

INTERNATIONAL LABOUR ORGANIZATION
Employment Sector

**Youth employment:
From a national challenge to a global
development goal**

**Background paper contributed by the ILO
to the G8 Labour and Employment Ministers' Conference**

London, 10-11 March 2005



INTERNATIONAL LABOUR OFFICE - GENEVA

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1. Introduction

Recent years have seen increasing recognition of the political urgency of responding to the challenge of youth employment as a precondition for poverty eradication, sustainable development and lasting peace. The challenge is widespread and complex and is not solely one of creating more jobs. Access to productive work that provides an adequate income is the surest way for increasing young people's contribution to the future prosperity of their countries and societies.

In developed economies, and in G8 countries in particular, the critical aspects of this challenge are mostly related to labour market entry. It is a profound irony that, while such countries are confronted with an aging population and a rising dependency rate, young people encounter so many difficulties in finding and maintaining a decent job. In developing economies, unemployment falls disproportionately on youth. Africa and the Middle East fare worst in this regard and are the regions where youth make up a striking demographic majority. These regions face the additional burden of large numbers of young workers who are underemployed and mostly in the informal economy. What are the current trends and the future prospects? Why should countries worldwide invest in young people? How can the youth employment challenge be effectively met at the country level? What is the role of the international community? These are the main questions addressed in this paper. Focusing particularly on Africa and the Middle East, this paper seeks to highlight the vast potential that young people represent for economies and societies and to discuss some key policy options for maximising this potential through access to productive and decent jobs.

2. Magnitude and patterns of the challenge

2.1 Youth population and labour force

Current population trends

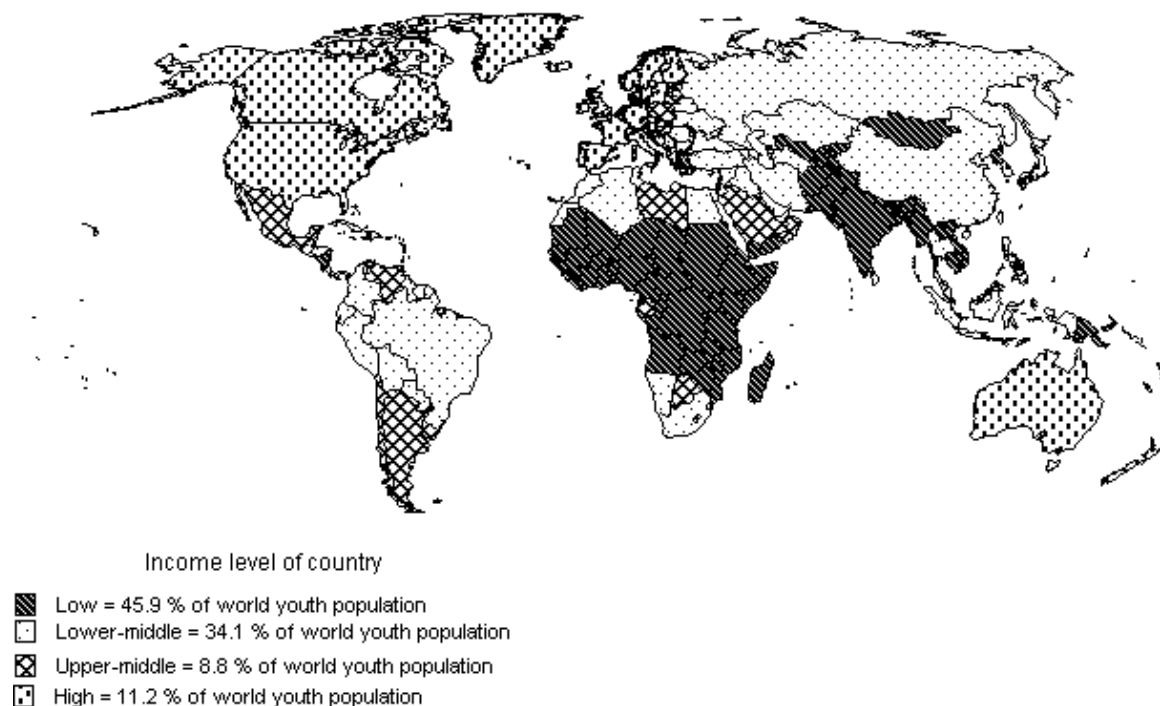
- There are more than 1 billion young people between the ages of 15 and 24 in the world today, comprising 18 per cent of the global population. Taken together, youth and children account for almost half of the world population.¹
- Eighty-five (85) per cent of the world's youth live in developing countries.²
- In 2000 approximately a quarter of the world's estimated youth population, or 238 million youth, were reported to be living in extreme poverty (in households earning less than US\$1 a day).³ If the broader US\$2 a day poverty line is applied, the number jumps to 462 million youth living in poverty.
- Figure 1 shows the distribution of the world by income level as classified by the World Bank. Low-income countries and lower-middle income countries, which together account for 80 per cent of the world's population of young people, are highly concentrated in the regions of sub-Saharan Africa and South Asia.

