorize challenges and policies according to the broad income-based classifications of "developed" and "developing" poses numerous limitations. Namely, doing so mutes the many other characterizing factors that determine youth employment outcomes within each region and even within each country (labour market institutions, national histories and politics, geographic proximity, conflicts, natural resources, to name a few). While acknowledging such limitations, the authors still hope that there is value added in the presentation as at least a first step in the characterization of youth employment challenges and policies.

[15] As a helpful tool to encourage development of national action plans for youth employment that are built on sound situational analyses, policy makers can benefit from guidance offered in G. Rosas and G. Rossignotti, *Guide for the preparation of National Action Plans on Youth Employment* (Geneva, ILO, 2008); www.ilo.org/public/english/employment/yett/download/nap.pdf.

Table 1.1
Some youth employment challenges and policy implications in developed and developing economies

Developing economies		
(1)	Challenge:	*Poverty and lack of decent employment.* The GET Youth 2006 estimated that one in five youth, or 125 million, were working but living in extreme poverty at the US$1/day level. The situation is most alarming for sub-Saharan Africa where nearly 60 per cent of working youth could not earn enough to carry themselves and their households out of extreme poverty. In the *World Development Report 2007*, the World Bank noted that for 74 developing countries with data, only one quarter of working youth in low-income countries were in paid work, with the proportion rising to around three quarters in high-income countries.[16] They also found that youth who are paid are less likely to have access to social security compared with older workers. In other words, youth may easily be relegated to unpaid or low paying work, or to jobs otherwise falling short of decent work. Even though some will succeed in securing better jobs along their career path, too many get stuck, constrained by limited education and skills and without opportunities to improve their human capital.
	Policy implication:	*Increasing economic growth and employment content of growth*. This is the top concern in developing economies and without it, unfortunately, little will ever change in terms of youth employment opportunities. Also unfortunate is the fact that there is no magic formula to creating economic growth. Countries must find a proper balance between economic policies (macro, mezzo and micro); encouraging foreign direct investment; employment-intensive programmes; promoting self-employment; reforming institutions; and promoting development in the formal sector, while extending social protection services to the informal sector. At the same time, job growth policies should be balanced with promotion of improvements in job quality through proliferation or enforcement of labour standards. Needless to say, all economic growth policies should be framed in the national context.
(2)	Challenge:	*Sectoral distribution.* The agriculture sector continues to be the primary sector for employment in most developing regions. Young people in poor rural areas will either engage in precarious, low-paid work in the agricultural sector or migrate to already crowded urban areas where they will try to find work within the informal sector.
	Policy implication:	*Sectoral policies.* Countries with large agricultural sectors/rural populations should focus on promoting agricultural development as a means of increasing youth employment and preventing rural-to-urban migration.
(3)	Challenge:	*Lower than average educational attainment and low quality education and training.* While great improvements have been made in terms of the number of educational facilities and enrolment numbers in developing economies, the fact remains that enrolment ratios at the secondary and tertiary levels still lag behind those seen in developed economies. In addition, complaints still exist concerning the quality of education and the fact that many graduates lack critical work skills needed by employers.
	Policy implication:	*Investing in education.* Education facilities and enrolment have improved in terms of numbers in developed economies but there is still more demand than supply of facilities, especially in poorer regions. Improving the quality of education also requires greater investment. ILO constituents recently concluded in a tripartite discussion on skills development that a holistic approach to skills development is required; one that encompasses a continuous and seamless path of learning, development of both core skills and higher level skills as well as the portability of such skills, and employability.[17]

[16] World Bank, *World Development Report 2007*, op cit, pp. 101-102.

[17] ILO, *Conclusions on skills for improved productivity, employment growth and development*, Report of the Committee on Skills, International Labour Conference, 97th Session, Geneva, 2008, p. 47; www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_094071.pdf.

(table 1.1 cont.)

(4)	Challenge:	*Mismatch in supply and demand of young labour.* As a perhaps surprising contradiction to the previous challenge given above, there is a situation in many developing economies where gains in education are outpacing economic development and the demands of the labour market. Economies struggle to absorb the growing number of highly educated, highly skilled graduates that emerge in increasing number from education systems each year simply because the high-skilled industries and services do not exist in sufficient numbers nationally. As a result, many educated job seekers face long unemployment terms and might eventually migrate to other countries or take up work that is below their skills range.
	Policy implication:	*Improving relevance and changing perception of vocational training.* While not perfectly linked to the challenge above (more direct responses could be framed under Policy implication (1), i.e. promoting growth of high end services and industries within the country, vocational training warrants attention as a distinct path for linking the supply and demand of labour. Developing economies often concern themselves with enhancing the credibility of vocational training institutions by establishing strong links with the private sector. Vocational training institutions need to be upgraded and their capacity enhanced to first assess the growth sectors and where skills shortages exist (through, for example, using value chain analysis and research on sectoral and global demand) and second, to adapt their programmes accordingly. Students are encouraged to consider vocational training courses by improving its image and enhancing the quality of training provided. Vocational training streams within the school system should not be viewed as for those who are not able to continue with the academic streams, but rather, as a choice and based on an awareness of future employment options.
(5)	Challenge:	*Unrealistic demands for public sector employment.* Many youth still favour public sector employment since they believe it carries higher social status as well as higher wages and benefits, including job security. But the reality is that public sector employment is shrinking and most jobs are being created in the private sector. Developing economies are struggling to change the perception held by youth that public sector employment is good and private sector employment is bad.
	Policy implication:	*Changing perceptions of public versus private sector employment.* Raising labour standards and lowering discriminatory hiring barriers in the private sector can help to attract more jobseekers but also governments can encourage campaigns within schools to raise the image of private sector work as well as entrepreneurship among future job seekers there.
(6)	Challenge:	*HIV/AIDS.* ILO/AIDS estimates that 5,000 to 6,000 young people acquire HIV each day, with young women especially at risk. Young people account for a large share of the estimated 25 million labour force participants who are HIV-positive worldwide.[18]
	Policy implication:	*Continuing efforts on awareness-raising campaigns and promoting behavioural change.*
Developed economies		
(1)	Challenge:	*Increasing incidence of temporary jobs.* Temporary contracts offer young people a chance to "try out" jobs and gain working experience and are for the most part entered into voluntarily. However, a danger exists when taking up temporary work becomes involuntary and long term due to lack of conversion to permanent possibilities and lack of demand elsewhere.
	Policy implication:	*Lowering barriers that discourage hiring of entry level youth.* For the most part, demand factors are strong in developed economies; some stickiness can occur, however, due to institutional factors that raise labour costs or discourage flexibility to a point that prohibits hiring of young people. Such weaknesses, however, are correctable. They can be addressed through institutional reforms that remove barriers while also reducing precariousness and dead-end jobs.

[18] ILO, *HIV/AIDS and work : global estimates, impact on children and youth, and response, 2006* (Geneva, 2006); www.ilo.org/public/english/protection/trav/aids/publ/global_est06/global_estimates_report06.pdf.

(table 1.1 cont.)

(2)	Challenge:	*"Youth experience gap"[19] leads to high turnover rates.* Despite strong gains in levels of educational attainment, young people still face lower chances of finding employment because of their relatively lesser generic and job-specific work experience vis-à-vis older applicants. As a means of lessening the gap, young people move in and out of employment in search of a best fit and may become unemployed, underemployed in terms of hours or inactive while the "best match" job search continues. As with temporary work, there is ongoing debate as to whether high turnover is a cost or benefit to society as a whole, particularly for young people who are likely to shop around before settling into the career job of their choice, the fact that young people are less and less likely to remain in their first job for a long time could be a sign of the inefficiencies of matching the labour supply to labour demand.
	Policy implication:	*Combining school with work experience and including job-search skills and career guidance programme in schools to smooth school-to-work transitions.* Strategies that encourage gaining of work experience while in school seem to pay off in lowering the "experience gap" and making it easier for youth to find employment after graduation. At the tertiary level, many universities now offer comprehensive career services, experiential education (cooperative education, internships), and student employment services to students, alumni and employers, but such career services are filtering down even further into the secondary level as a means to improve the link between the supply and demand of labour.
(3)	Challenge:	*Skilled versus unskilled dichotomy and social exclusion of minority groups.* Demand for highly-educated youth remains fairly robust in most developed economies but unskilled, early school leavers tend to face longer job searches, stagnant wages and are more at risk of social exclusion. It is typically a minority of the national youth population who are more susceptible to leaving education early, facing long term unemployment and relying on State assistance programmes for income assistance. These may be youth of certain ethnic groups (the Roma population in the many European countries are a good example) or disadvantaged youth from lower-income or troubled households.
	Policy implication:	*Targeting excluded groups.* Countries can engage in active labour market policies (ALMP) to target more vulnerable youth, indigenous populations, for example, for preventative actions (to prevent early school departure, for example) or encourage labour market reintegration of the long-term unemployed (through training to enhance the skills base, job search assistance, etc.).

1.2 Outlook: Toward future trends and challenges

It is because employment is so central to personal development and dignity that so much attention is spent on assessing the labour market development of young men and women. As stated in the GET Youth 2006, "A lack of decent work, if experienced at an early age, often permanently compromises a person's future employment prospects and frequently leads to unsuitable labour behaviour patterns that last a lifetime."[20] The same report also identifies the opportunity costs on households, governments and society as a whole of wasting the productive potential of young labour and stresses that focusing on youth makes sense to a country from a costs-benefits point of view.[21]

There are reasons why youth unemployment rates will always be higher than those of adults.[22] But when youth rates venture to levels of more than twice that of adults there are clear signs that something in the youth labour market is not functioning correctly. Recognizing that labour markets are an evolving entity and that young men and women may have trouble adjusting to their changing realities and recognizing that the opportunity costs of not seeking solutions to better integrate young people into changing labour markets are high, this report seeks to raise awareness of the continuing need for action. By broadcasting the main youth employment trends

[19] The term is borrowed from F. Pastore as seen in F. Pastore, "Employment and education policy for young people in the EU: What can new member States learn from old member States", *IZA Discussion Paper Series*, No. 3209, December 2007; http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1081648.
[20] ILO, GET Youth 2006, p. 1.
[21] ibid, p. 2.
[22] See ILO, GET Youth 2006, box 2.1 for a full explanation.

at the regional and global level, including existing strengths and weaknesses, the ILO hopes that even more countries will become motivated to intervene on behalf of promoting decent employment opportunities for young men and women.

It remains a regrettable consequence of insufficient data availability and lack of age-disaggregation for other indicators that so much attention is paid to the topic of youth unemployment, when equally, if not more important, is the topic of the quality of work made available to young men and women.[23] Rarely is sufficient data tabulated and disseminated at the country-level to provide the necessary proof that young people, especially young women, are particularly vulnerable to working under poor conditions. Indicators such as status in employment to tell us whether workers are engaged under wage and salaried arrangements or under more "vulnerable" statuses[24] such as own-account workers or unpaid family workers; employment by sector for information on how many youth are working in the various sectors – agriculture, industry or services ; hours of work; underemployment; share of young people with informal jobs; and others are needed to complete the portrait of youth labour market challenges. We urge, therefore, continuing efforts on the parts of national statistical offices toward collection and dissemination of age-disagreggated labour market information so that wider attention to more qualitative topics of youth employment can be paid in future reports.

Since early 2007 many countries in the world are facing new challenges that stem from global instability in financial markets combined with increased volatility in both energy and commodity markets. Whereas the impact on labour markets in 2007 was rather modest – as analysed in the *Global employment trends, January 2008* (henceforth, GET 2008)[25] – a stronger impact, with an increase in decent work deficits in the world, is likely to be seen in 2008. With declining economic growth, employment creation will probably slow down and more people, especially the poor who are most susceptible to the increased costs of living, will take up whatever work they can find regardless of working conditions. Vulnerable employment shares (defined above) is likely to increase as a consequence of mothers, fathers, the young and old, and even children, including those who might otherwise go to school, joining in the effort to contribute to household incomes through their labour.

Governments and the international community are organizing responses to lessen the impacts, particularly the impact of rising food prices on the poor and the impact of rising fuel prices on businesses. The danger is that the new economic pressures will distract governments away from efforts toward promoting youth employment, when it is exactly at such times of economic downturns that youth become most vulnerable. If the situation is not urgently addressed, the impact will be felt by not only today's poor but also by the next generations. If, for example, young people drop out of education and training in order to work to contribute to family income or if schools have to close down because there is no electricity, then the hope that families may have had for giving their children a better start will be destroyed. The design and implementation of effective policy responses that integrate youth as a specific target group will be needed to offset the possible loss of gains from recent years regarding decreases in vulnerable employment and working poverty and better integration of young people within labour markets.

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[23] See ILO, GET Youth 2006, "Misconception 4" (p. 7) for an argument as to why unemployment is not the key labour market challenge for youth.

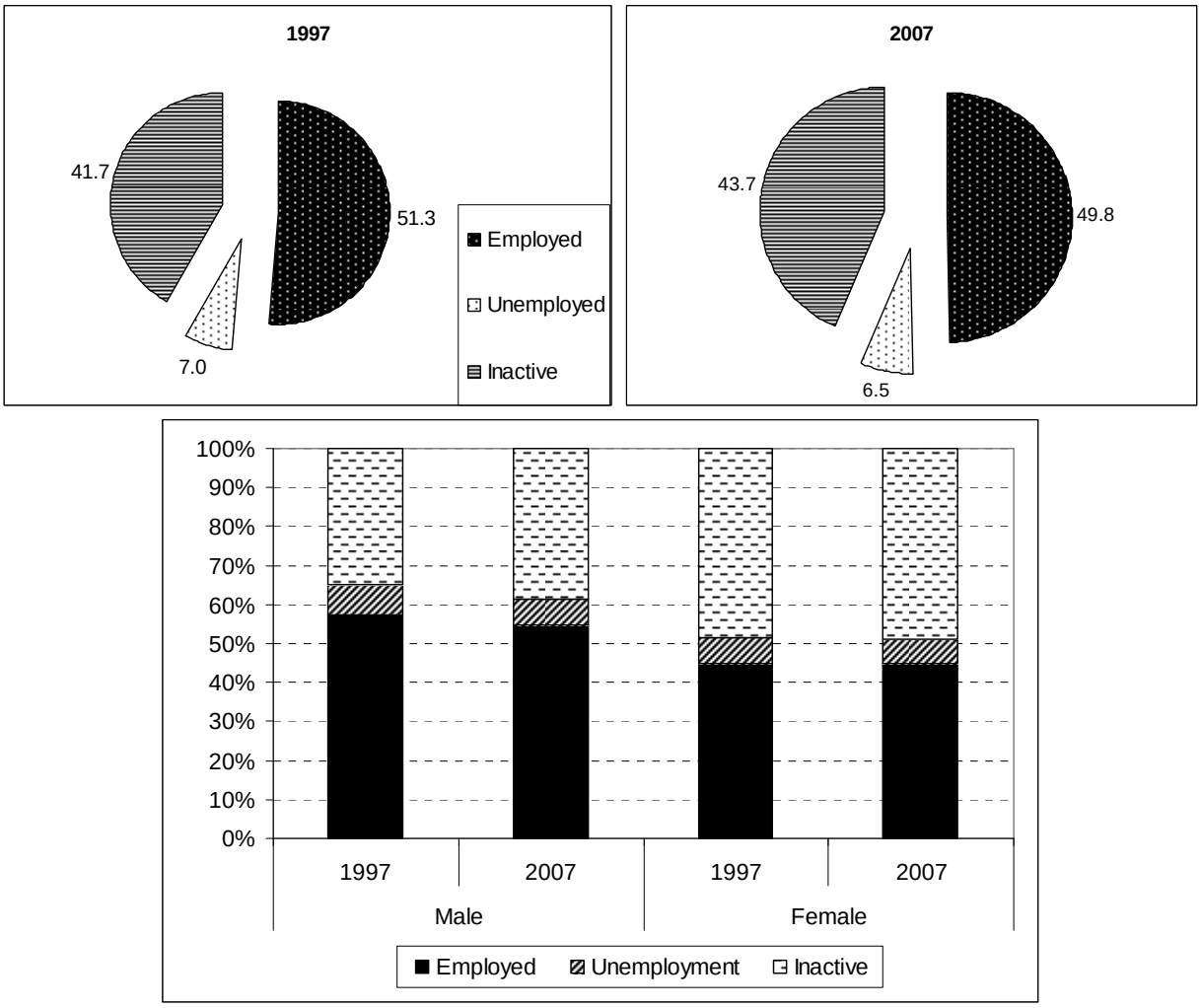
[24] Vulnerable employment is a newly defined measure of persons who are employed under relatively precarious circumstances as indicated by the status in employment. Because contributing family workers and own-account workers are less likely to have formal work arrangements, access to benefits or social protection programmes and are more "at risk" to economic cycles, these are the statuses categorized as "vulnerable". There is a connection between vulnerable employment and poverty: if the proportion of vulnerable workers is sizeable, it may be an indication of widespread poverty. The connection arises because workers in the vulnerable statuses lack the social protection and safety nets to guard against times of low economic demand and often are incapable of generating sufficient savings for themselves and their families to offset these times.

[25] ILO, *Global employment trends, January 2008* (Geneva, 2008); www.ilo.org/trends.

2 Sub-Saharan Africa

Youth in sub-Saharan Africa remain among the most challenged in the world when it comes to securing decent and productive employment. The nature of the challenge is part and parcel of the overall labour market problems that afflict the region, as identified in the GET 2008. It was shown in this report that improved economic prospects in sub-Saharan Africa, with growth rates since 2004 amounting to 6 per cent or more each year, are only partially reflected in the sub-continent's labour markets. Working poverty is widespread, with more than half of all workers unable to lift themselves and their families out of poverty, and vulnerable employment accounts for more than two-thirds of workers.

Figure 2.1
Distribution of youth population by economic activity status in sub-Saharan Africa, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

Despite declining fertility rates in recent years, the population of sub-Saharan Africa remains among the worlds fastest growing and most youthful. Youth made up as much as 36 per cent of the total working-age population (aged 15 years and above) in 2007, making this the most youthful population in the world. (See table A8 and figure 1.2.) The shares in North Africa and the Middle East are not too far behind at 30.5 and 32.7 per cent, respectively, although the shares in both these regions seem to be declining at a good pace in recent years while the share in sub-Saharan Africa has remained steady at 36 per cent since 1995. A large youth population and youth labour force represent a significant challenge to the region where, despite recent economic growth, a sufficient increase in decent employment opportunities for young labour market entrants has yet

to be seen. Given that working youth as a group are unlikely to be any better off than adults, they too are subject to the high levels of working poverty and vulnerable employment seen in the region. In addition, decent work deficits in sub-Saharan Africa are bound to create limits on the development of skills among the young population, as families have difficulties affording education and training, even if adequate facilities are available.

The socio-economic situation in sub-Saharan Africa is strongly reflected in the very high youth employment-to-population ratio and youth labour force participation rate. Around half of the youth population were employed in sub-Saharan Africa in 2007 (49.8 per cent), a level that is second only to East Asia. The employment-to-population ratio steadily declined between 1997 and 2007, but the overall decrease amounted to not more than 1.5 percentage points, which may be compared to a global decrease of 4.7 percentage points during this period. (See table A4.) Similar to the employment-to-population ratio, youth labour force participation rates in sub-Saharan Africa are declining slowly. The decrease during 1997-2007 was 2.0 percentage points. (See table A3 and figure 2.1.)

An important driving force behind the decreasing participation rate for youth is enrolment in education. (See table 2.1.) Part of the enrolment at secondary and tertiary level draws on youth aged between 15 and 24 years, and enrolment at both levels of education is increasing in sub-Saharan Africa. Nevertheless, current levels are still very low. The gross secondary enrolment ratio was 31.8 per cent in 2006, and gross tertiary enrolment was 5.2 per cent. In other words, despite the increasing enrolment in many countries, current low levels leave the majority of young people in a weak position to improve their employment prospects through investment in education. Apart from the shortage of education and training facilities, the low enrolment levels reflect the economic imperative for many young people in the region to start working at an early age, due to conditions of poverty within their families.

Table 2.1
Enrolment in secondary and tertiary education in sub-Saharan Africa, 1999 and 2006 (%)

	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Secondary enrolment ratio	23.8	31.8	26.1	35.4	21.4	28.2
Tertiary enrolment ratio	3.7	5.2	4.4	6.2	2.9	4.2

Source: UNESCO Institute for Statistics, "Regional average of enrolment ratios for pre-primary to tertiary education (ISCED 0-6)"; website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=194.

Youth are defined in this report as persons aged from 15 to 24 years, but employment at younger ages is far from exceptional in sub-Saharan Africa. In the United Republic of Tanzania, a low-income economy, for example, the employment-to-population ratio for children aged 10-14 amounted to 45.5 per cent in 2001, compared to a rate of 64.1 per cent for youth (aged 15-24). Even in Botswana, a wealthier country with a share of vulnerable employment (see Overview for definition) far below the sub-Saharan African average, the employment-to-population ratio for young children is significant. (See box 2.1.)

Differences in labour force participation rates between young males and females are relatively small in sub-Saharan Africa. In 2007, the male labour force participation rate exceeded the female rate by 10.5 percentage points. Only in the Developed Economies & European Union and East Asia were smaller gaps measured. (See table A3.) The gap between male and female labour force participation rates is also declining over time, which is mainly due to decreasing labour force participation and increasing enrolment of young males in education. In the case of female youth, however, increasing enrolment has not resulted in decreasing labour force participation. Even though youth gender gaps are limited and declining in terms of the volume of employment, *Global employment trends for women, March 2008* (henceforth GET Women 2008)

highlighted such gaps in terms of the type of risk women are facing, as the proportion of women in vulnerable employment exceeds that of men.[26] Gender gaps are also evident in the educational enrolment ratios in sub-Saharan Africa. Fewer young girls are in education than young boys and this will certainly impact their future work choices. (See table 2.1.)

Box 2.1
Employment of children in Botswana

More than 38 thousand children (the age band defined in the labour force survey is 7-17 years) were working in Botswana in 2006, roughly half of whom were younger than 14 years. (See table below.) Two out of every three of these children were employed in the agricultural sector, but a substantial part also worked in other sectors such as retail trade. The large majority of child labour was unpaid family work of some form, while one out of ten was a paid employee and 8 per cent was classified as own-account worker. Three out of four children give the duty or need to assist their family as the reason for working.