¹ Population data are from United Nations: *World Population Prospects: The 2002 Revision*, Vol. 1: Comprehensive Tables (Annex Tables, Demographic Profiles) (New York, 2003).

² *Ibid.*

³ United Nations: *World Youth Report 2003* (New York, 2004), p. 91.

Figure 1. Half of the global youth population lives in low-income countries



Source: UN: *World Youth Report 2003* (New York, 2004), Table 3.1. The World Bank country groups, by income, are available on website: <http://www.worldbank.org/data/countryclass/classgroups.htm>.

Current labour market trends

- In 2003 614 million young people were either working or looking for work, representing nearly 55 per cent of the total youth population.⁴
- Labour force participation rates of young people decreased in the world as a whole by almost 4 percentage points between 1993 and 2003, mainly the result of an increasing number of young people attending school, more young people staying longer in the education system as well as some dropping out of the labour force as they lost hope of finding work. The only region to show a slight increase in the labour force participation of youth was sub-Saharan Africa where the rate increased from 64.4 per cent in 1993 to 65.4 per cent in 2003.
- The regions where fertility rates remain high (above replacement level) – namely South Asia, the Middle East and North Africa and sub-Saharan Africa – are the very same regions that have the highest shares of populations below the age of 15 years and the largest expected increase in the number of youth entering the labour market over the next 15-year period. (Table 1 shows the projected changes in the youth labour force on the regional and global level).
- In 2015 an estimated 660 million young people will either be working or looking for work which is an increase of 7.5 per cent over the number of youth in the labour force in 2003 (614 million).
- The balance of the youth labour force continues to move away from the industrialized region toward less-developed regions; table 1 shows a projected decrease in the youth labour force in the industrialized economies of 7.2 million youth (including a decrease of 600,000 in G8 countries) between 2003 and 2015,

⁴ All labour market data not otherwise cited are from the ILO: *Global Employment Trends for Youth* (Geneva, 2004), available on website: <http://www.ilo.org/trends>.

whereas there are expected to be an additional 51 million young workers or job-seekers in the two regions which contain the bulk of countries classified as “low-income” by the World Bank (South Asia and sub-Saharan Africa).

Table 1. Regional distribution of the youth labour force, 1993, 2003 and 2015

	1993		2003		2015		Change in youth labour force, 2003-15 (million)
	Youth labour force (million)	Share of global youth labour force (%)	Youth labour force (million)	Share of global youth labour force (%)	Youth labour force (million)	Share of global youth labour force (%)	
Industrialized Economies (incl. transition economies)	97.4	16.4	91.4	14.9	84.2	12.8	-7.2
<i>of which G8 countries</i>	59.3	10.0	54.9	8.9	54.3	8.2	-0.6
East Asia	192.9	32.4	161.8	26.3	155.9	23.6	-5.9
South-East Asia	55.7	9.4	61.0	9.9	63.7	9.7	2.7
South Asia	108.3	18.2	122.3	19.9	144.3	21.9	21.9
Latin America and the Caribbean	52.8	8.9	57.0	9.3	58.8	8.9	1.8
Middle East and North Africa	23.2	3.9	32.0	5.2	35.3	5.3	3.3
Sub-Saharan Africa	64.3	10.8	88.7	14.4	117.5	17.8	28.8
Total youth labour force	594.7	100	614.3	100	659.7	100	45.4