Employment-to-population ratios (EPRs) of children aged 7-17 in Botswana, 2005/06

	Total		Male		Female	
Age	Employed	EPR (%)	Employed	EPR (%)	Employed	EPR (%)
7-9	4'108	3.6	2'305	4.0	1'804	3.2
10-13	15'547	9.3	9'090	10.9	6'457	7.8
14-17	18'720	12.7	11'909	16.4	6'811	9.0
7-17	38'375	9.0	23'304	10.9	15'072	7.0

Source: Central Statistical Office, *2005/06 Labour Force Report* (Gaborone, February 2008).

Eight out of ten working children in the country were still attending school. However, the conflict between education and other activities is made evident from the number of hours usually worked; More than half of the children classified as agricultural or service workers worked 15 hours per week or more; among those classified as elementary workers, the majority worked 29 hours per week or more. More than 6,000 children worked for over 42 hours per week.

Linkages between labour markets for youth and adults are reflected in the youth-to-adult unemployment ratio. In sub-Saharan Africa this ratio, at 1.8 in 2007, is closer to the adult unemployment rate than in any other region. (See table A6.) Such a low ratio suggests that the problem of unemployment is not specific to youth.

The youth unemployment rate remained relatively unchanged from 12.0 per cent in 1997 to 11.5 per cent in 2007. It should be emphasized that the regional averages for sub-Saharan Africa are based on an exceptionally wide range of youth unemployment rates. For example, in 2003, the youth unemployment rate in Madagascar was 7.0 per cent, while South Africa measured 60.1 per cent in the same year.[27] Analyses based on regional averages are useful for explaining the general challenges faced by youth, but given such a range of values, the interpretation should always be viewed with caution.

There can be little doubt that many young people in sub-Saharan Africa have no choice but to accept whatever work happens to be available, work that very often falls short of "decent". For many, the option of unemployment is not "affordable", at least not for more than short periods of time. Given that alternative sources of income, including support from family and friends, are likely to be less scarce in wealthier countries, the level of GDP per capita can be expected to have an upward effect on the youth unemployment rate in sub-Saharan African countries. Furthermore, wealthier countries such as South Africa and Namibia, the latter

[26] ILO, *Global employment trends for women, March 2008* (Geneva, 2008).
[27] ILO, *Key indicators of the labour market,* op cit, table 8a.

measuring a youth unemployment rate of 47.1 per cent in 2004[28], also have a lower share of vulnerable employment in total employment (all ages) and relatively better-organized labour markets. In such conditions, where alternative income support systems are available, it makes sense for youth to spend time in unemployment in the hope of eventually securing a decent job. Many prefer to wait, even if they are at the tail end of a queue for such work, over the alternative of taking vulnerable forms of employment with low pay that offer few prospects in the longer term.

Nevertheless, the "queuing for decent work" argument can only explain part of the youth unemployment problem in the region. The magnitude of youth unemployment in many sub-Saharan African economies, including low-income economies, suggests another explanation which is the shortfall of labour demand. A study of youth unemployment in the United Republic of Tanzania in 2001, for example, showed very low rural unemployment rates, but urban unemployment rates as high as 40 per cent in Dar es Salaam.[29] In this study it was also noted that youth from more advantaged family backgrounds tended to spend more time in school and were less likely to be among the urban jobless. Local labour demand and supply conditions were found to be important in determining labour market outcomes in urban areas. Large differences between urban and rural unemployment rates were also found in the 2006 labour force survey in the United Republic of Tanzania.[30] In South Africa, according to a recent OECD report, there is little evidence that "wait" unemployment is an important characteristic of the labour market as a whole (including adults). Important factors that explain the high unemployment rate in this country are the surge in labour supply since the early 1990s, and the difficulties dealing with this surge, which are both partly related to the apartheid legacy.[31]

Youth employment challenges in sub-Saharan Africa are difficult to address separately from the need to boost overall economic and labour market conditions. Still, this does not mean that there is no scope for measures targeting young people, with the objectives of easing their labour market entrance and improving their prospects. The large number of out-of-school youth and limited skills development of many young people make a clear case for such measures. But ultimately youth issues have to be addressed in the context of integrated employment strategies to create decent work for all.

3 North Africa

As a consequence of persistently high birth rates and decreasing death rates, the working age population in the region of North Africa has increased by almost 30 per cent during the last ten years. The youth population alone increased by over 19 per cent between 1997 and 2007. As can be seen in figure 3.1, however, the increase will not continue indefinitely. In four of the six countries (Egypt and Sudan are exceptions), the youth population began to decline slightly according to the projections sometime between the years 2010 and 2020. Still, as of today, all six countries show youth populations that are larger than ever before. And although the youth share in the total working-age population in all the countries are declining, that most shares hover above the 30 per cent mark (regional average was 30.5 per cent in 2007) indicates that economies in the

[28] Ministry of Labour and Social Welfare, *Namibia Labour Force Survey 2004* (Windhoek, March 2006); according to the same source, vulnerable employment amounted to not more than 21.0 per cent of all employment in Namibia.

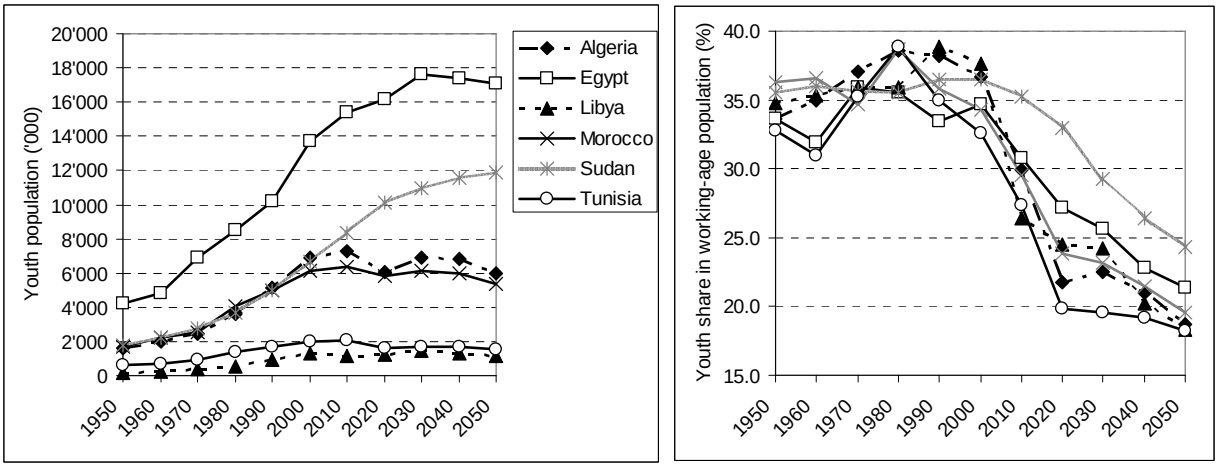
[29] F. Kondylis and M. Manacorda, "Youth in the labor market and the transition from school to work in Tanzania", World Bank Social Protection Discussion Paper No. 0606 (Washington, DC), July 2006; http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Labor-Market-DP/0606.pdf.

[30] National Bureau of Statistics, *Key Findings for Integrated Labour Force Survey (IFLS) 2006* (Dar es Salaam, November 2007).

[31] OECD, "OECD Economic assessment of South Africa", *OECD Economic Survey* (Paris), Vol. 2008/15.

regions face sizable burdens when it comes to producing a sufficient number of job opportunities for a large youth cohort.

Figure 3.1
Youth population: size and as share of total working-age population in North African countries, 1950 to 2050



Source: UN, World Population Prospects: The 2006 Revision Population Database, Panel 2: Detailed data, median variant; http://esa.un.org/unpp/.

In total, the youth population increased by 19 per cent (from 34.0 to 40.4 million) between 1997 and 2007 while the youth labour force increased by 10 per cent (from 13.0 to 14.3 million). (See table A2.) The fact that the youth labour force increased by less than the youth population is a reflection of progress in the number of youth engaging in the educational system. (See table 3.1.) A more pessimistic explanatory factor might be that there is an increase in discouragement among youth that accompanies high unemployment rates.

Table 3.1
Enrolment in secondary and tertiary education in North Africa, 1999 and 2006 (%)

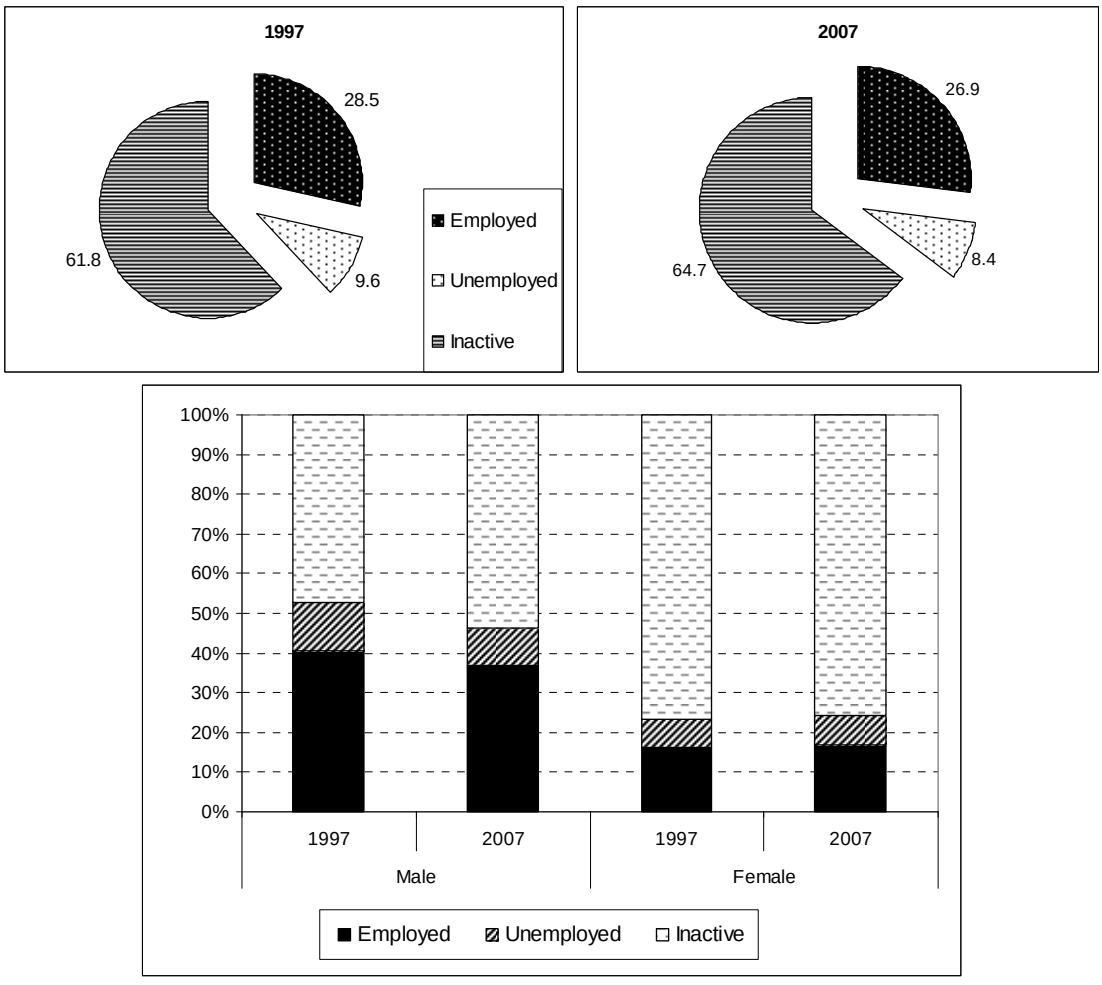
Secondary enrolment ratio	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Algeria	...	83.2	...	80.3	...	86.3
Egypt	82.5	87.8	86.0	90.6	78.8	84.9
Libyan Arab Jamahiriya	...	93.5	...	86.3	...	101.1
Morocco	36.7	52.4	41.0	...	32.2	...
Sudan	26.0	33.8	...	34.5	...	33.1
Tunisia	72.4	84.9	71.7	80.9	73.2	89.1
Tertiary enrolment ratio	**Total**		**Male**		**Female**	
	1999	**2006**	**1999**	**2006**	**1999**	**2006**
Algeria	14.2	21.8	...	19.4	...	24.4
Egypt	36.8	34.7	...	...	...	...
Libyan Arab Jamahiriya	50.2	55.8	50.8	53.3	49.6	58.3
Morocco	9.4	11.8	11.0	13.1	7.9	10.6
Sudan	6.2	...	6.5	...	6.0	...
Tunisia	17.0	31.0	17.2	25.8	16.8	36.5

Note: Latest year for Egypt refers to 2004 (secondary) and 2005 (tertiary) while Algeria (secondary) refers to 2005.
… = Not available.
Source: UNESCO Institute for Statistics, "Enrolment ratios by ISCED level", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182 and "Tertiary indicators", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=167.

Regarding the education enrolment information, it is interesting to see that at both secondary and tertiary levels, where female enrolment lagged behind that of males in most countries in 1999, by 2006 they had either almost caught up the male levels or in some cases even outpaced the male levels. This is a remarkable trend and gives hope for young women in North Africa for a future of equality at least with regards to educational access.

Unlike in other regions, the increase in participation of women in education was accompanied by an increase in the total number of young women in the labour force. The latter increased by 25 per cent between 1997 and 2007 whereas the male youth labour force increased by only 4 per cent. As a consequence, the gap between male and female participation rates has decreased over the ten year period although it remains considerable and the third largest in comparison to other regions. Whereas nearly 2 in 4 young men were active in 2007 (labour force participation rate of 46.1 per cent), only 1 in 4 young women were either working or looking for work (24.3 per cent). To illustrate it differently: in 2007 for every 100 young men active in the labour market there were only 51 women. Only in the Middle East and South Asia were the proportions more unequal. The overall youth labour force participation rate in the region remains the lowest in the world at 35.3 per cent in 2007.

Figure 3.2
Distribution of youth population by economic activity status in North Africa, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

The share of employed young people is very low and declining. Only 27 out of 100 young people had a job in 2007 (with 37 out of 100 men and 17 out of 100 women), compared to 28 of 100 in 1997. This is the lowest employment-to-population ratio for youth in the world. At the

country level, the highest employment-to-population ratio for young men was found in Morocco with 52.5 per cent in 2006, the lowest rate was found for young women in Egypt at 8.5 per cent.[32]

It is astonishing that young women have become more active in terms of economic activity despite the discouraging youth unemployment situation that they face: The youth unemployment rate stood at 23.8 per cent in 2007 (20.1 per cent for young men and a daunting 30.9 per cent for young women). (See table A5.) These are the highest rates in the world. While young people make up 30 per cent of the working age population (the third highest share in the world), they make up as much as 48.2 per cent of total unemployment in the region. (See table A8.) The change over time has been very moderate and for female youth it even increased slightly. For the three countries where recent youth unemployment rates are available (Algeria, Morocco, Tunisia) the rates vary between around 45 per cent in Algeria to around 15 per cent in Tunisia. Compared to adults, the chance that a young person will be unemployed is 3.4 times higher in the region. (See table A6.)

The youth unemployment problem in North Africa should be carefully analysed since the challenges vary according to the various educational attainment levels of the young jobseeker. In the majority of countries, it is the youth with little or no education or with higher education levels who have lower risks of being unemployed.[33] Most of the unemployed are either semi-skilled or have intermediary or secondary education, a sign of the under-evaluation of their training in the economy. However, unemployment rates among university graduates show an increasing trend in some countries as well. In Egypt, for example, tertiary-level graduates now show the highest unemployment rate of all educational levels.

There are several reasons for the latter trend. University students are the fastest growing group among new entrants to the labour markets and the group most dependent on government employment, which remains stagnant or is even shrinking. As in the past, young people with university degrees often want a job in the public sector. The main difference to past times, however, is that such jobs are fewer and thus more difficult to attain given the heightened competition among greater numbers of applicants. Despite changing realities, many young people still expect governments to provide them with such jobs, and given that they most likely come from a wealthier background, they are willing to wait for long periods rather than taking up the more readily available private sector jobs.

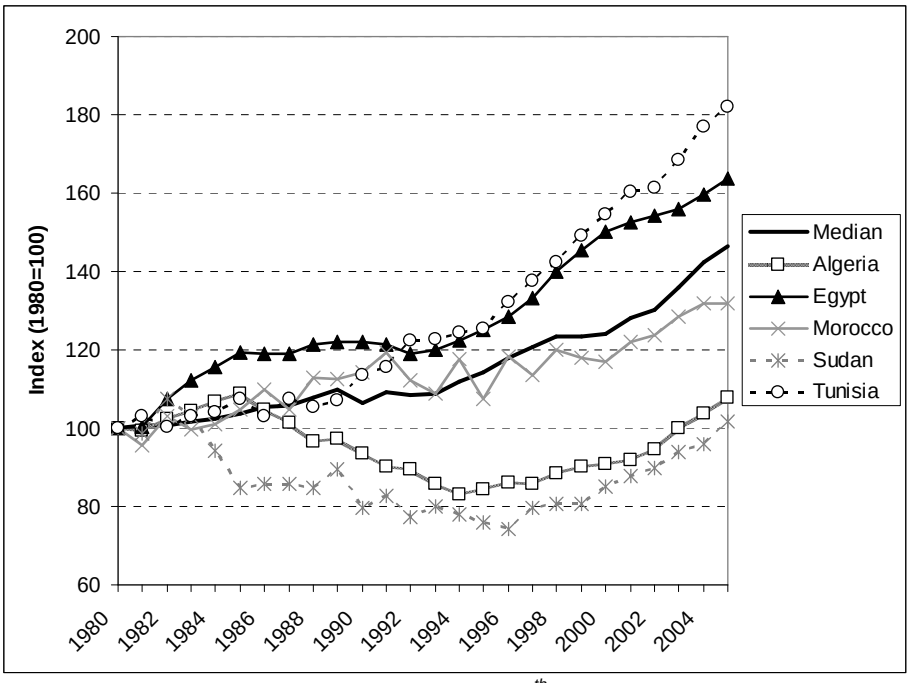
Another extenuating factor behind high unemployment rates is that the private sector, which could balance the decline in public sector employment of young people, continues to discriminate against youth when hiring, especially female youth, most likely as a means to avoid added labour costs such as those caused by maternity leave and child care. The private sector also claims that the graduates do not have the type of skills they need.[34]

In addition to the mismatch between labour market supply and demand for young people, limited economic growth and low productivity growth in the region result in limited decent and productive job creation. As can be seen in figure 3.3, between 1980 and 2005 productivity growth in the North African countries with data were slight (between 2 and 82 per cent over the entire period). For comparative purposes, the median of all countries with data is included as well. Only Egypt and Tunisia performed better than the median in terms of productivity growth. Labour productivity in Algeria and Sudan was just slightly above the 1980 level at the end of the 25 year period. With limited increases in productivity, an economy generally sees little increase in the

[32] ILO, *Key indicators of the labour market,* op cit, table 2.
[33] R. Assaad and F. Roudi-Fahimi, *Youth in the Middle East and North Africa: Demographic Opportunity or Challenge?* (Washington, DC, Population Reference Bureau, 2007); www.prb.org/Publications/PolicyBriefs/YouthinMENA.aspx.
[34] ibid. See also, El Zanaty and Associates, "School-to-work transition: Evidence from Egypt", Employment Policy Paper No. 2 (Geneva, ILO, 2007); www.ilo.org/public/english/employment/yett/download/swtsegypt.pdf.

wages of workers and there is no additional potential to create new jobs. Focusing on productivity increases is thereby an important issue within the region. The increasing FDI inflow in some countries might help to boost productivity growth. Having said this, it is important that productivity growth is accompanied by improvements in the education and training systems so that the future workforce are better prepared to perform the jobs needed. Replacing people through investing in machines might boost productivity in the short run but it does not work in economic systems with a surplus of labour in the long run.

Figure 3.3
Productivity growth (output per person employed, 1980=100), selected countries in North Africa



Source: ILO, *Key indicators of the labour market, 5th edition* (Geneva, 2007), table 18a.

In terms of labour market trends, the regions of North Africa and the Middle East are historically close. There is one striking difference, however, which should have an impact on the formulation of youth policies in the respective regions. Specifically, the agricultural sector in North Africa still plays a vital role, employing more than one-third of all workers.[35] There is little data available on sectoral distribution of youth employment, but since there is little reason to assume that it would differ greatly from the overall distribution, it is safe to say that a large share of young people, especially young women, work in agriculture in the region. Therefore, programmes and policies geared toward boosting youth employment should focus on the agricultural sector, with aims to boost productivity and job quality as a means to avoid the growing exodus of young people from rural to overcrowded urban areas in search of employment while also decreasing rural poverty. The recent food crisis shows how important a well-functioning agricultural sector can become to lessen a country's dependence on food imports.

No single player and no single policy can solve the challenge of raising demand for the large number of young people entering the labour market each year and coping with the resulting large rates of youth unemployment and involuntary inactivity. That governments in the region are concerned is evident in the increasing number of projects geared toward better integrating young people. Some countries in the region show their concern through active participation in the Youth Employment Network. Successful policies aim toward lowering barriers in the private sector which discourage employment of young people, or to promoting entrepreneurship among young

[35] ILO, *Global employment trends, January 2008,* op cit.

people. But State intervention can only be part of the solution. It is also crucial that young citizens realize that, unlike in the past, the government cannot guarantee them a lifelong job, no matter how well educated they are and for how long they wait. However, without measures to ensure sustainable growth in the region, the positive results will be short-lived. Increases in productivity are important to ensure that not only any type of jobs gets created but decent jobs. Only the combination of such measures can ensure that the untapped youth potential in the region will be better used.

4 Middle East

An analysis of the situation for young people in the Middle East reveals a number of striking similarities to results seen in North Africa. High population growth rates, high levels of unemployment and few opportunities for young women to participate in labour markets are all persisting characteristics to both regions, despite the fact that both youth populations are more educated than ever before.