Source: ILO: *Global Employment Trends for Youth* (Geneva, 2004). G8 estimates are calculated from data in the ILO: *Key Indicators of the Labour Market, 3rd Edition* (Geneva, 2003), CD-ROM.

The important question becomes, therefore, will there be enough jobs to accommodate young labour market entrants? Current evidence shows that the regions with the highest shares of youth within the working-age population and highest expected increase in the youth labour force - South Asia, the Middle East and North Africa and sub-Saharan Africa (again) - fare the poorest in terms of current youth unemployment rates (see table 2). In these regions where the youth unemployment rates are already high, the slow fertility transition and forthcoming increases in the youth labour force do not bode well for the labour market prospects of youth – unless there is a significant boost to economic growth in the region as well as an improvement in the employment content of growth.

2.2 Lack of job opportunities

Unemployment

Unemployment rates are still considered the most visible and obvious indicator of the youth employment challenge, which explains its selection as an indicator for monitoring the UN Millennium Development Goal to “develop and implement strategies for decent and productive work for youth”.⁵

- Eighty-eight (88) million young people were unemployed in 2003, accounting for 47 per cent of the 186 million unemployed globally. Youth unemployment has increased steadily since 1993 when the unemployment rate for young people was 11.7 per cent. In 2003 the youth unemployment rate had reached its historical height of 14.4 per cent.
- Youth unemployment rates in 2003 were highest in the regions of the Middle East and North Africa (25.6 per cent) and sub-Saharan Africa (21 per cent) and lowest in East Asia (7 per cent) and the industrialized economies (13.4 per cent). The

⁵ The Millennium Development Goals statistics are available at website: http://millenniumindicators.un.org/unsd/mi/mi_goals.asp.

aggregate youth unemployment rate of G8 countries in the same year was 15.1 per cent, an increase of 3.4 per cent from ten years earlier.

- On the global level, youth in 2003 were 3.5 times more likely to be unemployed than adults.
- A scarcity of work requiring high education results in a situation in which a disproportionate share of the young unemployed have higher education and come from higher income households.⁶ The lack of work for young people exiting higher education in developing countries is one of the main factors behind the migration of skilled labour.

Table 2. Youth unemployment rates and the ratios of youth-to-adult unemployment rate, 1993 and 2003

	Youth unemployment rate (%)		Change in youth unemployment rate (%)	Ratio of youth-to-adult unemployment rate		Change in the ratio of youth-to-adult unemployment rate (%)
	1993	2003		1993	2003	
WORLD	11.7	14.4	23.1	3.1	3.5	12.9
Industrialized Economies	15.4	13.4	-13.0	2.3	2.3	0.0
<i>of which G8 countries</i>	14.6	15.1	3.4	2.3	2.3	0.0
Transition Economies	14.9	18.6	24.8	2.9	2.4	-17.2
East Asia	4.8	7.0	45.8	3.1	2.9	-6.5
South-East Asia	8.8	16.4	86.4	3.9	4.8	23.1
South Asia	12.8	13.9	8.6	5.9	5.9	0.0
Latin America and the Caribbean	12.4	16.6	33.9	2.8	3.1	10.7
Middle East & North Africa	25.7	25.6	-0.4	3.4	3.3	-2.9
Sub-Saharan Africa	21.9	21.0	-4.1	3.6	3.5	-2.8

Source: ILO: *Global Employment Trends for Youth* (Geneva, 2004).

Discouragement

While the concept is not precise and its definition varies from country to country, the term “discouraged workers” generally refers to persons who want a job and are available for work but who have given up actively looking for work because they *feel* no work is available to them.⁷ Discouraged workers are not included in official statistics of unemployment (by the standard definition) because they do not meet the criteria of the active job search; rather the discouraged fall within the numbers of “not in the labour force”, that is, the count of persons who are neither employed nor unemployed. Many argue for inclusion of the discouraged under a relaxed definition of unemployment especially because the discouraged represent unutilized labour resources and information on them is needed for a comprehensive understanding of the labour market situation. The OECD estimated that adding discouraged workers (and involuntary part-time workers) could add another 2 to 9 percentage points to the standard unemployment rate in most countries.⁸ Discouraged workers in many countries are especially likely to be found among groups of particular social concern, such as the young and women. Although few statistics are available to demonstrate

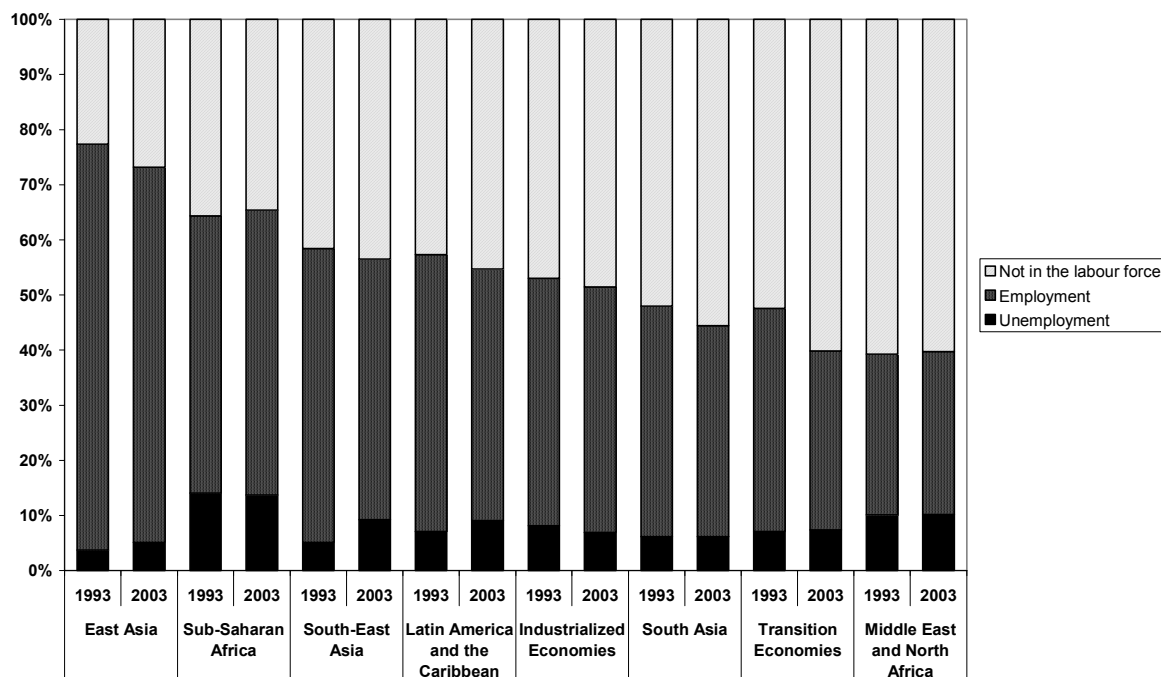
⁶ ILO: *Improving prospects for young women and men in the world of work. A Guide to Youth Employment* (Geneva, 2004).

⁷ ILO: *Surveys of Economically Active Population, Employment, Unemployment and Underemployment: An ILO Manual on Concepts and Methods* (Geneva, 1990), p. 107.

⁸ OECD: *Employment Outlook 1996*, Chapter 2. Supplementary Measures of Labour Market Slack: An Analysis of Discouraged and Involuntary Part-time Workers (Paris, 1996).

the increasing incidence of discouragement among youth at an aggregate level, it is safe to assume that the increase in the proportion of young people defined as not in the labour force in most regions of the world, as demonstrated in figure 2, is at least partly attributable to young people who give up the job search because they feel no work is available to them.