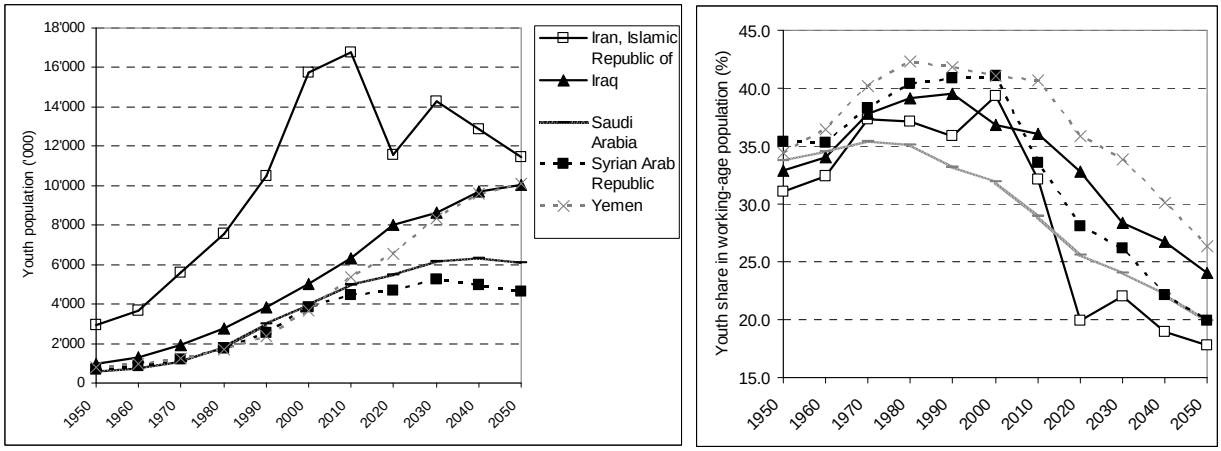
The total population in the Middle East has grown by almost 40 per cent over the last ten years, more than in any other region. Also the youth population has seen a tremendous growth of 32 per cent. Only in sub-Saharan Africa was growth in youth population higher (at 34 per cent). As can be seen from figure 4.1, all countries in the region have never before seen as many young people as today. And for quite a few countries, the number of youth will continue to grow even beyond 2050. What this means is that most countries in the Middle East will not reach the window of opportunities brought when lower total youth numbers and lower shares of youth in working-age population result in less pressure on education systems and labour markets for still some years to come. For the region as a whole, the share of young people in the working age population began to decline in 2004 and is now down to 32.7 per cent. The share is higher only in sub-Saharan Africa (at 36.1 per cent).

The youth labour force in the region is also growing partly because of the growing population but also because of an increasing participation rate and consequently a decreasing inactivity rate. Whereas ten years ago the regional labour force participation rate stood at 35.8 per cent for young people, it was at 36.4 per cent in 2007. (See table A3.) This is the only region in the world that has seen an increase in the labour force participation of youth. It was driven by the 3.1 percentage point increase in female participation during the period 1997 to 2007. Despite this encouraging trend, the region still had the lowest labour force participation rate for young women of all regions at 21.5 per cent in 2007 (compared to 50.7 per cent for young males).

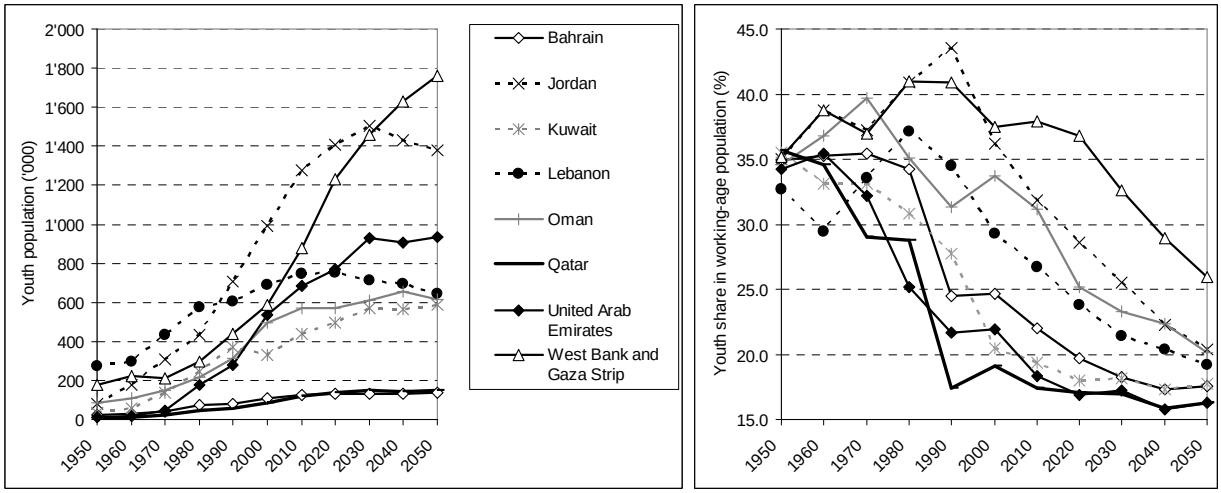
It does not come as a surprise that with an increasing youth population and participation along with slow economic growth (as discussed below) that the youth employment challenge so far has not subsided. But at least it has not grown either. There has been some job creation for young people. As a matter of fact, the total number of employed youth in the region grew between 1997 and 2007 by 40 per cent, the highest increase in the world. (See table A2.) But given that this did not come in parallel with productivity growth, it is likely that the jobs created were less than decent in terms of quality; most likely they were created in labour-intensive industries and sectors of the economy where vulnerable jobs are widespread. The youth employment-to-population ratio also increased over the period from 27.3 to 29.0 per cent. This is still the second lowest ratio in the world, however, behind only that of North Africa, which means that there is still a much higher supply of young labour than is demanded in the labour markets of the region. (See table A4.)

Figure 4.1
Youth population: size and as share of total working-age population in Middle Eastern countries, 1950 to 2050

Youth population greater than 1.8 million



Youth population less than 1.8 million



Source: UN, World Population Prospects: The 2006 Revision Population Database, Panel 2: Detailed data, median variant; http://esa.un.org/unpp/.

Despite improved youth employment opportunities, youth unemployment rates continue to remain at high levels. Country-specific estimates are not available for many countries in the region, but for those with available information, rates of above 20 per cent are quite common. The estimated overall rate for the region was 20.4 per cent in 2007 which represent a decrease of more than 3 percentage points from 1997. (See table A5.) This is partly the result of overall improvements in labour markets and partly the result of the efforts more and more economies make to implement youth-specific policies. However, the likelihood to be unemployed continues to be more than 3 times higher for young people than for adults in 2007, as it was ten years previous.

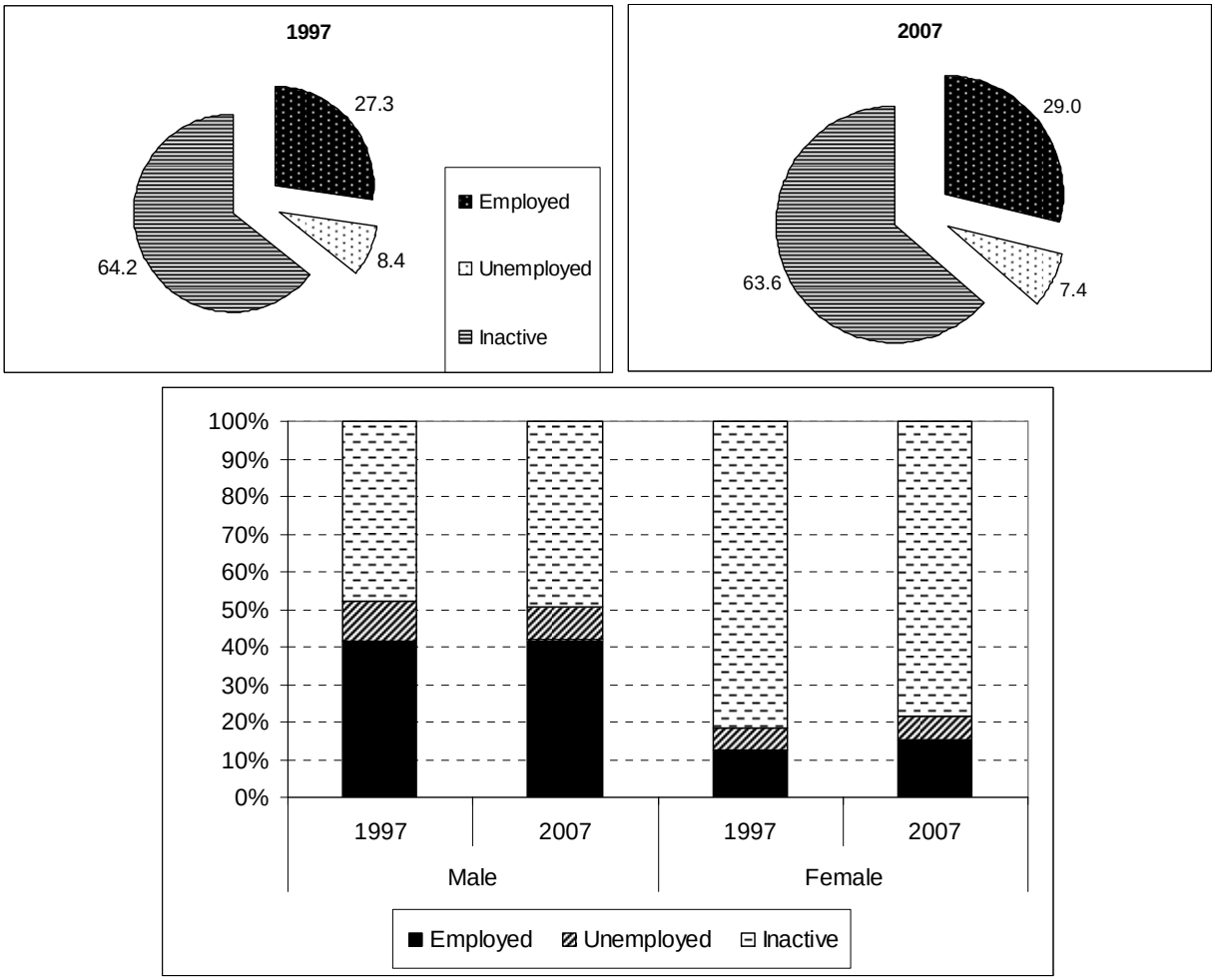
Young women find it even harder than young men to find a job. The female youth unemployment rate in 2007 was 28.7 per cent whereas the latter faced a rate of 17.1 per cent. The reasons for high unemployment rates among young women are more or less the same as the reasons for adult women. In the GET Women 2008, the explanations were found to be two-sided.[36] On the one hand, some employers openly give preference to male jobseekers, and on the other hand, the women that have gained access to education often do not wish to take up the type of jobs that are available to them. Some employers do actually prefer female workers, but the jobs

[36] ILO, *Global employment trends for women, March 2008,* op cit.

offered are low-skilled and low-paid. The overall result is that some women will remain unemployed while waiting for the "right" job (with some holding out for public sector work) and other women – the majority – have little choice but to fall outside of the labour force.

But perhaps the greatest challenge for young women in the region is not so much unemployment but lies in their tremendous share of inactivity (as can be seen in figure 4.2), which, unlike in most other regions, is only to a small extent attributable to their engagement in educational activities.

Figure 4.2
Distribution of youth population by economic activity status in the Middle East, total (1997 and 2007) and by sex (2007)



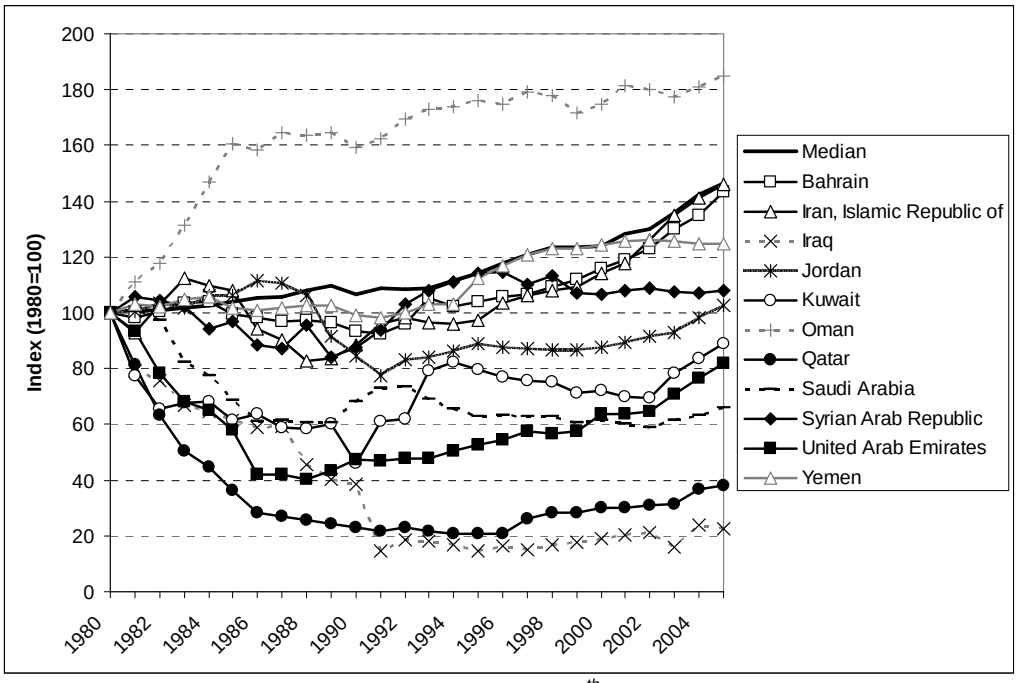
Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

Labour productivity levels in the region are higher than in North Africa with around US$21,000 of output per person employed per year in comparison with around US$15,000 in North Africa. However, the Middle East is the only region that saw almost no changes in productivity levels over the last ten years. This of course is an alarming sign and a threat to decent job creation. There is a high variation in productivity levels as well as in changes in productivity at the country-level in the region. For the 11 countries with available data, levels vary in 2005 between US$1,430 in Iraq and US$22,690 in the United Arab Emirates.[37] Only five out of the 11 countries showed levels of labour productivity in 2005 that exceeded the levels in 1980, and with the exception of Oman, all countries lagged behind the world median labour productivity levels throughout the period. (See figure 4.3.) Although labour productivity and youth unemployment

[37] See ILO, *Key indicators of the labour market,* op cit, table 18a.

are not directly linked, when there is no increase in productivity the likelihood of job creation and increases in the quality of jobs are greatly diminished. Typically it is young people, because of their lack of experience and the fact that employers have a tendency to discriminate against them, who suffer most under such discouraging conditions.

Figure 4.3
Productivity growth (output per person employed, 1980=100), selected countries in the Middle East



Source: ILO, *Key indicators of the labour market, 5th Edition* (Geneva, 2007), table 18a.

In terms of education, young women in the Middle East are in a much better situation today than ten years ago. In terms of tertiary education, gross enrolment ratios among women in the majority of the countries in the region even exceed those of men. Out of the 12 countries with recent data available, there were only two with lower female ratios than male, namely Iraq and Yemen. In Qatar, women's enrolment ratio in tertiary education was more than three times higher than men's. Yet still, despite near equality in terms of educational enrolment between the sexes, young women in the current social context still find it much harder to participate in labour markets and find a job.

Besides the problems discussed above, the oil-rich and labour-receiving Gulf States (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) in the region are faced with the additional challenge of addressing the employment balance between nationals and non-nationals (which very often are young people). A rapidly growing number of young nationals are entering the labour force at a time when their governments are no longer able to guarantee lifetime employment in the public sector. As a result, nearly all of the Gulf States are now instituting policies that push the private sector to hire more nationals and fewer non-nationals. Such policies range from setting mandatory quotas and targets for private businesses to hire nationals, to charging businesses taxes on foreign workers. An ongoing problem exists, however, in convincing the nationals to take up the available jobs typically occupied by foreign labourers. Many nationals, particularly those with higher education, prefer to wait for the harder to obtain public sector jobs, hence, the high unemployment rates in the region amongst this group. There is a resulting imbalance between national and non-national labour markets in the region, which is likely to intensify in the face of policies that do not match expectations of workers or employers.

Table 4.1
Enrolment in secondary and tertiary education in some economies in the Middle East, 1999 and 2006 (%)

Secondary enrolment ratio	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Bahrain	94.5	102.1	90.8	100.2	98.4	104.0
Iran, Islamic Republic of	77.8	81.0	80.5	83.4	74.9	78.4
Iraq	33.6	45.3	41.2	54.4	25.8	36.0
Jordan	88.8	88.7	87.7	87.6	89.9	89.8
Kuwait	98.4	88.7	97.6	86.5	99.2	91.0
Lebanon	73.5	81.4	70.4	77.6	76.7	85.3
Occupied Territories	80.3	93.9	78.9	91.2	81.8	96.7
Oman	75.2	88.6	75.3	90.4	75.0	86.8
Qatar	87.5	101.2	83.1	102.7	92.2	99.8
Syrian Arab Republic	40.3	69.6	42.0	71.5	38.4	67.7
United Arab Emirates	76.1	90.0	73.9	89.0	78.5	91.2
Yemen	40.6	45.6	58.4	60.6	21.8	29.9
Tertiary enrolment ratio	**Total**		**Male**		**Female**	
	1999	**2006**	**1999**	**2006**	**1999**	**2006**
Bahrain	21.6	32.1	16.0	19.1	28.2	46.8
Iran, Islamic Republic of	18.9	26.8	20.9	25.4	16.8	28.3
Iraq	11.5	15.8	14.8	19.8	8.0	11.6
Jordan	29.5	39.0	27.8	37.0	31.2	41.2
Kuwait	22.7	17.6	13.7	11.0	32.9	25.6
Lebanon	33.1	48.0	33.1	44.5	33.1	51.4
Occupied Territories	24.6	48.2	26.0	43.6	23.0	53.1
Oman	...	25.5	...	25.0	...	26.0
Qatar	23.0	18.6	10.8	9.7	41.3	33.2
Saudi Arabia	20.0	29.2	16.2	23.5	24.2	35.3
United Arab Emirates	17.5	23.2	9.7	13.3	28.8	37.4
Yemen	10.1	9.4	15.5	13.5	4.3	5.0
Bahrain	21.6	32.1	16.0	19.1	28.2	46.8

Note: Latest years are 2005 for Islamic Republic of Iran (secondary), Iraq (secondary and tertiary) and Yemen (secondary), and 2003 for United Arab Emirates (tertiary).
… = Not available.
Source: UNESCO Institute for Statistics, "Enrolment ratios by ISCED level", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182 and "Tertiary indicators", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=167.

It is an unfortunate "Catch-22" that with stagnating productivity growth, the productive potential of an educated young generation is generally wasted, while at the same time the wasting of this potential valuable resource feeds further stagnation of productivity. Youth in the Middle East are unfortunate victims of this negative cycle; they face little opportunity to find a decent and productive job. We see in the region three groupings of countries: 1) the oil-rich countries that so far have not used their economic potential to solve the challenge of high population pressures and turn it to their favour by using the potential young people have to offer; 2) the conflict countries that have to create opportunities for their young population in order to avoid frustration and the feeling of exclusion among them, both of which have the potential to lead to negative behaviour; 3) the countries that managed to diversify their economic activities – the right way forward – but are often only investing in sectors where few jobs are created and where young nationals find it hard or undesirable to access. So often it is the young people that have the potential and the spirit to work in newly-created sectors, and when integrated from the beginning, they are the guarantee for continuation.

5 Latin America & the Caribbean

As highlighted in the GET 2008, four successive years of relatively high economic growth have brought slightly positive results in labour market trends. Recent economic growth has had some positive impact on the youth labour markets as well, but seems not to have led to a more structural improvement for youth.

The youth unemployment rate stood at 14.5 per cent in 2007, which is 0.5 percentage points higher than in 1997. (See table A5.) The slightly downward trend in more recent years, however, looks less impressive in view of the still high level of youth unemployment in comparison to the world average of 11.9 per cent.

The labour force participation rate for youth is high in Latin America. Only in East Asia and sub-Saharan Africa were participation rates of youth higher. (See table A3.) It also seems "out-of-step" with the level of income in this region. Globally, there appears to be a relationship between labour force participation of youth and the level of GDP per capita. (See figures 5.1 and 5.2.) A principal factor behind this relationship is likely to be increasing enrolment at higher levels of education if economies develop and incomes rise. For both male and female youth, the plot shows much variation in participation rates for each level of income per capita, but nevertheless suggests a weak negative relationship, which is stronger for males than for females. In the case of male youth, the Latin American region is at the far end in terms of labour force participation, while the region also has a relatively high income per capita. In the case of female youth, Latin America's position is less exceptional.

As in other regions, the youth participation rate is declining but at a slow pace. From 1997 to 2007 the participation rate of youth dropped by 1.3 percentage points, the lowest decline of all regions with the exception of the Middle East. (See table A3 and figure 1.4.)