Figure 2. Distribution of the youth population by labour force status, 1993 and 2003



Source: ILO: *Global Employment Trends for Youth* (Geneva, 2004).

2.3 Lack of decent work

Employment prospects for young people are very much a factor of where they are born. Policies directed toward addressing the youth employment challenge in the industrialized world – easing the transition from school to work, matching education and skills to market demand, wage policy, etc. – 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 and the 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.).

These premises do not hold in many developing countries – formal job creation is not forthcoming, or certainly not at the pace necessary to absorb the growing youth labour force. Here the problem is clearly more demand- than supply-side. Policies aimed at improving the quality of education and creating the most educated and highly-skilled young job pool available are pointless when the reality of the situation is that there are simply no jobs available for the young people to apply for. 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? Although youth employment issues cannot be classified

strictly as pertaining to one specific region or income class only, box 1 attempts to show at least some distinction between issues that are likely to be of concern to the developed versus the developing world.

Box 1. Youth employment challenges in G8 and developing countries

Challenges specific to G8 countries
<ul style="list-style-type: none"> ▪ <i>Increasing incidence of temporary jobs.</i> The OECD estimated that in 1996, half of the jobs held by new school-leavers in OECD countries were on temporary contracts while 30 per cent were working part-time.⁹ Approximately one-third of new school-leavers in temporary work reported doing so involuntarily, because they could not find permanent jobs.
<ul style="list-style-type: none"> ▪ <i>Decreasing job tenure and high turnover rates.</i> Although 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. Strengthening the career-training capacities in schools could help to address this.
<ul style="list-style-type: none"> ▪ <i>Education versus employment.</i> Avoiding the labour market by staying in school longer or re-entering the education system. Although this strategy might result in the most highly-educated youth labour force ever, it will only work if sufficient job opportunities are available to young graduates when they are ready to work.
<ul style="list-style-type: none"> ▪ <i>Sectoral distribution.</i> Youth of both sexes are disproportionately represented in the sectors of hotels and restaurants, and wholesale, retail trade, and repairs, while a large share of young males are also found in construction and young females in personal services.¹⁰ What happens to youth in the labour market, therefore, relies heavily on developments in a limited set of sectors.
Challenges specific to low-income, developing countries
<ul style="list-style-type: none"> ▪ <i>Underemployment and poverty.</i> In the developing world some 130 million young working poor (25 per cent of the total 550 million) can be considered underemployed as they engage in low-productivity work that earns them less than US\$1 a day.¹¹
<ul style="list-style-type: none"> ▪ <i>Informal economy.</i> Low-demand for labour means young workers are increasingly engaging in work in the informal economy. Statistics are rare; however, those which do exist confirm that approximately two-thirds of new jobs created were in the informal economy in South-East Asia. The share is as high as 90 per cent in Africa. Most young workers in the informal economy lack adequate incomes, social protection, security and representation.
<ul style="list-style-type: none"> ▪ <i>HIV/AIDS.</i> UNAIDS estimates that HIV infection among young people accounts for fully half of the 11,000 new infections occurring each day. In total, an estimated 10 million young people were living with HIV/AIDS at the end of 2003, many of them young women.¹² Young people account for a large share of the estimated 26 million labour force participants who are HIV-positive worldwide.¹³
<ul style="list-style-type: none"> ▪ <i>Gender discrimination.</i> Fewer women than men are employed as a share of their population than young men. Young women face even greater discrimination than adult women in the labour market as it is believed that they will soon get married and leave their employment or become less productive. In Nigeria, for example, some young female graduates are made to sign agreements with their employer stating they will not get married or go on maternity leave for a number of years after employment.¹⁴
<ul style="list-style-type: none"> ▪ <i>Sectoral distribution.</i> The agriculture sector continues to be the primary sector for employment in the majority of sub-Saharan African countries.¹⁵ 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.