Figure 5.1
Youth labour force participation rates of males and GDP per capita at purchasing power parity, by region, 2006

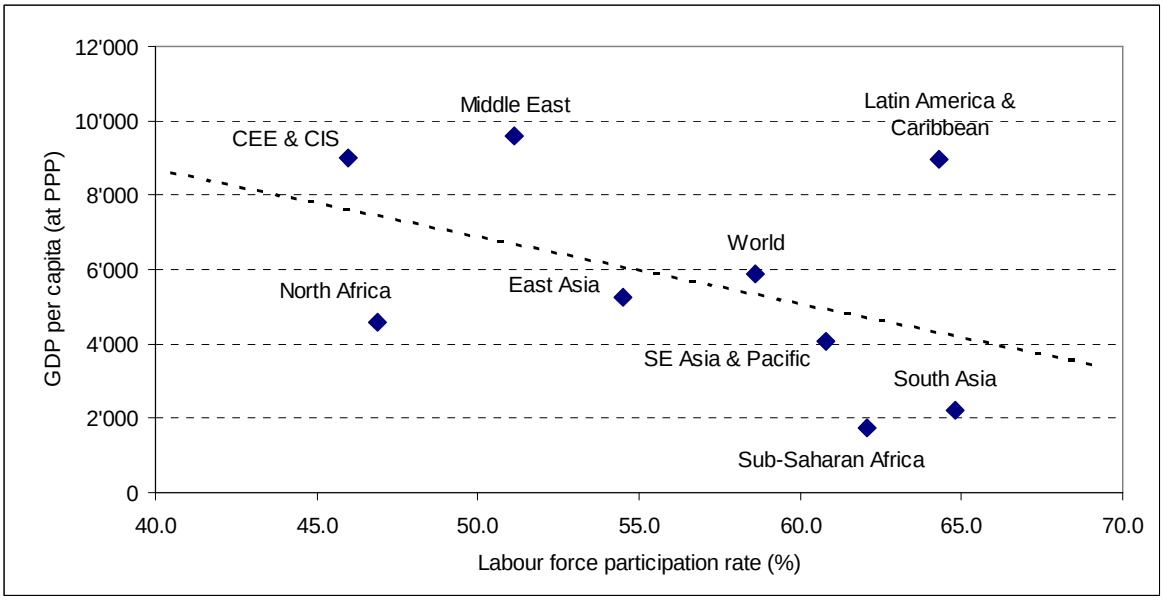
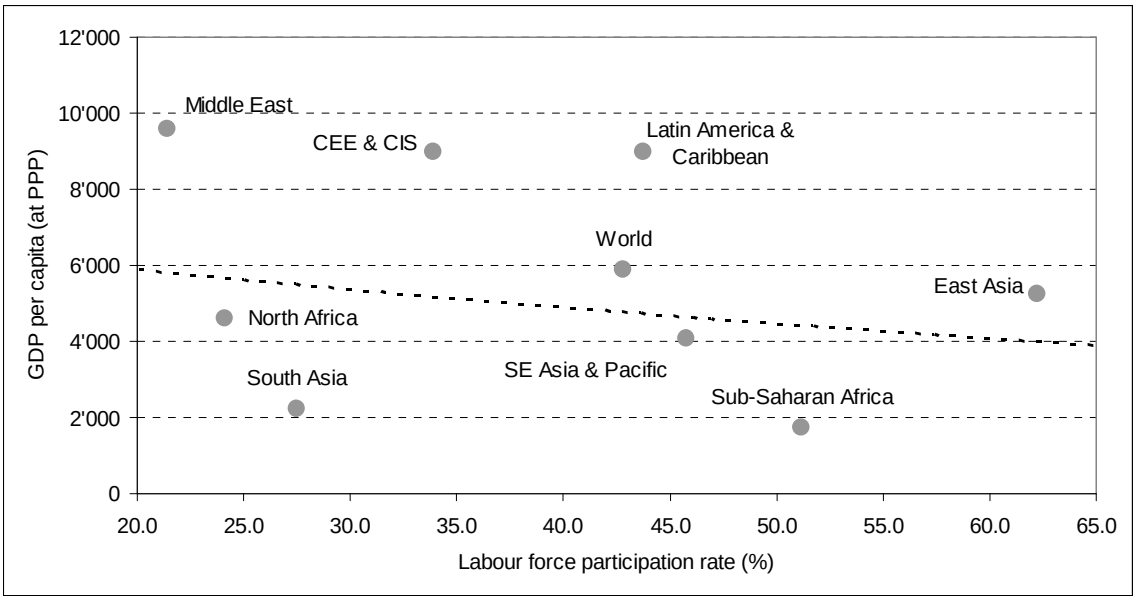


Figure 5.2
Youth labour force participation rates of females and GDP per capita at purchasing power parity, by region, 2006



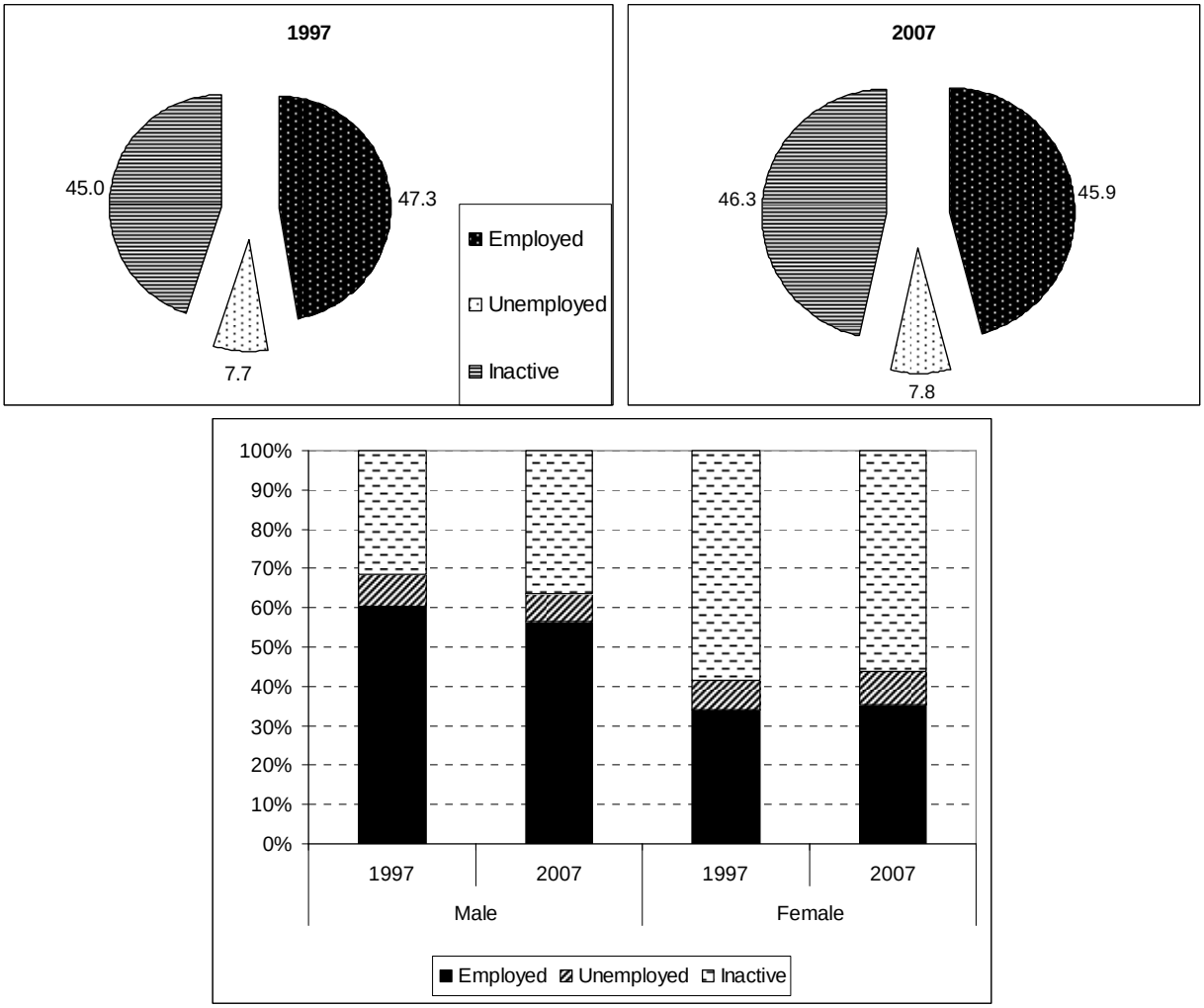
Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

Both the difference in labour force participation rates and employment-to-population rates between young men and women declined considerably between 1997 and 2007. (See tables A3 and A4.) The difference in employment-to-population rates decreased from 26.5 percentage points in 1997 to 20.9 percentage points in 2007. But still, the difference is high if compared with other regions – only South Asia and the Middle East showed larger gaps – and with the world average (13.8 percentage points). Furthermore, unemployment rates for young women far exceed those for young men. In 2007, the youth unemployment rate for men stood at 11.5 per cent, compared to 19.0 for women. (See table A5.)

The strong youth labour force participation puts pressure on national labour markets. During 1997-2007 the ratio of youth-to-adult unemployment crept up from 2.6 to 2.8, indicating that youth face increasing difficulties in finding employment in comparison with adults. In the previous GET Youth 2006, a number of explanations were offered as to why unemployment rates for youth are higher than for adults, including the so-called "last-in, first-out explanation".[38] This explanation suggests that youth are in a disadvantageous position vis-à-vis adults as youth have less work experience, and employers often prefer more experienced applicants in times of abundant candidates ('last in'). Youth may also be the first to leave if the company has invested less in them in comparison with older workers, or finds it otherwise cheaper or more convenient to release younger workers ('first out'). Another explanation for relatively high youth unemployment rates is the lack of job search expertise among the youth, which emphasizes the importance of having networks that can help in finding employment. Country evidence presented below suggests that both explanations are highly relevant in the Latin America & the Caribbean region, and point to the fact that youth are more affected by business cycles than adults.

[38] See box 2.1 in ILO, GET Youth 2006.

Figure 5.3
Distribution of youth population by economic activity status in Latin America & the Caribbean, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

A recent World Bank paper on youth employment in Brazil shows that between 1978 and 2002 the labour market for youth worsened considerably in terms of indicators such as the labour force participation rate, the employment-to-population ratio and the unemployment rate.[39] The latter indicator multiplied nearly four times during the period covered, rising to 19.1 per cent in 2002.[40] The study demonstrates that Brazilian youth were effectively acting as a "buffer", absorbing shocks during negative business cycles, but not benefiting during positive economic fluctuations. Except for some convergence between youth and adult wages,[41] youth generally lost ground during the period of analysis, and particularly so during the 1990s. The same author arrives at similar conclusions for youth labour markets in Argentina, where youth were also more severely affected by macroeconomic shocks than adults, in part due to the lack of experience and connections. Connections, or more formally "social capital", seem an increasingly important factor influencing access to jobs in Latin America. (See box 5.1.)

[39] M. Justesen, "Is the window of opportunity closing for Brazilian youth? Labor market trends and business cycle effects", World Bank Social Protection Working Paper No. 0806 (Washington, DC, 2008), April; http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Labor-Market-DP/0806.pdf.

[40] A small part of the increase was due to methodological changes in the survey (M. Justesen, ibid.).

[41] The relative improvement of wages may explain part of the jump in youth unemployment (M. Justesen, ibid.).

Box 5.1
Human capital, social capital and access to employment

The value of human capital is widely recognized, but Weller (2007) argues that measures to strengthen social and cultural capital are important as well, and more so for disadvantaged youth. Social capital, defined as "social relations based on trust, cooperation and reciprocity", is highlighted as an important factor influencing access to jobs in Latin America, which is reflected in the emphasis placed on recommendations of third parties in the process of searching employment.

The importance of social capital is demonstrated by a review of job search methods used by youth in Latin America. In Peru, for example, contacting family and friends is found to be an important method when looking for a job. Survey results (see below) show that even though there is a decrease in comparison with 1990 and earlier, using contacts to search for work is still very important for youth. Similarly, "contacts" was given as the most important determinant to finding a job in a more recent study in Paraguay.

How do youth search for employment in Peru?

	1986	1990	1994	2002
Directly contacting employers	16.9	25.1	25.3	28.0
Using an employment agency	4.2	5.8	7.6	13.1
Through friends/parents	47.2	36.6	36.4	34.3
Through vacancy announcements	31.7	32.2	30.1	21.9
Other/non-response	0.0	0.4	0.6	2.8

Source: J. Chacaltana, *La inserción laboral de jóvenes en Perú. Una revisión de datos, estudios y experiencias de promoción* (Lima, CEPAL/GTZ, 2004), p 27.

Sources: J. Weller, "Youth employment: characteristics, tensions, and challenges", in *CEPAL Review* (2007), No. 92, pp. 61-82; M. Palau and L. Caputo, *Proyecto regional "Integración de jóvenes al mercado laboral": Informe Final Paraguay*, (Asunción, BASE Investigaciones Sociales, 2005).

Because youth are at the end of the queue to get employment, they are also negatively affected by the shortfall in the creation of decent employment in the labour market as a whole.[42] As noted in the GET 2008, Latin America is the only region in the world where the share of vulnerable employment is not decreasing. This points to the need to develop employment strategies which focus on the quality of employment, and not just on reducing the volume of unemployment. An important part of such strategies is raising the levels of skills of young people. In Brazil, for example, skill levels of workers still lag behind many other countries, and much analytical work underscores the need to raise the educational and skill levels of the Brazilian labour force with a view to increasing productivity.[43]

Table 5.1
Enrolment in secondary and tertiary education in Latin America & the Caribbean, 1999 and 2006 (%)

	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Secondary enrolment ratio	80.3	89.4	77.7	86.3	83.1	92.6
Tertiary enrolment ratio	21.5	31.3	20.3	29.1	22.7	33.6

Source: UNESCO Institute for Statistics, "Regional average of enrolment ratios for pre-primary to tertiary education (ISCED 0-6)"; website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=194.

[42] See the analysis of youth employment in ILO, *Trabajo decente y juventud – América Latina* (Lima, 2007).
[43] See for example C. Ernst, "Recent dynamics in Brazil's labour market", Economic and Labour Market Paper 2007/10 (Geneva, ILO, 2007), and L. de Mello, N. Menezes Filho and L.G. Scorzafave, "Improving labour utilisation in Brazil", Economics Department Working Papers No. 553 (Paris, OECD, 2006).

For youth, education and training can be a powerful tool to ease the school-to-work transition and improve upward mobility to decent work. Studies show, however, that despite the fact that enrolment in education has steadily increased (see table 5.1), the Latin America and Caribbean regions perform poorly in international assessments, and fall short of OECD standards.[44] In the Caribbean, it was recently found that there appears to be a disconnection between education and the world of work despite high and intensifying demand for skills. Recommendations to improve the school-to-work transition included the need for strategic actions to improve the link between school and work, such as improving labour market information, dialogue between employers and education institutions, and the acceleration of the achievement of universal secondary education.[45] Improved educational opportunities would therefore be a good starting point to encourage the translation of economic growth into better opportunities for youth.[46]

6 East Asia

With regional data that is so strongly dominated by China, youth labour market trends for the region of East Asia are unique. The region shows the highest youth labour force participation rate in the world at 57.5 per cent, but what is most astounding about this fact is that the high rate is driven by the participation of young women more so than men. The female youth participation rate at 61.8 per cent exceeds the second highest regional average (in the Developed Economies & European Union) by 13.4 percentage points. Participation of young males, in comparison, corresponds more or less to the world average at 53.5 per cent.[47]

As in all regions (with the exception of North Africa) but to a greater extent, the youth labour force participation rate has decreased between 1997 and 2007. The large 12 percentage point decrease (and the increase in the inactivity rate as seen in figure 6.1) reflects the significant increases in both secondary and tertiary enrolment in most countries in the region. (See table 6.1.) The increase in the tertiary enrolment ratio in China from 6.4 to 21.6 per cent between 1999 and 2006 should explain a significant portion of the decrease in the region since it is likely to represent millions of youth who might otherwise be in the labour force.

The youth employment-to-population ratio in East Asia is the world's highest at 53.6 per cent, although again this reflected the largest decrease over the ten-year period between 1997 and 2007. (See table A4.) There was a drop of almost 11 percentage points from the 64.6 per cent ratio of 1997. In order to explain the large decrease, one must look at the case of China. (See box 6.1 for findings on the employment situation of youth in China, which by the sheer dominance of its population size in the region (and in the world, for that matter) explains the labour market trends in the region.) As with the labour force participation rate, and again making it unique among other

[44] E. Vegas and J. Petrow, *Raising Student Learning in Latin America: The Challenge for the 21st Century* (Washington, DC, World Bank, 2008); http://siteresources.worldbank.org/INTLAC/Resources/Raising_Student_Learning_in_LAC_Document.pdf.

[45] World Bank, *School and Work: Does the Eastern Caribbean Education System Adequately Prepare Youth for the Global Economy?* (Washington, DC, 2007), Report No. 38555, November; http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/OECSEXTN/0,,contentMDK:21531684~pagePK:1497618~piPK:217854~theSitePK:339287,00.html.

[46] A series of recommendations aiming to improve the position of youth in the labour market can be found in ILO, *Trabajo decente y juventud*, op cit.

[47] The reversed gap in male-female youth labour force participation rates is difficult to explain, although one can venture a guess that the main influential factors are the larger male than female youth population (the denominator of the labour force participation rate) in China and the possibility that it is the low-wage manufacturing and services industries that favour female labour which are expanding in China (thus encouraging female participation) and the heavy industries that favour male labour which are contracting. Female enrolment in education in China also lags behind that of males, particularly in rural areas, although the gap is closing in recent years as parents under the one-child system promote the education of that child regardless of sex.

regions, the employment ratio of young women at 58.4 per cent exceeded that of young men (49.3 per cent) in 2007.

Box 6.1
Youth employment in China

Despite labour shortages, at least for more skilled labour, and record growth, the employment ratio of both young men and women has shown a declining trend in China over the past ten years. Is there a contradiction there? Wouldn't one expect to see young labour market entrants snapped up by expanding private enterprises trying to keep up with a boom in export-based or services-based production? Normally, yes, but China is hardly a common case. Labour market institutions and circumstances in the country are such that strong demand factors have not in themselves been sufficient to pull more young people into employment.

What are the causes of the deteriorating of youth employment in China?

- *Insufficient rates of labour absorption.* One of the main reasons for declining employment trends of youth in China has simply to do with the fact that there are so many of them. Every year the country copes with an astounding number of labour market entrants. One report reminds us that within the government's 10th Five-year Plan (2001-2005), the country has had to account for 11.9 million labour market entrants annually, compared to the previous five-year plan (1996-2000) when the number was 9.1 million.(1) Add to this the existing urban unemployed and rural-to-urban migrants and the number comes to more like 23 million. What this means is that even with an impressive GDP growth of 8-10 per cent per year, there is a resulting gap between the number of jobs that can be created (estimated at 7 to 8 million per year) and the number of persons looking for a job.
- *Traditional expectations of young labour market entrants not matched by changing market needs.* Record economic growth has come at a time of economic restructuring in the country, and the introduction of a market economy, albeit restrained under an evolving Communist system, has led to a dissolution of the state-enterprise system where so many of the young labour market entrants used to find placement. New labour demands mainly come from the private sector. Yet China's youth, at least the more educated youth, still aspire to public sector employment. This has lead to fierce competition among graduates for the very limited public sector vacancies. At the same time, the human resource practices in private enterprises do not help to encourage youth toward that path of employment so that many fall outside of the labour force for long periods while waiting for a "better" job to come up. According to the government-affiliated Institute of Labor Studies, such practices include the hiring only of people aged 18 to 25 years, who are then replaced with new recruits upon their maturation beyond the "golden years".(2) Because of this short-term hiring practice, employers do not bother to train their young employees.
- *Skills mismatch in labour market supply and demand.* Although improving, low skills and qualifications of the labour force persist as a result of both low enrolment ratios at higher educations levels and the relatively poor quality within the education system itself. The enrolment ratio of persons in tertiary level education was 21.6 per cent in 2006 according to UNESCO. This is not a large share in comparison to developed economies and some other emerging economies. This places China in a disadvantageous position when it comes to the supply of skilled labour that is demanded by employers.(3)

Given the reported decline in employment numbers among youth in China, one might expect to see a rise in the number of unemployed youth. This, however, is not the case. Because the overall youth labour force (as sum of the employed plus unemployed) in China is shrinking, there is no contradiction in having decreases in both the number of employed and the number of unemployed. Almost the entire decline in employment seems to be offset by the large increase in the number of inactive youth. And the increase in inactive youth can be explained by the huge jump in enrolment ratios in secondary and tertiary education, as seen in table 6.1.

(1) Zhang Ya-li, "Youth Employment in China", paper for the International Labour Information Project Liaison Officer Meeting, September 26-27, 2004; www.jil.go.jp/event/itaku/sokuho/documents/20040924/china.pdf.

(2) Zhang Libin, "Globalization and its effects on youth employment in China", paper for the Regional Expert Group Meeting on "Development challenges for young people in Asia", Bangkok, 28-30 March 2006, p. 4; downloaded from www.un.org/esa/socdev/unyin/regm_asia.htm.

(3) Of employers surveyed in the context of the SWTS, 80 per cent sought higher education qualifications in their young applicants for professional posts, and for manufacturing posts, 10 per cent of employers sought applicants with higher education and another 49 per cent sought vocational qualifications.

Table 6.1
Enrolment in secondary and tertiary education in some East Asian economies, 1999 and 2006 (%)

Secondary enrolment ratio	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
China	61.9	75.5	...	75.2	...	75.8
Hong Kong, China	...	85.3	...	85.1	...	85.4
Macao, China	75.7	97.9	72.8	97.7	78.6	98.2
Mongolia	58.3	89.5	51.5	84.4	65.3	94.7
Republic of Korea	99.9	95.6	99.5	97.8	100.4	93.4
Tertiary enrolment ratio	**Total**		**Male**		**Female**	
	1999	2006	1999	2006	1999	2006
China	6.4	21.6	...	21.8	...	21.3
Hong Kong, China	...	33.0	...	32.5	...	33.5
Macao, China	27.7	57.4	31.7	63.6	24.2	51.4
Mongolia	25.7	47.2	17.9	36.8	33.7	57.8
Republic of Korea	66.0	91.0	83.5	110.2	47.5	70.3

… = Not available
Source: UNESCO Institute for Statistics, "Enrolment ratios by ISCED level", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182 and "Tertiary indicators", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=167.

The youth unemployment rate in East Asia can be considered low at 6.7 per cent in 2007, down slightly from 7.3 per cent in 1997, and the unemployment rate of young males exceeded that of young females (7.8 and 5.6 per cent, respectively). Is the low and declining rate, obviously a reflection of the situation in China, representative of other countries in the region as well? For comparative purposes, table 6.2 contains youth labour market indicators for three other economies in the region, Hong Kong (China), Macau (China) and the Republic of Korea. The country-level data run counter to the regional estimates in some points but conform to regional trends in others. For example, the youth unemployment rates in the economies shown are relatively low at 10.4, 7.1 and 10.0 per cent, respectively, and not so distant from the low regional rate of 6.7 per cent.[48] Except for Macau, however, the rates have increased between 1997 and 2006, which runs counter to the regional trend.

As in the region as a whole, the unemployment rates of young males are higher than those of young females in the three economies, and also in keeping with the regional trend and contradicting trends of other regions, both the participation rates and employment ratios (in Republic of Korea) of young females exceed those of young males. However, the youth participation rates themselves – 42.9, 38.2 and 30.2 per cent in Hong Kong, Macau and Republic of Korea, respectively, in 2006 – were much lower than the regional average (57.5 per cent in 2007). The rate in the Republic of Korea was particularly low, mainly reflecting the rapid expansion of tertiary education. According to an OECD report, the number of students enrolled in tertiary education in the country has nearly quadrupled over the past two decades.[49] In conclusion, it remains clear that China is the main driver behind the region of East Asia and although certain youth employment trends in other economies of the region are reflected in the regional average, it is still worthwhile to look at economies individually, if possible.

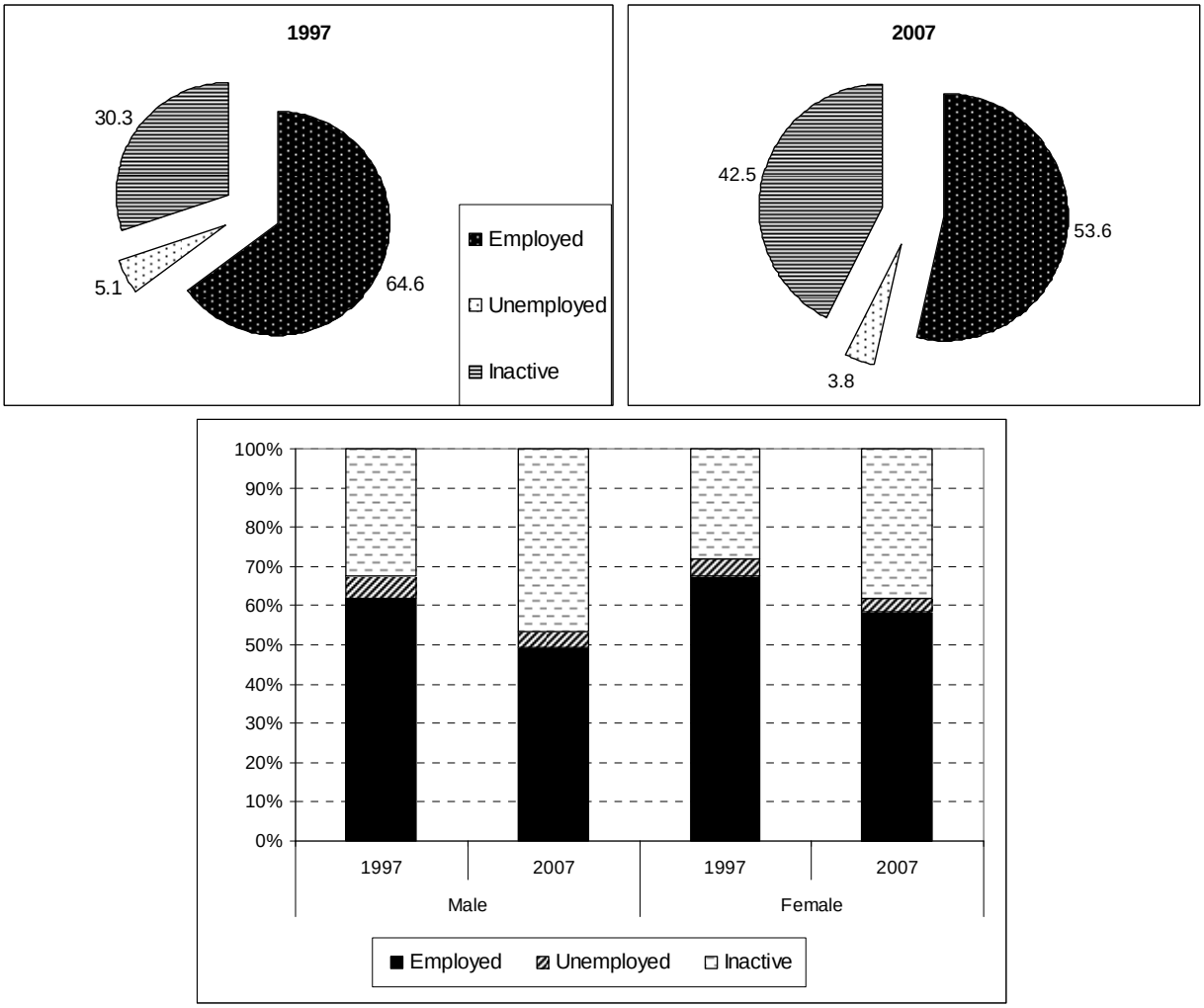
[48] National country-level statistics for youth are not available for Mongolia and Taiwan, China. One could guess, however, that Mongolia will represent a unique case in the region, and this is borne out with some secondary sources. For example, a recent SWTS in Mongolia found a youth unemployment rate for the sampled population of 29 per cent. See, F. Pastore, "School-to-work transitions in Mongolia", Employment Working Paper No. 14 (Geneva, ILO, 2008).
[49] OECD, *Jobs for Youth: Korea* (Paris, 2007), p. 9.

Table 6.2
Youth labour market indicators, Hong Kong (China), Macau (China) and Republic of Korea, 1997 and 2006 (%)

	Sex	Labour force participation rate		Employment-to-population ratio		Unemployment rate	
		1997	2006	1997	2006	1997	2006
Hong Kong, China	MF	49.5	42.9	…	…	5.2	10.4
	M	50.3	41.8	…	…	5.8	12.9
	F	48.7	44.1	…	…	4.6	8.1
Macau, China	MF	46.0	38.2	…	…	8.4	7.1
	M	44.4	37.0	…	…	10.0	8.6
	F	48.0	39.2	…	…	6.9	5.8
Republic of Korea	MF	34.8	30.2	32.2	27.2	7.6	10.0
	M	29.2	24.3	26.5	21.4	9.2	11.7
	F	39.7	35.5	37.2	32.3	6.5	9.0

MF = Male and female; M = Male; F = Female; … = Not available.
Sources: Hong Kong and Macau are from ILO, *Key indicators of the labour market, 5th edition* (Geneva, 2007), CD-ROM, tables 1a and 8a. The Republic of Korea is from OECD.StatExtracts, available at http://stats.oecd.org/WBOS/Index.aspx.

Figure 6.1
Distribution of youth population by economic activity status in East Asia, total (1997 and 2007) and by sex (2007)

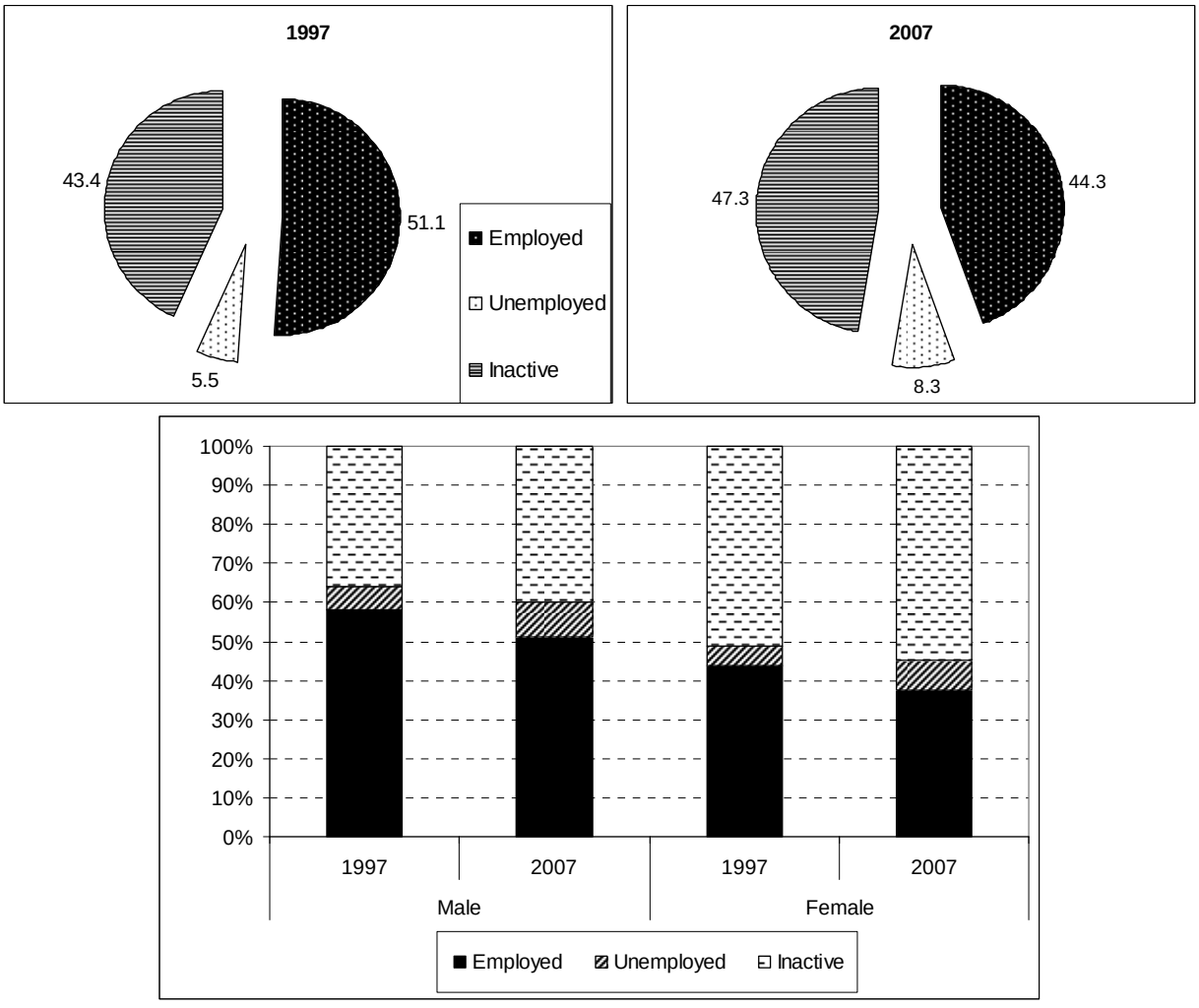


Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

7 South-East Asia & the Pacific

Across South-East Asia & the Pacific, the total number of young people has increased by 9.5 per cent in the last decade. This is less than the world average and means that pressure on labour markets with regard to integrating young people in the region has actually decreased, unlike in most other developing regions. The youth labour force has only increased by around 2 per cent over the last ten years. The reason for the smaller increase in labour force in comparison to the youth population – a combination which is reflected in the decreasing youth labour force participation rate (from 56.6 per cent in 1997 to 52.7 per cent in 2007) and growing inactivity rate (from 43.4 per cent in 1997 to 47.3 per cent in 2007) (see tables A2 and A7 and figure 7.1) – is the result of three patterns among the youth populations in most developing regions: first, more young people are staying longer in education and thus postponing their entry into the labour market; second, some youth fall outside of the labour force due to discouragement;[50] and finally, some youth will have decided to remain outside of the labour force because poverty pressures and thus the need to work for survival have eased.

Figure 7.1
Distribution of youth population by economic activity status in South-East Asia & the Pacific, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

Given that there is rarely country-level data available disaggregated by reason of inactivity, it is difficult to estimate the exact impact of each of the three reasons for neither working nor

[50] See ILO, GET Youth 2006, p. 31 for a full description of the concept.

looking for work identified above. However, it is a fair assumption that increasing educational enrolment is the main reason for shrinking youth labour forces in most countries in the region. Table 7.1 confirms the large increases in enrolment ratios at the secondary and tertiary levels. In Brunei Darussalam, Cambodia, Lao People's Democratic Republic and Myanmar secondary enrolment ratios increased by more than 10 percentage points between 1999 and 2006. With one slight exception (tertiary enrolment of females in the Philippines), enrolment in all countries with available data increased over the period at both the secondary and tertiary levels.

Table 7.1
Enrolment in secondary and tertiary education in some economies in South-East Asia & the Pacific, 1999 and 2006 (%)

Secondary enrolment rate	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Brunei Darussalam	85.0	98.2	81.4	96.2	88.9	100.4
Cambodia	17.1	38.2	22.3	42.6	11.9	33.6
East Timor	...	53.4	...	53.4	...	53.5
Fiji	80.1	84.2	76.1	80.3	84.4	88.3
Indonesia	54.5	64.2	55.9	64.2	53.1	64.2
Lao People's Democratic Republic	33.0	43.5	38.8	48.8	27.0	38.0
Malaysia	65.5	69.1	63.2	66.0	67.9	72.3
Myanmar	36.0	49.0	35.8	49.1	36.1	48.9
Philippines	75.7	83.1	72.4	78.8	79.2	87.6
Thailand	66.6	78.1	67.4	74.8	65.9	81.5
Viet Nam	61.5	...	64.6	...	58.3	...
Tertiary enrolment rate	**Total**		**Male**		**Female**	
	1999	2006	1999	2006	1999	2006
Brunei Darussalam	12.3	15.0	8.3	10.1	16.5	20.1
Cambodia	...	4.5	...	6.0	...	3.0
East Timor	...	...	...	...	...	...
Fiji	...	15.4	...	14.0	...	16.9
Indonesia	14.4	17.0	16.3	...	12.5	...
Lao People's Democratic Republic	2.4	9.1	3.2	10.8	1.6	7.3
Malaysia	23.0	28.6	22.8	24.9	23.2	32.3
Myanmar	7.4	...	5.7	...	9.1	...
Philippines	28.7	28.5	25.4	25.5	32.1	31.6
Thailand	33.0	45.9	30.5	44.4	35.5	47.5
Viet Nam	10.6	...	12.1	...	9.2	...

Note: Earlier year refers to 2000 for Indonesia (secondary) and 2001 for Indonesia (tertiary) and Thailand (secondary). Latest years for East Timor (secondary), Fiji (tertiary) and Malaysia (secondary and tertiary) refer to 2005.
… = Not available
Source: UNESCO Institute for Statistics, "Enrolment ratios by ISCED level", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182 and "Tertiary indicators", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=167.

Some countries in the region are also benefitting from notable efforts to improve the quality of the education systems. Countries such as Indonesia, Myanmar, and Viet Nam, have implemented curricular reforms in recent years, while others like Thailand, were reportedly preparing for major curriculum changes.[51] Given that primary education enrolment exceeds 100 per cent in most countries in the region, the stage is also set for a continuing increase in

[51] UNESCO, *Global Education Digest 2006: Comparing Education Statistics across the World* (Montreal, 2006); www.uis.unesco.org/TEMPLATE/pdf/ged/2006/GED2006.pdf.

enrolment ratios at higher education levels in the future.[52] It is an unfortunate circumstance, however, that today's near universal primary education comes too late for many of the current generation of youth, who missed out on the opportunity to engage in primary education as much as 10 to 20 years ago. This current generation of uneducated youth in the region has little chance to locate decent jobs that will pull them out of poverty.

As a consequence of increased participation in education and in part due to the other explanatory factors mentioned above, the youth labour force participation rate in South-East Asia & the Pacific decreased by around 4 percentage points, with near equal decreases in the rates of young men and women. (See table A3.) As a result, the gap between the labour force participation rates of young men and young women has decreased only slightly between 1997 and 2007 (from 15.3 to 14.9 percentage points). In 2007, 6 out of 10 young men were active in comparison with 4.5 out of 10 young women.

Box 7.1
Overcoming the disadvantages of rural youth

It is an unfortunate fact that children and young people in rural areas are disadvantaged in terms of access to educational opportunities and subsequently face a difficult, if not unachievable, path to decent employment. One reason has to do with substandard infrastructure and educational facilities in rural areas. According to the UN *World Youth Report 2007*, schools in rural areas of developing economies are fewer and farther away from the target population and qualified teachers are often reluctant to move to the outlying districts.[1] A lack of reliable transportation in rural areas may, therefore, preclude a child from gaining an education. But of even greater importance in determining the educational outcome of rural youth is the ability of the household to afford to send their children/youth to school. The UN report goes on to say that "For many among the rural poor, personal circumstances preclude a sustained commitment to education. As rural incomes are often seasonal, poorer rural families may have to sacrifice their children's schooling for the family's sustenance. Often during harvest time, older children are needed to work in the fields or to care for younger siblings." In times of economic or environmental crises, the likelihood that parents will be forced to take their offspring out of school increases, as is happening recently given the current escalation of food prices.

In short, what this means is that youth in rural areas have even less of a chance of starting out right when it comes to their transition to adulthood and working life. Many would have already begun to work as child labourers in low-productivity and perhaps even unpaid agricultural work. (See also box 2.1.) Many will be poorly educated and will face very limited job prospects and thus have little hope of escaping the cycle of poverty that they are born into.

Investing in young people in rural areas is crucial for development and could offer the necessary incentive for young people to stay in rural areas, preventing further overcrowding of urban areas that result from heavy rural-to-urban migration streams.[2] There are many possibilities to improve the education opportunities for rural youth; distance learning has been shown to be one such solution. But if the country is to profit from improved educational access in rural areas, it must address its attention to the promotion of decent employment through rural development schemes as well. Creation of decent jobs is an essential criterion to making use of the potential of educated young people and keeping them in rural areas.

[1] UN, *World Youth Report 2007* (New York, 2007), chapter 1, p. 18; www.un.org/esa/socdev/unyin/documents/wyr07_chapter_1.pdf.

[2] See discussion in ILO, "Promotion of rural employment for poverty reduction", background report of the International Labour Conference, 97th Session, Geneva, 2008; www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_091721.pdf.

[52] While persons in the age band 15-24 years are generally not enrolled in primary education, analysis of trends in this area is important from a youth development perspective. It is during the primary cycle that literacy, numeracy, and other fundamental skills and knowledge are obtained, providing the foundations for further education at the secondary and tertiary levels and ultimately for active participation in society.

Total youth employment as well as the youth employment-to-population ratios (at 51.0 and 37.5 per cent for young men and young women, respectively, in 2007) also decreased over time. This is not a negative trend when it occurs in parallel with increasing school enrolment and decreasing unemployment. This region, however, showed an increase in unemployment, especially for young women. In 1997, the unemployment rate for young men stood at 9.5 per cent and increased to 15.0 per cent in 2007. For young women it increased from 10.2 to 17.0 per cent. The overall increase in the youth unemployment rate in South-East Asia & the Pacific – from 9.8 to 15.8 per cent – is substantial and goes against the global trend. (Rates increased only in this region and South Asia with a nominal increase in Latin America & the Caribbean). There are two noteworthy caveats to the previous statement, however. First, more recent data show that progress is being seen in getting more young people into employment. The youth unemployment rate declined significantly from 17.1 to 15.8 per cent between 2006 and 2007. Second, regional data is dominated by the trends in Indonesia, which is by far the biggest country in the region and a country with an extremely high youth unemployment rate (close to 30.6 per cent in 2006).[53]

The potential gains to be won as result of the increasing education levels of the youth labour force are being wasted given the significant unemployment problem in the region, especially for young women. The unfortunate situation facing young people is also reflected in another indicator: the ratio between the youth and adult unemployment rate. With 5.0 it is by far the highest in the world and indicates that as the risk that a young person is unemployed in the region is 5 times higher than the risk facing adults. (See table A6.) This ratio has traditionally been high in the region. Already at 4.4 per cent in 1997, it represented the highest of all regions, but at least at that time the nearest comparison was only 0.7 percentage points lower (in South Asia). In 2007, in contrast, the ratio in South-East Asia & the Pacific superseded the second highest ratio (that of North Africa) by as much as 1.7 percentage points.

There is cruel irony in the coexistence of child labour and youth unemployment in the region. While the demand for certain types of labour is met by children – who should be studying, not working – a rich labour market supply of young people remains unemployed or under-utilized. Future prospects remain difficult for both groups: a child without basic skills is more likely to become an un- or under-employed youth, to remain trapped in the poverty cycle, and to not fulfil their potential to contribute to their society and economy. And the unemployed, especially those unemployed for a long period, risk finding it increasingly difficult to find a job in labour markets saturated with young jobseekers and in which they are often discriminated against in favour of older, more experienced workers.

Besides the low-skilled unemployed who compete for the type of jobs often held by child labourers, unemployment is also very high in the region among better-educated youth. As in all other regions where this paradox appears, it can partly be explained by economic development resulting in demand for new skills which the education system is slow to deliver, and partly by the wage and job reservations held by the educated youth; many will hold out in expectation that the government will give them a secure job in the public sector. The fact that public sector employment is shrinking in most countries has not yet changed the expectations of youth emerging from higher education facilities.

From an economic point of view, the region has recently begun to develop greater potential to tackle the youth employment challenge. Productivity growth and economic growth have not been as impressive as in the other Asian regions (see table A9), but ever since the beginning of the century both have shown increasing trends. The sectoral shift out of agriculture has also been more pronounced recently, which should lead to new job opportunities for young people. Despite some recent positive signs, however, it is in this region more so than any other

[53] ILO, *Labour and social trends in ASEAN 2007 – Integration, challenges and opportunities* (Bangkok, 2007), p. 22; www.ilo.org/public/english/region/asro/bangkok/library/download/pub07-04.pdf.

that policymakers should come to terms with the fact that youth labour markets do not sort themselves out without assistance, no matter how great the economic growth. There needs to be a political decision to focus on youth as a vulnerable group and to formulate youth employment programmes and policies accordingly.

Box 7.2
Risks and opportunities for young migrants

International migration has opened up a vast range of new possibilities for Asian youth, according to the UN *World Youth Report 2007*, including in terms of job and learning opportunities and particularly in the region of South-East Asia & the Pacific. The report discusses several ways in which migration impacts the lives of young people: On the positive side, the report claims that:

- Migration can have a positive impact on young Asians, allowing them to obtain work and personal experience, build self-confidence, and acquire skills and attitudes beneficial to themselves and their countries.
- For young people who were unable to find a job in their home country, migration is often the only way out of unemployment and inactivity. This is particularly true for the well-educated. In addition, when they return, they are more experienced and have additional qualifications which make it easier to enter the labour market. With growing youth unemployment in the region, migration often is a good alternative.
- The remittances that young people often send back home contribute to GDP growth and also help their families, and often ensure education for younger siblings.

On the negative side, the report identifies the following challenges:

- Working conditions for migrants are often poor and there is a risk of exploitation of migrant labour. Some countries such as the Philippines have put a number of protections in place for its contract workers living abroad.
- Female migrants, the number of which is growing steadily, often provide domestic and care-giving services but also work in the sex and entertainment industries. They often are the victims of human trafficking and other forms of undocumented migration. The victims of the thriving Asian sex industry are predominantly poor youth.
- Brain drain, as a consequence of the brightest young people leaving the country, becomes more and more of an issue. This phenomenon negatively impacts national development.
- There is also a lot of psychological stress involved when young people leave their home. They often feel homesick, lonely and guilty because they cannot help with younger siblings and older member of the family.

There is still a long way to go to turn migration into an enriching experience for the majority of young people involved. Still, if well managed, migration can serve as an opportunity for young men and women, their families and their countries.

Source: UN, *World Youth Report 2007* (New York, 2007), chapter 1, pp. 35-37; www.un.org/esa/socdev/unyin/documents/wyr07_chapter_1.pdf.

8 South Asia

South Asia is home to more than 300 million youth, which is 26 per cent of the youth population worldwide of around 1.1 billion. This large number is due to the considerable share of the region in the global population of working age, but also to the share of youth in South Asia's working age population. Although population dynamics are such that the share of youth is on a downward trend in all regions in the world, in developing regions such as Africa, the Middle East and South Asia this share is still high. (See figures 1.2 and 1.5.)

What is the position of this enormous number of young people in the labour market? South Asia experienced strong economic growth rates in recent years (in the range of 6-9 per cent annually, see table A9) which, together with increases in enrolment in education, have brought

some relief to the pressures of the enormous youth population bulge in recent years. The share of the youth population who are employed (employment-to-population ratio) decreased significantly between 1997 and 2007 from 45.7 to 41.6 per cent (a drop of 5.0 percentage points for males and 3.2 for females). (See table A4 and figure 8.1.) With most of the gain going to the share who are inactive (53.4 per cent in 2007 from 51.0 per cent in 1997), it seems logical that more young people are postponing their entry into the labour market in favour of remaining in the education system (confirmed in table 8.1 below). Whether or not future labour markets can better accommodate the more educated cohort of labour market entrants remains to be seen. The fact that the unemployed share of the total youth population grew as well (from 3.3 to 5.0 per cent over the period) is a hint that school-to-work transitions do not happen smoothly. (See table A8.)

Table 8.1
Enrolment in secondary and tertiary education in some South Asian economies, 1999 and 2006 (%)

Secondary enrolment ratio	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Afghanistan	...	19.0	...	28.0	…	9.2
Bangladesh	45.1	...	44.9	...	45.3	...
Bhutan	37.4	48.8	41.4	51.2	33.4	46.5
India	44.4	54.0	51.7	59.0	36.4	48.6
Maldives	42.9	83.1	41.5	80.3	44.4	86.1
Nepal	34.0	43.2	39.8	45.7	27.9	40.5
Pakistan	...	30.0	...	33.7	...	26.2
Tertiary enrolment ratio	**Total**		**Male**		**Female**	
	1999	2006	1999	2006	1999	2006
Afghanistan	...	...	...	...	...	...
Bangladesh	5.4	6.0	7.1	7.7	3.6	4.1
Bhutan	2.7	5.5	3.4	6.8	2.0	4.0
India	9.6	11.8	11.5	13.6	7.6	9.9
Maldives	...	...	...	...	...	...
Nepal	4.2	...	5.9	...	2.3	...
Pakistan	...	4.5	...	4.9	...	4.2

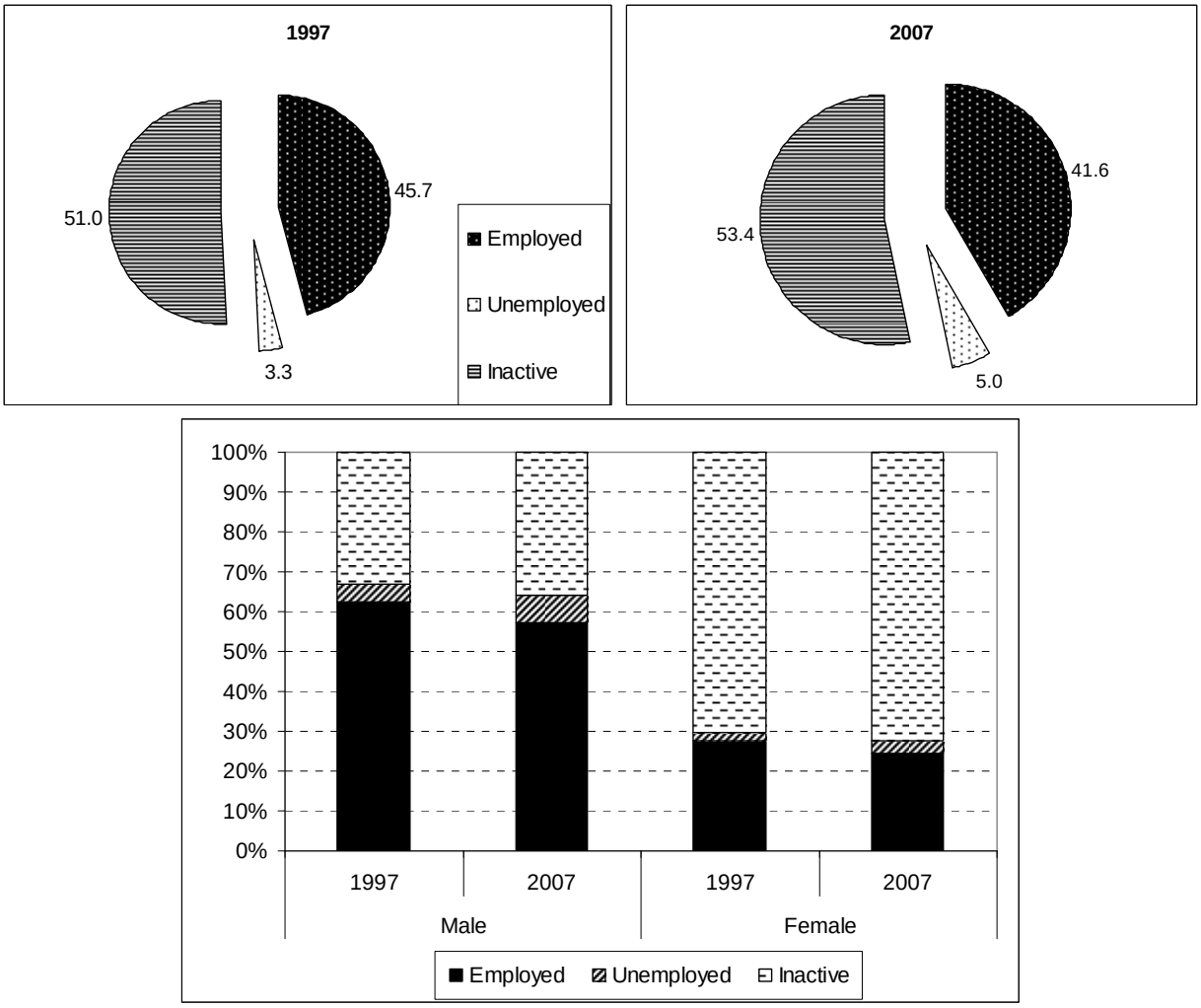
Note: Earlier year is 2000 for India (tertiary) and Nepal (tertiary). Latest years are 2005 for Afghanistan (secondary), Bangladesh (tertiary) and India (secondary).
… = Not available
Source: UNESCO Institute for Statistics, "Enrolment ratios by ISCED level", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182 and "Tertiary indicators", website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=167.

The youth unemployment rate increased considerably during 1997-2007, by more than four percentage points. The youth-to-adult unemployment ratio has come down to 3.0 in recent years, from levels up to 4.0 at the beginning of the decade. (See table A6.)

The large majority of young men in South Asia are active in labour markets, and male participation rates were generally high during the period 1997 to 2007. In more recent years the male participation rate has become the highest in the world at 64.3 per cent, as male participation of youth has declined faster in East Asia and Latin America and the Caribbean, the two other regions with high male participation rates. (See table A3.) On the other hand, female youth labour force participation rates have traditionally been low in South Asia, resulting in a very large gap between male and female rates. This gap has decreased only slightly from 37.0 percentage points in 1997 to 36.8 per cent in 2007.

Only 39.5 young women were economically active per 100 males in 2007, making this the region with the largest gender gap in the world. The gap points to the large untapped potential in the youth labour market. A large proportion of young women is inactive, 72.5 per cent in 2007, and only some of these women are in full-time educational programmes.

Figure 8.1
Distribution of youth population by economic activity status in South Asia, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

An appropriate measure of the untapped labour potential is the so-called NEET rate ("neither in education nor employment"), which captures young people who are inactive for reasons other than participation in education as well as youth who are unemployed. However, the NEET rate is not widely available for South Asian economies. Nevertheless, enrolment ratios, in particular for females, can provide insights in the development of the NEET rate. As shown in table 8.1, enrolment ratios are rising in South Asia, particularly in secondary education. In India, the largest and by far most populous economy in the region, gross enrolment in secondary education rose sharply from 44.4 per cent in 1999 to 54.0 per cent in 2005. Furthermore, in Bhutan, India and Nepal, female enrolment rose faster than male enrolment in secondary education. However, in all countries for which data are available, significant gaps between male and female enrolment ratios remain.

The combination of lower female enrolment ratios and much lower female labour force participation rates underlines the different positions of young men and women in labour markets in South Asia. In Pakistan, where the youth labour force participation rate shows the widest gap between males and females in South Asia, the NEET rate in 2005/06 for females amounted to 64.3 per cent, as compared to a male NEET rate of 9.3 per cent. The enormous gap between the sexes in both current and future labour market opportunities in this country is nevertheless much

smaller than at the beginning of the decade, when the female NEET rate stood at 74.9 per cent (10.5 per cent for males).[54]

Box 8.1
Labour markets, skills and information

Enrolment levels in secondary and tertiary education are rising in South Asia, which is much needed if development, growth and labour market objectives are to be achieved. The relation between education, skills development and the labour market is, however, complex, and it cannot be taken for granted that education in itself will result in better jobs.

The Asian Development Bank, in the *Asian Development Outlook 2007,* cautiously warns against "mechanically raising education targets in the hope of generating growth".(1) The warning is based on an in-depth study of the distribution of employment, wages and education in India, Indonesia, Philippines and Thailand.

The study showed that these four countries are raising educational attainment levels too fast if historical employment trends are taken as benchmarks. This may be justified if educational levels were too low historically, or technological changes necessitate higher education levels, but the study demonstrates that this is certainly not always the case. Male drivers, for example, have become significantly more educated, without changes in technology or other reasons that would justify higher levels of education. The ADB argues that "it seems likely that drivers are a residual category into which workers of any education category may fall, rather than facing unemployment".

The ADB study focuses on the role of education in raising productivity of workers in existing economic activities. As pointed out in the study, education can also serve as a catalyst or driver of development, by empowering people to develop or adopt new technologies and to diversify production structures. This second role is also highlighted in the chapter on "Skills policies as drivers of development" in a recent ILO report on skills development for the 2008 International Labour Conference.(2)

Labour market information is necessary to facilitate both roles of education. With regard to the first role, the ADB stresses that expectations of the contribution of education to structural change should be based on an empirical understanding of what workers are likely to do with their education. In other words, analysis of trends in employment, including the sectoral distribution and wage development, should inform education and training policies. Information requirements are likely to increase when an economy grows, transforms and better integrates in global markets, and skills development systems become more complex. If skills development policies are used as a driver of development, it becomes more important that information is produced on future skills requirements (early identification of skills), and skills policies are synchronized with other policies through appropriate institutional structures and arrangements.

The ILO is assisting countries in South Asia and elsewhere in developing labour market information to inform policy development, including education and training policies. In Pakistan, for example, after establishing a basis for the regular production of labour market information and analysis in the Ministry of Labour, preparations are now being made to develop labour market information to better inform skills policies in line with the structural transformation in the country.

(1) Asian Development Bank, *Asian Development Outlook 2007* (Manila, 2007), p. 338; www.adb.org/Documents/Books/ADO/2007/default.asp.
(2) ILO, "Skills for improved productivity, employment growth and development", Background report of the International Labour Conference, 97th Session (Geneva, 2008); www.ilo.org/global/What_we_do/Officialmeetings/ilc/ILCSessions/97thSession/reports/lang--en/docName--WCMS_092054/index.htm.

One way to assess the lack of decent work in the region is to examine vulnerable employment among youth.[55] Perhaps surprisingly, a recent report on youth employment in Pakistan found that the proportion of vulnerable employment among youth was not much

[54] T. Sparreboom and L. Shahnaz, "Assessing labour market vulnerability among young people" (Islamabad, ILO, 2008), unpublished document.
[55] See Overview for more details on the definition of vulnerable employment.

different from the proportion among workers of all ages, and in fact was slightly lower. In this report, it was shown that the development of vulnerable employment seemed to follow the pattern for adults, and it was very important to look at gender differences.[56] For both adults and youth, structural change in the economy and labour market led to a reduction of vulnerable employment, but this reduction was entirely due to the strong reduction in vulnerable employment for males. For females, both youth and adults, vulnerable employment increased in recent years, which was mainly the result of the limited employment of women outside the agricultural and manufacturing sectors.

Education can be a powerful instrument in easing the transition from school to work and in increasing the upward mobility of youth to decent work. Increasing enrolment in South Asia is therefore a welcome and often necessary development. The relation between education, skills development and the labour market is, however, complex and an increase in education does not necessarily result in more or better jobs. In a study of education and structural change, the Asian Development Bank found that rising unemployment went together with an increasing educational attainment of the unemployed in India, Indonesia, Philippines and Thailand.[57] Similarly, in a study of the labour market for youth in Pakistan, it was found that the better educated were over-represented among the unemployed.[58]

Nevertheless, it is clear that for youth to function in an increasingly knowledge-intensive economy, certain basic skills such as numeracy and literacy are a necessity. More generally, a completed general education, at least at primary level, is an essential preparation for labour market integration, and to ensure trainability and career development later in life. When moving closer to the labour market, however, it becomes more important that education and training meet specific labour market demands, as suggested in the study by the Asian Development Bank. (See box 8.1.) Skills development decisions, at the individual as well as the enterprise level, should be based on adequate labour market information as education in itself does not guarantee a job, not for adults and certainly not for youth.

9 Central & South-Eastern Europe (non-EU) & CIS

The unique history of the region of Central & South-Eastern Europe (non-EU) & CIS means that young men and women there face new challenges and new opportunities. Unlike their parents, they enter a labour market that adheres to the principals of a market economy. This means greater opportunity in terms of freedom of professional choice but also a change in terms of greater uncertainty in the areas of job placement, remuneration, social protection and job security.

The labour force participation rate of youth in the region is low at 39.3 per cent. And unlike the only two regions with similarly low participation rates, North Africa (35.3 per cent) and the Middle East (36.4 per cent), the reasons are less likely to do with a high share of female youth who remain outside of the labour force and more to do with the education system in the region which is both well developed and well utilized. Education attainment is typically above the world average for countries of this region[59] and literacy rates of the youth population are extremely high.

[56] Ministry of Labour, Manpower & Overseas Pakistanis, *Pakistan Employment Trends 2008 – Youth* (Islamabad, 2008).
[57] Asian Development Bank, *Asian Development Outlook 2007* (Manila, 2007), p. 338; www.adb.org/Documents/Books/ADO/2007/default.asp.
[58] T. Sparreboom and L. Shahnaz, op cit.
[59] According to a UNESCO-OECD study, the educational attainment of adults in the Russian Federation exceeded even the OECD average in 2005 for all levels of education. Of the adult population, 96 per cent had completed lower secondary education and most also had an upper secondary education. See UNESCO-UIS/OECD, *Education Trends in Perspective: Analysis of the World Education Indicators* (Paris, 2005), p. 137; www.uis.unesco.org/TEMPLATE/pdf/wei/WEI2005.pdf.

The youth literacy rates for the 2005/07 period were 98.8 per cent for the UIS-defined region of Central and Eastern Europe and 99.5 per cent for Central Asia.[60] Statistics confirm that more and more young people are entering upper secondary and tertiary education. The gross enrolment ratio at the secondary level increased from 87.4 to 87.7 between 1999 and 2006 for Central and Eastern Europe and from 83.4 to 91.4 for Central Asia. (See table 9.1.) The enrolment ratio at the tertiary level saw an even more substantial increase in Central and Eastern Europe from 37.8 to 59.6 over the same period, making it the only other region that even slightly approaches the high ratio of North America and Western Europe of 69.7. Tertiary enrolment in Central Asia is lower but also increased from 18.4 to 24.7.

Table 9.1
Enrolment in secondary and tertiary education in Central & Eastern Europe and Central Asia,[61] 1999 and 2006 (%)

	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Secondary enrolment ratio						
Central & Eastern Europe	87.4	87.7	88.1	89.4	86.7	86.0
Central Asia	83.4	91.4	84.3	93.3	82.4	89.6
Tertiary enrolment ratio						
Central & Eastern Europe	37.8	59.6	34.6	53.0	41.0	66.4
Central Asia	18.4	24.7	19.1	23.5	17.8	25.8

Source: UNESCO Institute for Statistics, "Regional average of enrolment ratios for pre-primary to tertiary education (ISCED 0-6)"; website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=194.

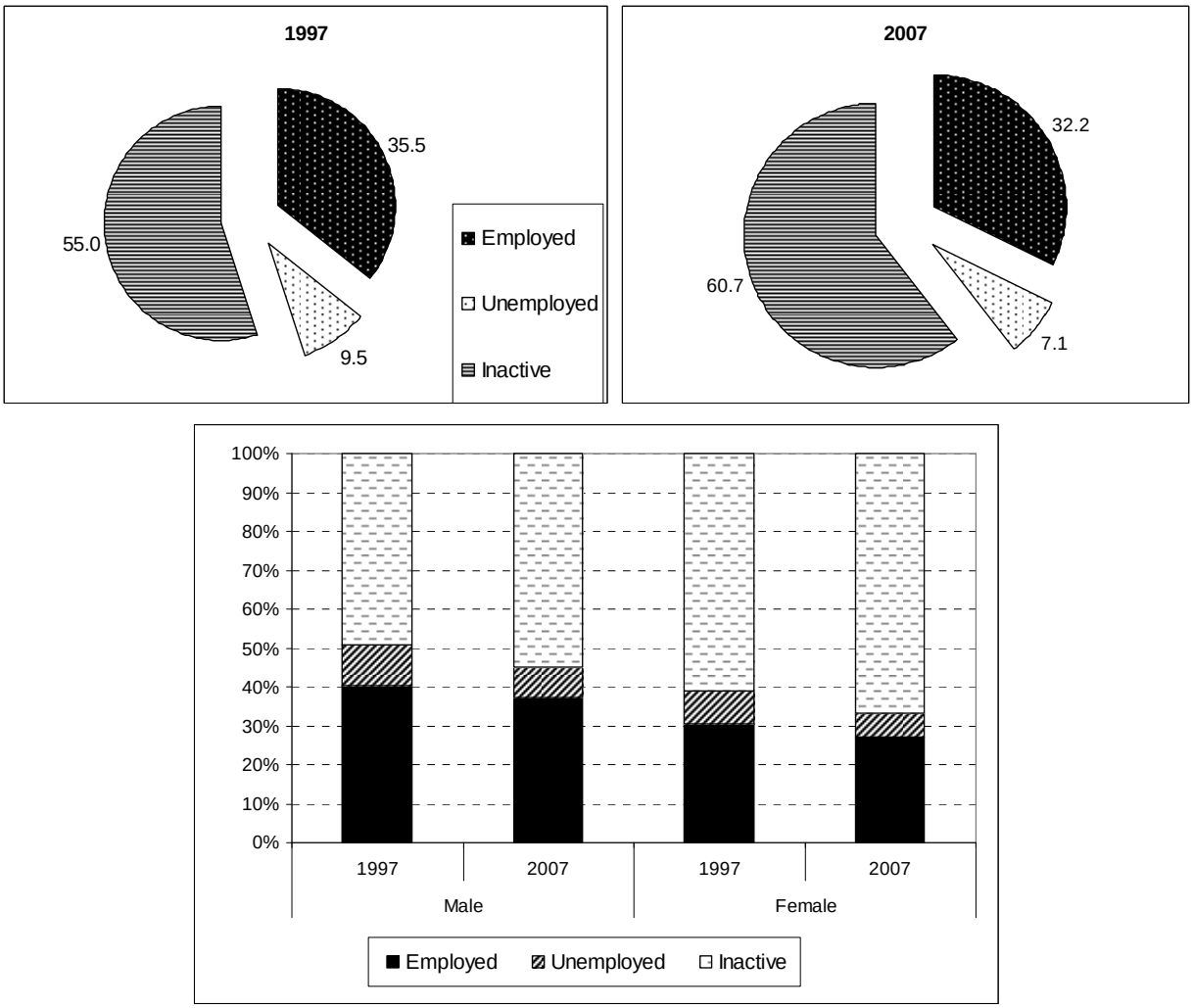
In short, there is little debate that the main reason behind the decreasing labour force participation of young people in recent years – from 45.0 per cent in 1997 to 39.3 per cent in 2007 – is the increasing enrolment in education of higher levels and longer duration.[62] What is less clear is whether gains in education are paying off for them. It is possible that some youth in the region are "hiding" in the education system, postponing their exit with additional years of study or additional degrees in order to avoid what would likely be a difficult and frustrating job search. There is some evidence to support their fear that finding decent employment in the region will be a daunting task: Only about a third of youth in the region had found employment in 2007. The youth employment-to-population ratio of 32.2 per cent marks this as the region with the third lowest youth employment share. Ratios in North Africa and the Middle East were slightly lower at 26.9 and 29.0 per cent, respectively, but again as a result of the low rates for young women, whereas in Central & South-Eastern Europe (non-EU) & CIS the rates are equally low for both sexes. Another 7.1 per cent of the population was unemployed (share of youth unemployed in youth population, a.k.a. youth unemployment-to-population ratio) and the remaining 60.7 per cent were economically inactive. (See figure 9.1.)

[60] See, "Regional literacy rates for youth (15-24) and adults (15+)", dataset of UIS (UNESCO, Institute for Statistics); website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=201.

[61] UIS-defined regions do not correspond perfectly to the regions as defined in this report (see Annex 2). The main difference is the inclusion of new EU Member States in the UIS region of Central & Eastern Europe, whereas these are included among the Developed Economies & European Union region in this and other Global employment trends reports. The UIS region of Central Asia corresponds more or less to the CIS region in this report.

[62] It is likely that in the immediate years following the transition, the main reason for low participation rates was discouragement that accompanied the period of great uncertainly and very high unemployment.

Figure 9.1
Distribution of youth populations by economic activity status in Central & South-Eastern Europe (non-EU) & CIS, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

With only limited jobs available to the highly skilled graduates that enter the labour force year after year, the situation results in which some youth accept work that is below their skill levels, others migrate to other countries and others fall outside of the labour force in discouragement. The GET Youth 2006 defines a person who is "discouraged" as one who is classified as currently inactive for a reason implying that s/he felt that undertaking a job search would be a futile effort. Specifically, the youth might respond that s/he did not seek work because s/he has insufficient education and/or skills to get a job, that no suitable work was available locally, or that s/he did not know where to look for work.[63] A discouraged youth – just like a young person who is unemployed for a long period of time – is vulnerable to facing a difficult process of reintegrating into labour and is in danger of feeling useless and becoming alienated from society. For the economy, the presence of discouraged workers represents a waste of human resources and productive potential.

Few countries consistently quantify discouragement, which means our knowledge on the extent of the problem still tends to be more anecdotal than factual. Measurement is based on the question relating to the reason that a person is neither working nor looking for work. The ILO

[63] For a more technical discussion of discouraged workers and the complexities of measurement, see R. Hussmanns, F. Mehran and V. Verma, *Surveys of economically active population, employment, unemployment and underemployment: An ILO Manual on Concepts and Methods* (Geneva; ILO, 1990), pp. 107-08.

school-to-work transition survey is one tool that does allow for measurement of discouragement of the sample population of 15-29 year-olds. The results from one survey undertaken in the region, in Azerbaijan, are presented in table 9.2. Of the reasons listed, (e) through (h) imply discouragement and those who responded as such represented a significant proportion of the total inactive, especially for young men (the share of inactive youth who were discouraged was 57.4 per cent for young men and 26.1 per cent for young women).

Table 9.2
Inactivity by reason and discouragement rate of youth in Azerbaijan

	Total	Male	Female	Urban	Rural
(a) Illness, trauma, pregnancy	4.7	4.5	4.8	5.3	3.7
(b) Personal family responsibilities	30.0	8.8	40.7	27.5	34.5
(c) Education or training leave (away from work)	5.1	6.0	4.7	5.3	4.8
(d) Awaiting busy season, off-season inactivity	1.5	3.8	0.4	1.3	1.8
(e) Believe no proper work available in the district or there is no work adequate to my skills and abilities	8.5	10.8	7.4	8.8	8.0
(f) Lack employers' requirements (qualifications, training, experience, age, etc.)	1.3	1.5	1.1	1.3	1.1
(g) Couldn't find proper work	18.7	34.3	10.9	19.2	17.9
(h) Don't know how or where to seek work	8.1	10.8	6.7	6.1	11.5
(i) Not yet started to seek work	16.6	11.8	19.0	19.1	12.4
(j) Other	5.3	7.6	4.2	6.0	4.1
Share of inactive youth who are discouraged (%)	36.6	57.4	26.1	35.5	38.6
Share of discouragement in total sample population (%)	12.4	13.2	11.5	16.1	9.0
(1) Youth unemployment + discouragement rate (%)	39.1	34.5	47.3	51.6	26.5
(2) Youth unemployment rate (%)	21.0	19.7	23.3	29.5	12.4
(1)-(2) Percentage point difference	18.1	14.8	24.0	22.1	14.0

Source: School-to-work transition survey in Azerbaijan, 2005; analysed in S. Elder and M. Matsumoto, "Characterizing the school-to-work transitions of young men and women: Evidence from the ILO School-to-work transition surveys", Employment Sector Paper, ILO, Geneva, forthcoming 2008 (final calculations presented in the paper may differ very slightly from those presented here).

The discouragement rate is typically defined as the number of discouraged persons as a share of the total youth population. The rate is high in Azerbaijan at 12.4 per cent. This means as much as 12 per cent of the youth population in Azerbaijan has given up on participating in the labour market because of beliefs in poor prospects. Also remarkable is the unemployment + discouragement rate, based on the survey sample, which adds the number of discouraged youth to the number of unemployed youth as a percentage of the youth labour force. There is good reason for presenting this measure since it is not just the unemployed who represent the unutilized productive potential of the youth labour force; the discouraged also make up a potential work force. What the measure means in essence is that 39.1 per cent of the youth labour force in the country remains as an untapped resource. The rate is higher for young women than for young men (47.3 compared to 34.5 per cent, respectively) and in urban areas than rural areas (51.6 per cent in the former and 26.5 in the latter)

Although data on discouragement is presented for one country alone, it is likely that many other countries in the region face high incidences of discouragement and, in comparison to other regions, the phenomenon is likely to be most prominent in the region of Central & South-Eastern Europe (non-EU) & CIS. The OECD, one of the few organizations that does measure discouragement within its member States, the majority of which are developed economies, showed data on rates of discouragement, the highest of which was still quite low at 6.4 per cent in Sweden in 2007, followed by Italy with 2.8 per cent. All other OECD countries showed incidences of

discouragement among youth at less than 1 per cent.[64] In poorer developing regions, on the other hand, being idle and supported within the household unit is less likely to be an option for young people since there would be a stronger need for all members of the household to engage in some sort of activity in order to contribute to the subsistence level income.

With regards to labour market trends over time in the region, as already stated, the already low labour force participation rate of 39.3 per cent in 2007 represents a decrease of almost 6 percentage points from 1997. (See table A3.) The youth employment-to-population ratio also fell over the period from 35.5 to 32.2 per cent. (See table A4.) The youth unemployment rate at 18.0 per cent represents the world's third highest, behind only the Middle East and North Africa. (See table A5.) However, it is this region (with the Middle East) that has seen the largest improvement in the rate from 1997 (a drop of 3.2 percentage points).

With a comparatively low ratio of youth-to-adult unemployment rate (2.5 in 2007) and youth share of total unemployment that is just below 30 per cent (29.9 per cent in 2007), it is clear that it is not only the youth labour market where inefficiencies remain; decent employment is difficult to come by for adults as well. In the face of near-impossible job prospects,[65] many youth in the region choose to migrate to Western Europe or larger Eastern European countries (Russia is the number one receiver of migrant labour in the region) as a result of both push and pull factors. The former include poorly functioning labour markets, insufficient productive capital and the low quality of life in some countries in the region, while the pull factors are mainly the rising demand for unskilled labour in the non-trade services sector in the labour-receiving economies.[66]

National policymakers are responding to such persistent youth employment challenges in the region in a positive way. In a recent tripartite meeting on decent employment for young people, participants concluded that "decent employment for young people cannot be achieved through fragmented and isolated interventions. It requires long-term, sustained and concerted action that builds upon an integrated strategy for growth and job creation, including targeted interventions to help disadvantaged young people overcome the specific barriers they face in entering and remaining in the labour market."[67] In a recent meeting of Ministers of Labour and Social Affairs of EU and Western Balkan countries, the conclusions were taken on board and priority areas for future action to promote decent work for young people in the Western Balkans were discussed.[68] With open dialogue continuing and a strong will by policymakers to address youth employment as a priority issue, it is hoped that positive youth labour market trends will show themselves for this region in the near future.

[64] Data on discouraged workers as a share of the population are from the online OECD database, OECD.StatExtracts, available at http://stats.oecd.org/WBOS/Index.aspx. Data on youth discouragement are available for 16 countries.

[65] A recent ILO report found youth unemployment rates near 50 per cent in some Western Balkan countries. See, G. Rosas, "Young people and their transition to decent employment in the Western Balkans", A background paper for the Informal Meeting of Ministers of Labour and Social Affairs during the International Labour Conference, Geneva, 12 June 2008; www.ilo.org/public/english/region/eurpro/geneva/what/publications.htm.

[66] A. Mansoor and B. Quillin, eds., *Migration and Remittances: Eastern Europe and the former Soviet Union* (Washington, DC, World Bank, 2007); http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/0,,contentMDK:21173991~pagePK:146736~piPK:146830~theSitePK:258599,00.html.

[67] See Conclusions of the Tripartite Meeting for Decent Employment for Young People, Ljubljana, 6-7 December 2007; website: www.ilo.org/public/english/region/eurpro/budapest/download/empl/ljubljana_conclusions.pdf.

[68] Ministers in charge of employment from EU countries (Czech Republic, Germany, France, Portugal and Slovenia) and from the Western Balkans (Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, as well as representatives of Kosovo) met in Geneva on 12 June 2008 to discuss how to tackle the youth employment challenge in the labour markets of the Western Balkans.

10 Developed Economies & European Union

Employment prospects for young people are very much a factor of where they are born. Youth born in developed economies face distinct challenges from those born in developing economies. Albeit an oversimplification, one can say that demand-side deficiencies – where formal job creation is not forthcoming, or certainly not at the pace necessary to absorb the growing youth labour force – mainly dictate the youth labour market in developing countries while it is more supply-side factors that impact youth labour markets in developed economies. Youth employment programmes and policies in the latter, therefore, are aimed at refining well-established labour market institutions and are based on the premise that economies will continue to grow, there will be sufficient job vacancies in a regulated formal sector, and that new young labour market entrants will be (eventually) absorbed (albeit overcoming stickiness and some temporary labour market inefficiencies that may result in wasted resources, lower productivity, etc.).

Of course there will always be underprivileged population segments that suffer from inequality of opportunities and therefore warrant targeted interventions by national governments but, for the most part, the youth in a developed economy are not threatened by poverty and stand a good chance of eventually gaining financial independence as they enter adulthood through engagement in a formal labour market. By contrast, some youth in developing countries face a reality in which widespread poverty continues to exist and where job creation does not keep pace with the vast number of labour market entrants emerging year after year. What other option do youth in developing countries have but to migrate, to remain idle (a luxury only available to young people who can be sustained by household income), or to enter the informal economy? Again, speaking only in generalities, table 1.1 in the Overview shows at least some of the distinction between issues that are likely to be of concern to the developed versus the developing world.

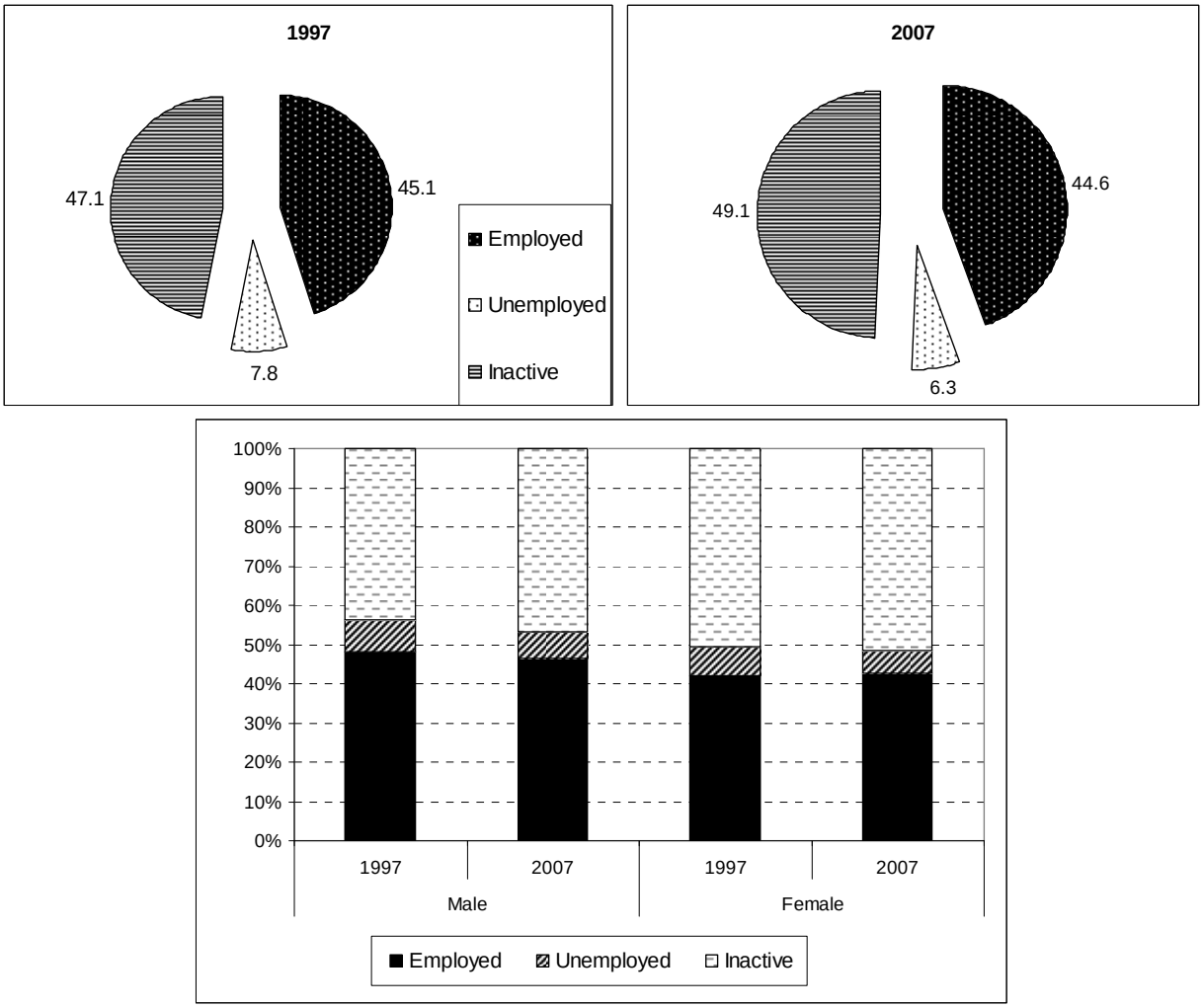
The different youth employment challenges are easily seen in a comparison of the regional youth labour market indicators. The breakdown of labour market status of the youth population in the region of the Developed Economies & European Union shows a nearly equal split in the shares of young people who are working and those outside of the labour force (44.6 and 49.1 per cent, respectively, in 2007). (See figure 10.1.) In other regions, the share of youth in employment tends to be much smaller and the inactive share much larger. There is also little difference in labour market status between the sexes unlike in other regions where young females are more likely to be inactive and less likely to be employed than young males. 86.7 young females were economically active per 100 males.

Educational enrolment of youth in the region is the highest in the world, with full enrolment (100 per cent) at the secondary level and seven of ten youth (69.7 per cent) enrolled at the tertiary level. As in several other regions, the gross enrolment ratio of young women at the tertiary level exceeds that of young men. Educational enrolment at the tertiary level increased between 1999 and 2006, and this is reflected in the slight increase in the number of youth who remain outside of the labour force (from 47.1 to 49.1 per cent between 1997 and 2007). (See table 10.1.) The female share of inactive youth at 51.4 per cent (see table A7) shows the region's relatively unique degree of equality in both educational opportunities for young women and in choice as to whether or not to join the labour force.

The job-finding prospects of young women vis-à-vis young men are more or less the same. The female and male youth unemployment rates were almost equal at 12.1 per cent for the former and 12.7 per cent for the latter. (See table A5.) The region has shown a significant improvement in the youth unemployment rate with a drop of 2.3 percentage points between 1997 and 2007 (from 14.8 to 12.4 per cent). It is the sharp decrease in the female rate over the period (3 percentage points) that has resulted in the near equal rates of 2007. In fact, the slightly lower female than male rate in current times represents a reversal from ten years prior and makes this region one of only

two (with East Asia) where being female represents a slight advantage in terms of the prospect of finding work.

Figure 10.1
Distribution of youth population by economic activity status in Developed Economies & European Union, total (1997 and 2007) and by sex (2007)



Source: ILO, Trends Econometric Models, April 2008; see Annex 1 for information on methodology.

Table 10.1
Enrolment in secondary and tertiary education in North America & Western Europe[69], 1999 and 2006 (%)

	Total		Male		Female	
	1999	2006	1999	2006	1999	2006
Secondary enrolment ratio	100.4	100.7	100.8	100.9	100.0	100.6
Tertiary enrolment ratio	61.2	69.7	54.9	60.1	67.8	79.9

Source: UNESCO Institute for Statistics, "Regional average of enrolment ratios for pre-primary to tertiary education (ISCED 0-6)"; website: http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=194.

Although the youth unemployment rate has declined and despite the fact that the region had the second smallest ratio of youth-to-adult unemployment rates at 2.4 in 2007, youth unemployment remains a strong concern in the region. Many governments are disturbed by higher

[69] UIS-defined regions do not correspond perfectly to the regions as defined in this report (see Annex 2). The UIS region of North American & Western Europe can be used as a proxy for the Developed Economies & European Union region in this report although it does not contain many new EU Member States (included in Central & Eastern Europe) or developed economies from other areas of the world such as Australia and Japan.

than average rates and continue to experiment with policies and programmes that aim to smooth the transition from school to work for the youth population while targeting population segments that are most at risk of social exclusion. The latter might be minority ethnic groups or youth in poor areas that leave school at an early age and have difficulty finding work where demand for unskilled labour is low. Statistically, this group makes up the category of "neither in education nor in employment" (NEET).

Table 10.2 below, which summarizes findings of a series of national youth employment reviews – Jobs for Youth – undertaken recently by the Organisation of Economic Co-operation and Development (OECD), is included as demonstration of the diversity of youth employment characteristics among countries in the region. Youth unemployment rates among the selected countries ranged from 9.7 per cent in New Zealand to 20.1 per cent in Slovakia in 2007, whereas the OECD average in the same year was 13.3 per cent. Indicators reflecting labour market outcomes for youth – youth unemployment rates, the share of youth neither in education nor in employment and the ratio of youth in temporary to permanent employment – can then be assessed in a broader perspective when viewed alongside influential factors such as the school-to-work transition and institutional demand side barriers that impact the hiring of young people.

Table 10.2
Youth labour market characteristics in selected OECD countries

Country	Youth unemployment rate, 2007 (OECD average is 13.3%)	Share neither in education nor in employment	Ratio of youth in temporary v permanent work, 2007	School-to-work transition	Demand side barriers	General youth employment outlook
Belgium	19.2%, increasing since 2000; can be long term for lesser educated	12%, danger of long term exclusion among some youth	29.2 : 70.8; growing phenomenon but temporary work traps prevented by legislation	Abrupt, few combine work and study, many lesser skilled face long job search	Significant: relatively high labour costs of youth discourages hiring, little flexibility in contract use	Challenges remain such as reinforcing education links to job market, lowering dependence on generous unemployment benefits (raising obligations of the young jobseeker), lower demand side barriers
Canada	11.2%, declining trend	10%, mostly a temporary phenomenon	28.8 : 71.2; most first jobs are permanent	Smooth; combining work and study is common among students	Low: few demand side barriers to hiring youth	Positive outlook but remaining challenges include targeting vulnerable minority youth
New Zealand	9.7%, declining trend	11%, can be persistent among ethnic minority groups	N/a; growing phenomenon but typically voluntary and conversion to permanent work is common	Smooth, combining work and study is common among students	Low, few demand side barriers to hiring youth	Mostly positive outlook; remaining challenges include making vocational training options more attractive to youth, tackling disengagement of disadvantaged youth, monitoring potential demand side barriers

Slovakia	20.1%, declining trend but remains very high and also long term	18%, can be persistent among ethnic minority groups	13.7 : 86.3; growing phenomenon but temporary work traps are unlikely	Abrupt, long job search period, few combine work and study	Significant, high social security costs for low-paid employees discourage hiring of youth	Still many challenges to address, including improving education curriculum and links to the job market , removing demand side barriers, encouraging geographic mobility
Spain	18.2%, declining trend but remains high particularly for young women	11%, danger of long term exclusion among some youth	62.5 : 37.5; very high incidence and most often involuntary on the part of youth term	Abrupt, work-study combination rare, short period to find first job but to job of short duration	Fairly limited, but likely that legislation encourages employers to favour cheaper options of using temporary contracts	Challenges remain such as tackling job precariousness and high drop-out rates, ALMPs to encourage conversion of temporary to permanent jobs
United Kingdom	14.4%, increasing since 2004	13%, danger of long term exclusion among unskilled youth	12.6 : 87.4; temporary work not common, mostly voluntary and often leads to permanent post	Smooth and short for highly educated, less so for unskilled	Low, few demand side barriers to hiring youth	Challenges remain including Improving sustainability of job prospects for those involved in New Deal for Young People, decreasing early school drop-outs, reducing NEET

Sources: Information abstracted from the OECD Jobs for Youth series; these are thematic reviews of policies to facilitate the transition from school to work and to improve the career prospects of youth undertaken by the OECD in 16 member countries; reports utilized for this table are specifically: *Des emploi pour les jeunes: Belgique* (2007), *Jobs for Youth: Canada* (2008), *Jobs for Youth: New Zealand* (2008), *Jobs for Youth: Slovak Republic* (2007), *Jobs for Youth: Spain* (2007), and *Jobs for Youth: United Kingdom* (2008). Unemployment rates and the incidences of temporary and permanent employment are from the online OECD database, OECD.StatExtracts, available at http://stats.oecd.org/WBOS/Index.aspx.

One can see, for instance, that in Canada where the youth labour market shows many positive features – youth unemployment rates are low and declining over time and most entry-level jobs are permanent in nature – there is a tendency for students to combine study with work which can be an important factor in helping to smooth the transition and there are few demand side barriers that might discourage employers from hiring young people (examples here include employment protection legislation and high non-wage labour costs such as high social security expenditure for low wage workers). This contrasts with the situation facing youth in Belgium where significant demand side barriers and abrupt transitions to the world of work have led to a situation of high unemployment of youth, particular among those with lower-level education.

Also interesting are the cases of Spain where youth unemployment is high and 63 per cent of working youth are engaged in temporary positions, mostly involuntarily so, and Slovakia where the share of temporary employment is less of a problem but where institutional labour market characteristics result in extremely difficult and long-term job search periods for many youth. Youth in both countries face a long road toward financial independence. The report on youth in

Spain found that about half of Spanish youth still rely on someone else's financial support five years after leaving education.[70]

Youth labour markets in the region of the Developed Economies & European Union are for the most part supply driven; in a region where the ageing of the population is a grave concern and where the threat of labour shortages persist, demand for youth labour is strong and, better yet, is institutionalized in a way that ensures protection of workers in a formal environment. Youth born here stand a decent chance at gaining high-level education, finding work after a short period of shopping around and moving quickly up the salary scale so that financial independence can be attained as they enter young adulthood. National youth employment policies and programmes concern themselves with fine-tuning the labour market institutions so as to widen access to this more or less ideal path from youth to adulthood.

[70] OECD, *Jobs for Youth: Spain* (Paris, 2007), p. 7.

Annex 1 World and regional tables

The source of all tables in this report is ILO, Trends Econometric Models, April 2008. The ILO Employment Trends Unit has designed, and actively maintains, econometric models which are used to produce estimates of labour market indicators in the countries and years for which country-reported data are unavailable. The Global Employment Trends Model is used to produce estimates – disaggregated by age and sex as appropriate – of unemployment, employment, status in employment, employment by sector and labour productivity. Alternative econometric models are used to produce world and regional estimates of labour force participation, working poverty and employment elasticities. The models use multivariate regression techniques to impute missing values at the country level, and are thus unique in giving the ILO the ability to produce regional labour market information for all regions in the world. For more information on the methodology of producing world and regional estimates, see www.ilo.org/trends.

Differences from estimates shown in past Global Employment Trends reports are due to revisions of the IMF and World Bank estimates of GDP and its components, which are used in the models, as well as to revisions in the labour market information used. The country-level input comes from ILO, *Key indicators of the labour market, 5th Edition* (Geneva, 2007) and updates of the indicators.

Improvements on previous global and regional estimates

The April 2008 run of the Trends Econometric Models uses both new and revised data, which has resulted in improved global and regional estimates based on the latest available information. This includes revisions of the IMF and World Bank estimates of GDP and its components; new population projections (UN 2006 Revision); new estimates of labour force participation; and other new country-level input.

Table A1
Global labour market indicators for youth, 1997 and 2007

	Total		Male		Female	
	1997	**2007**	**1997**	**2007**	**1997**	**2007**
Labour force (millions)	576.9	602.2	339.0	354.7	237.8	247.5
Employment (millions)	514.0	530.8	302.9	313.5	211.1	217.3
Unemployment (millions)	62.8	71.4	36.1	41.2	26.7	30.1
Labour force participation rate (%)	55.2	50.5	63.5	58.0	46.5	42.6
Employment-to-population ratio	49.2	44.5	56.7	51.3	41.3	37.4
Unemployment rate (%)	10.9	11.9	10.7	11.6	11.2	12.2

Table A2
Youth population, employment and unemployment, 1997 and 2007

	Total		Male		Female	
	1997	**2007**	**1997**	**2007**	**1997**	**2007**
Youth population ('000)						
WORLD	1'045'153	1'192'045	534'130	611'574	511'024	580'472
Developed Economies & European Union	129'934	129'161	66'340	66'047	63'594	63'114
Central & South-Eastern Europe (non-EU) & CIS	61'229	65'774	31'049	33'381	30'179	32'394
South Asia	252'979	309'708	131'514	161'045	121'465	148'662
South-East Asia & the Pacific	100'174	109'682	50'630	55'595	49'544	54'087
East Asia	219'801	233'678	113'425	122'396	106'376	111'282
Latin America & the Caribbean	97'643	104'546	48'911	52'383	48'732	52'163
Middle East	31'766	42'027	16'363	21'553	15'403	20'474
North Africa	33'963	40'369	17'218	20'441	16'745	19'929
Sub-Saharan Africa	117'665	157'100	58'680	78'733	58'985	78'367
Youth employment ('000)						
WORLD	514'043	530'820	302'928	313'487	211'114	217'333
Developed Economies & European Union	58'648	57'581	31'854	30'729	26'794	26'853
Central & South-Eastern Europe (non-EU) & CIS	21'710	21'198	12'522	12'460	9'188	8'738
South Asia	115'721	128'806	82'056	92'407	33'666	36'399
South-East Asia & the Pacific	51'149	48'624	29'401	28'356	21'748	20'268
East Asia	141'962	125'347	69'962	60'398	72'000	64'949
Latin America & the Caribbean	46'170	48'024	29'601	29'521	16'569	18'503
Middle East	8'683	12'182	6'774	9'050	1'909	3'131
North Africa	9'686	10'872	6'999	7'530	2'688	3'342
Sub-Saharan Africa	60'313	78'188	33'760	43'037	26'553	35'151
Youth unemployment ('000)						
WORLD	62'848	71'381	36'112	41'239	26'735	30'143
Developed Economies & European Union	10'151	8'162	5'412	4'479	4'739	3'683
Central & South-Eastern Europe (non-EU) & CIS	5'840	4'659	3'215	2'583	2'625	2'076
South Asia	8'324	15'557	5'786	11'110	2'539	4'447
South-East Asia & the Pacific	5'559	9'149	3'089	5'006	2'469	4'142
East Asia	11'224	8'963	6'514	5'091	4'710	3'872
Latin America & the Caribbean	7'540	8'166	3'834	3'831	3'705	4'335
Middle East	2'683	3'130	1'765	1'868	918	1'262
North Africa	3'275	3'394	2'085	1'899	1'189	1'495
Sub-Saharan Africa	8'253	10'201	4'412	5'371	3'841	4'830

Table A3
Youth labour force participation rates, 1997, 2006 and 2007

	Total (%)			Male (%)			Female (%)		
	1997	2006	2007	1997	2006	2007	1997	2006	2007
WORLD	55.2	50.9	50.5	63.5	58.6	58.0	46.5	42.8	42.6
Developed Economies & European Union	52.9	50.9	50.9	56.2	53.4	53.3	49.6	48.3	48.4
Central & South-Eastern Europe (non-EU) & CIS	45.0	40.0	39.3	50.7	46.0	45.1	39.1	33.9	33.4
South Asia	49.0	46.9	46.6	66.8	64.8	64.3	29.8	27.5	27.5
South-East Asia & the Pacific	56.6	53.4	52.7	64.2	60.8	60.0	48.9	45.8	45.1
East Asia	69.7	58.2	57.5	67.4	54.5	53.5	72.1	62.2	61.8
Latin America & the Caribbean	55.0	54.0	53.7	68.4	64.3	63.7	41.6	43.8	43.8
Middle East	35.8	36.7	36.4	52.2	51.1	50.7	18.4	21.4	21.5
North Africa	38.2	35.6	35.3	52.8	46.9	46.1	23.2	24.1	24.3
Sub-Saharan Africa	58.3	56.6	56.3	65.1	62.1	61.5	51.5	51.1	51.0

Table A4
Youth employment-to-population ratios, 1997, 2006 and 2007

	Total (%)			Male (%)			Female (%)		
	1997	2006	2007	1997	2006	2007	1997	2006	2007
WORLD	49.2	44.7	44.5	56.7	51.6	51.3	41.3	37.5	37.4
Developed Economies & European Union	45.1	44.2	44.6	48.0	46.2	46.5	42.1	42.2	42.5
Central & South-Eastern Europe (non-EU) & CIS	35.5	32.6	32.2	40.3	37.7	37.3	30.4	27.4	27.0
South Asia	45.7	41.7	41.6	62.4	57.6	57.4	27.7	24.4	24.5
South-East Asia & the Pacific	51.1	44.3	44.3	58.1	50.9	51.0	43.9	37.4	37.5
East Asia	64.6	54.2	53.6	61.7	50.2	49.3	67.7	58.6	58.4
Latin America & the Caribbean	47.3	45.9	45.9	60.5	56.6	56.4	34.0	35.2	35.5
Middle East	27.3	29.2	29.0	41.4	42.4	42.0	12.4	15.3	15.3
North Africa	28.5	27.2	26.9	40.6	37.4	36.8	16.0	16.7	16.8
Sub-Saharan Africa	51.3	50.1	49.8	57.5	55.2	54.7	45.0	44.9	44.9

Table A5
Youth unemployment rates, 1997, 2006 and 2007

	Total (%)			Male (%)			Female (%)		
	1997	2006	2007	1997	2006	2007	1997	2006	2007
WORLD	10.9	12.2	11.9	10.7	12.0	11.6	11.2	12.5	12.2
Developed Economies & European Union	14.8	13.1	12.4	14.5	13.4	12.7	15.0	12.7	12.1
Central & South-Eastern Europe (non-EU) & CIS	21.2	18.5	18.0	20.4	17.9	17.2	22.2	19.3	19.2
South Asia	6.7	11.1	10.8	6.6	11.1	10.7	7.0	11.2	10.9
South-East Asia & the Pacific	9.8	17.1	15.8	9.5	16.2	15.0	10.2	18.2	17.0
East Asia	7.3	6.8	6.7	8.5	7.9	7.8	6.1	5.7	5.6
Latin America & the Caribbean	14.0	15.0	14.5	11.5	11.9	11.5	18.3	19.6	19.0
Middle East	23.6	20.4	20.4	20.7	17.1	17.1	32.5	28.7	28.7
North Africa	25.3	23.7	23.8	23.0	20.2	20.1	30.7	30.7	30.9
Sub-Saharan Africa	12.0	11.6	11.5	11.6	11.2	11.1	12.6	12.1	12.1

Table A6
Ratios of youth-to-adult unemployment rate, 1997, 2006 and 2007

	Total (%)			Male (%)			Female (%)		
	1997	2006	2007	1997	2006	2007	1997	2006	2007
WORLD	2.6	2.8	2.8	2.7	2.9	2.9	2.4	2.8	2.7
Developed Economies & European Union	2.4	2.4	2.4	2.6	2.7	2.7	2.2	2.2	2.2
Central & South-Eastern Europe (non-EU) & CIS	2.3	2.5	2.5	2.3	2.4	2.3	2.4	2.7	2.7
South Asia	3.7	3.0	3.0	4.0	3.2	3.2	3.1	2.6	2.6
South-East Asia & the Pacific	4.4	5.3	5.0	4.7	5.5	5.4	4.2	4.9	4.6
East Asia	2.8	2.8	2.8	2.8	2.8	2.8	2.9	3.0	3.0
Latin America & the Caribbean	2.6	2.8	2.8	2.7	2.8	2.9	2.4	2.8	2.8
Middle East	3.2	3.1	3.1	3.1	2.9	2.9	3.1	3.1	3.1
North Africa	3.2	3.4	3.4	3.1	3.1	3.1	3.2	3.8	3.8
Sub-Saharan Africa	2.0	1.8	1.8	2.0	1.8	1.8	2.0	1.8	1.8

Table A7
Youth inactivity, 1997, 2006 and 2007

	Inactive youth ('000s)			Youth inactivity rate (%)			Female share of inactive youth, 2007 (%)
	1997	2006	2007	1997	2006	2007	
WORLD	468'263	579'553	589'844	44.8	49.1	49.5	56.5
Developed Economies & European Union	61'136	63'503	63'417	47.1	49.1	49.1	51.4
Central & South-Eastern Europe (non-EU) & CIS	33'680	39'880	39'917	55.0	60.0	60.7	54.1
South Asia	128'933	161'683	165'345	51.0	53.1	53.4	65.2
South-East Asia & the Pacific	43'467	50'874	51'909	43.4	46.6	47.3	57.2
East Asia	66'614	97'142	99'369	30.3	41.8	42.5	42.7
Latin America & the Caribbean	43'933	47'878	48'356	45.0	46.0	46.3	60.6
Middle East	20'400	26'300	26'715	64.2	63.3	63.6	60.2
North Africa	21'002	25'829	26'104	61.8	64.4	64.7	57.8
Sub-Saharan Africa	49'099	66'463	68'711	41.7	43.4	43.7	55.9

Table A8
Youth share of working-age population, youth share of total unemployment and youth unemployed as percentage of the youth population, 1997, 2006 and 2007

	Youth share of working-age population (%)			Youth share of total unemployed (%)			Youth unemployed as % of youth population		
	1997	2006	2007	1997	2006	2007	1997	2006	2007
WORLD	25.8	24.9	24.7	41.6	40.7	40.2	6.0	6.2	6.0
Developed Economies & European Union	16.8	15.7	15.5	29.0	27.0	26.8	7.8	6.7	6.3
Central & South-Eastern Europe (non-EU) & CIS	22.0	22.2	21.9	31.4	31.1	29.9	9.5	7.4	7.1
South Asia	30.6	29.6	29.5	55.2	47.7	47.5	3.3	5.2	5.0
South-East Asia & the Pacific	29.8	26.9	26.5	58.5	57.9	55.8	5.5	9.1	8.3
East Asia	22.6	21.0	20.8	41.5	35.4	35.1	5.1	3.9	3.8
Latin America & the Caribbean	29.3	26.2	25.8	47.3	43.2	42.6	7.7	8.1	7.8
Middle East	34.4	33.3	32.7	51.4	49.2	48.4	8.4	7.5	7.4
North Africa	33.1	31.0	30.5	51.7	49.0	48.2	9.6	8.4	8.4
Sub-Saharan Africa	35.7	36.1	36.1	45.3	42.6	42.2	7.0	6.6	6.5

Table A9
Annual real GDP growth (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
WORLD	4.0	2.6	3.5	4.7	2.2	2.8	3.6	4.9	4.4	5.0	4.9
Developed Economies & European Union	3.3	2.8	3.3	3.7	1.3	1.4	1.9	3.1	2.5	3.0	2.6
Central & South-Eastern Europe (non-EU) & CIS	3.2	-0.9	2.7	8.3	3.4	5.4	7.0	8.3	6.9	7.7	7.6
South Asia	4.3	5.4	6.5	5.3	3.6	4.4	6.6	7.6	8.7	9.1	8.6
South-East Asia & the Pacific	4.2	-7.4	3.6	6.2	2.4	4.9	5.5	6.3	5.6	6.0	6.4
East Asia	8.0	4.5	7.5	8.1	6.3	8.1	8.1	8.9	8.9	9.7	10.0
Latin America & the Caribbean	5.3	2.3	0.3	4.1	0.7	0.4	2.0	6.2	4.6	5.5	5.6
Middle East	3.9	3.1	0.8	5.5	2.8	4.1	7.6	6.3	5.9	5.7	5.5
North Africa	3.7	5.9	4.1	4.2	4.4	3.5	5.1	4.8	4.6	6.0	6.1
Sub-Saharan Africa	3.8	2.5	2.5	3.6	4.9	6.7	4.9	6.9	6.2	6.0	6.6

Annex 2 Global employment trends – regional groupings

Developed Economies & European Union

European Union

Austria
Belgium
Bulgaria
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Poland
Romania
Portugal
Slovakia
Slovenia
Spain
Sweden
United Kingdom

North America

Canada
United States

Other Developed Economies

Australia
Gibraltar
Greenland
Isle of Man
Israel
Japan
New Zealand
San Marino
St. Pierre and Miquelon

Western Europe (non-EU)

Andorra
Iceland
Liechtenstein
Monaco
Norway
Switzerland

Central & South-Eastern Europe (non-EU) & CIS

Central & South-Eastern Europe

Albania
Bosnia and Herzegovina
Croatia
The former Yugoslav Republic of Macedonia
Serbia and Montenegro
Turkey

Commonwealth of Independent States

Armenia
Azerbaijan
Belarus
Georgia
Kazakhstan
Kyrgyzstan
Republic of Moldova
Russian Federation
Tajikistan
Turkmenistan
Ukraine
Uzbekistan

South Asia

Afghanistan
Bangladesh
Bhutan
India
Maldives
Nepal
Pakistan
Sri Lanka

South-East Asia & the Pacific

South-East Asia

Brunei Darussalam
Cambodia
East Timor
Indonesia
Lao People's Democratic Republic
Malaysia
Myanmar
Philippines
Singapore
Thailand
Viet Nam

Pacific Islands

American Samoa
Cook Islands
Fiji
French Polynesia
Guam
Kiribati
Marshall Islands
Nauru
New Caledonia
Niue
Northern Mariana Islands
Papua New Guinea
Samoa
Solomon Islands
Tokelau
Tonga
Tuvalu
Vanuatu
Wallis and Futuna Islands

East Asia

China
Hong Kong, China
Korea, Democratic People's Republic of
Korea, Republic of
Macau, China
Mongolia
Taiwan, China

Latin America & the Caribbean

Caribbean

Anguilla
Antigua and Barbuda
Aruba
Bahamas
Barbados
Bermuda
British Virgin Islands
Cayman Islands
Cuba
Dominica
Dominican Republic
Grenada
Guadeloupe
Guyana
Haiti
Jamaica
Martinique
Montserrat
Netherlands Antilles
Puerto Rico
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Suriname
Trinidad and Tobago
Turks and Caicos Islands
United States Virgin Islands

Central America

Belize
Costa Rica
El Salvador
Guatemala
Honduras
Mexico
Nicaragua
Panama

South America

Argentina
Bolivia
Brazil
Chile
Colombia
Ecuador
Falkland Islands (Malvinas)
French Guiana
Paraguay
Peru
Uruguay
Venezuela

Middle East

Bahrain
Iran, Islamic Republic of
Iraq
Jordan
Kuwait
Lebanon
Oman
Qatar
Saudi Arabia
Syrian Arab Republic
United Arab Emirates
West Bank and Gaza Strip
Yemen

North Africa

Algeria
Egypt
Libyan Arab Jamahiriya
Morocco
Sudan
Tunisia

Sub-Saharan Africa

Eastern Africa

Burundi
Comoros
Djibouti
Eritrea
Ethiopia
Kenya
Madagascar
Malawi
Mauritius
Mozambique
Réunion
Rwanda
Seychelles
Somalia
Tanzania, United Republic of
Uganda
Zambia
Zimbabwe

Middle Africa

Angola
Cameroon
Central African Republic
Chad
Congo
Congo, Democratic Republic of
Equatorial Guinea
Gabon
Sao Tome and Principe

Southern Africa

Botswana
Lesotho
Namibia
South Africa
Swaziland

Western Africa

Benin
Burkina Faso
Cape Verde
Côte d'Ivoire
Gambia
Ghana
Guinea
Guinea-Bissau
Liberia
Mali
Mauritania
Niger
Nigeria
Senegal
Sierra Leone
St. Helena
Togo

Annex 3 Glossary of labour market terms

Labour market statistics and the indicators generated from the statistics can cause a great deal of confusion and, therefore, misinterpretation among users. The following glossary of labour market concepts should serve to clarify much of the terminology used in this report.

Contributing family worker: an own-account worker who works without pay in an establishment operated by a related person living in the same household.

Currently active population: the best known measure of the economically active population, also known as the "labour force" (see definition below).

Discouraged worker: a person who is without work and available for work but did not seek work (and therefore could not be classified as "unemployed") because they felt that no work would be available to them. According to the standard classification system, the discouraged worker is counted among the inactive, although many analysts would like to see the number of discouraged workers added to the unemployed to give a broader measure of the unutilized supply of labour. "Discouraged" implies a sense of "giving up", meaning the discouraged worker has simply given up any hope of finding work for reasons such as they feel they lack the proper qualifications, they do not know where or how to look for work, or they feel that no suitable work is available. The discouraged worker, therefore, could be said to be "involuntarily" inactive.

Economically active population: all persons who supplied labour for the production of goods and services in a specified reference period; in other words, all those who undertook economic activity (also known as "market activities"), as defined by the 1993 UN System of National Accounts (SNA),[1] during the measured time frame. Often used interchangeably with "labour force" (see definition below).

Employed: a person who performed some work – for at least one hour during the specified reference period – for wage or salary (paid employment) or for profit or family gain (self-employment). A person is also considered employed if they have a job but was temporarily not at work during the reference period.

Employer: a self-employed person with employees.

Employment: a measure of the total number of employed persons.

Employment-to-population ratio: the number of employed persons as a percentage of the working-age population. This indicator measures the proportion of the population who could be working (the working-age population) who *are* working, and as such provides some information on the efficacy of the economy to create jobs.

Inactive: a person who is neither employed nor unemployed, or, equivalently, is not in the labour force.

Inactivity rate: the sum of all inactive persons as a percentage of the working-age population. As an inverse to the labour force participation rate, the inactivity rate serves as a measure of the relative size of the population who do *not* supply labour for the production of goods and services.

Job: a paid position of regular employment. According to the standard definition, therefore, only the wage and salaried workers could have a "job". Common usage, however, has extended the concept to encompass any work-related task, which means that any employed person, whether a paid employee or self-employed, could qualify as "with a job".

Labour force:[2] the sum of all persons above a specified age (the nationally defined "working age") who were either employed or unemployed over a specified short reference period; the labour force is the best known measure of the economically active population, and is also known as the "currently active

population". The labour force (employment + unemployment) + the economically inactive population = total working-age population of a country.

Labour force participation rate: the sum of persons in the labour force as a percentage of the working-age population. The indicator serves as a measure of the relative size of the labour supply available for the production of goods and services.

Labour market: the virtual (non-tangible) arena where workers compete for jobs and employers compete for workers. Analysts use labour market information, including statistics such as the employment-to-population ratio, the unemployment rate, etc., to make assessments of how well the labour market functions and how and/or why the supply of labour and the demand for labour do not meet at perfect equilibrium.

Own-account worker: a person who is self-employed with no employees working for them.

Unemployed: a person who, during the specified short reference period, was (a) without work, (b) currently available for work, and (c) seeking work. A person is also considered unemployed if they are not currently working but have made arrangements to take up paid or self-employment at a date subsequent to the reference period.

Unemployment: a measure of the total number of unemployed persons.

Unemployment rate: unemployment as a percentage of the total labour force (employment + unemployment). The indicator is widely used as a measure of unutilized labour supply.

Vulnerable employment: the sum of own-account workers and contributing family workers.

Wage and salaried worker: persons in paid employment jobs, where the incumbent holds an explicit or implicit contract and receives a basic remuneration which is not directly dependent on the revenue of the unit for which they work; also known as "employee".

Work: as a verb, a general term meaning to engage in "economic activity", or, equivalently, to supply labour as input in the production of goods and services; as a noun, "work" has come to be used interchangeably with "job" and "employment" – for example, a person who supplies labour might say they "have work" or "have a job" or even "have employment".

Working: an informal synonym for "employed".

[1] See website http://unstats.un.org/unsd/sna1993/introduction.asp for additional information on the SNA and the guidelines for determining economic activity.

[2] The international standard that serves to guide statisticians in the definition of the economically active population and its categories is the Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13th International Conference of Labour Statisticians, October 1982; www.ilo.org/public/english/bureau/stat/download/res/ecacpop.pdf.