⁹ OECD: *Employment Outlook 1998*, Chapter 3. Getting started, settling in: the transition from education to the labour market (Paris, 1998).

¹⁰ OECD: *Employment Outlook 1996*, Chapter 4. Growing into work: youth and the labour market over the 1980s and 1990s (Paris, 1996).

¹¹ ILO: *Global Employment Trends for Youth*, op. cit.

¹² UNAIDS: *2004 Report on the Global AIDS Epidemic* (Geneva, 2004). See also United Nations: *World Youth Report 2003*, op. cit, pp. 334-369.

¹³ ILO: *HIV/AIDS and work: Global estimates, impact and response* (Geneva, 2004).

¹⁴ UNOWA/ILO: "Report on ways to address youth unemployment in West Africa", unpublished draft 29 October 2004.

¹⁵ ILO: *World Employment Report 2004-05: Employment, Productivity and Poverty Reduction* (Geneva, 2005), p. 132.

3. Sharing the gains of youth employment

Youth is a decisive period in each person's life because it is a time of huge physical, psychological, economic and social change. It is during this stage of life that long-lasting aspects of personal development take place and may determine success or failure later in life. It is also during this period that young people by and large assume economic independence and take on their family, civil and political responsibilities.

For most youth, the transition into adulthood coincides with the transition into the world of work. Unemployment and underemployment early in a young person's life often impair their job and life prospects as adults. If children and youth are at work rather than in school, they will grow up with fewer opportunities for decent work. In turn, this will shape their future life and work strategies, including decisions on issues such as the establishment of a household, the education of their children, their patterns of consumption or employment.

The patterns of this transition also influence other key transitions in life. Girls and boys who have access to quality education from an early age are likely to have better chances of entering the labour market easily and effectively, to get quality employment and secure incomes during adulthood, and to have access to adequate social protection during old age when they most need it.¹⁶ In today's world, these transitions are not necessarily one-way or one-time. More and more people move in and out of education and training, in and out of the labour market, and in and out of reproductive roles at different stages of their lives. This calls for policies that facilitate these transitions while creating a basis for intergenerational solidarity today and for the prosperity of future generations.

Getting the right foothold in the labour market is, therefore, critical not only for "success" at work but also has a multiplier effect throughout the personal lives of individuals, their families and their countries. Investing in youth employment is investing in the future of our societies. The ensuing gains can be gauged in terms of economic, societal and individual benefits.

3.1 Economic benefits

It is increasingly understood that the access of young people to productive work that generates an adequate income at the time of their transition to work is crucial for breaking the vicious cycle of poverty – that is inadequate education and training, leading to poor jobs, and the intergenerational transmission of poverty. Without timely interventions in education, health and employment, poverty tends to intensify with age in a vicious cycle of cumulative disadvantage. The ILO estimates that halving the world's youth unemployment rate (from 14.4 to 7.2 per cent in 2003), in other words bringing it closer to the adult rate, would add between US\$ 2.2 to 3.5 trillion to the global economy. The largest relative gains in getting young people into work would be in sub-Saharan Africa, with an estimated 12 to 19 per cent gain in

¹⁶ See ILO: *Starting right: Decent work for young people*, Background paper prepared for the Tripartite Meeting on Youth Employment: The Way Forward, Geneva, 13-15 October 2004 (Geneva, 2004), Figure 4, p. 40.

GDP, followed by the Middle East and North Africa, with an estimated 7 to 11 per cent gain.¹⁷

Economies can be strengthened when young people have decent jobs. They have more to spend as consumers, more to invest as savers and more to contribute as taxpayers. A productive, healthy and motivated workforce is also an asset for companies that benefit from the energy, innovation and creativity that young people bring to the world of work. In turn, efforts by companies and countries to innovate and develop competitive advantages can enhance or open up market niches and scale up domestic and foreign investments. Ultimately this may contribute to generating a more equitable share of wealth, both through the economic stimulation resulting from the increased purchasing power of the workforce and the redistribution of incomes through taxation.

In the years to come the integration of young Africans into decent and productive work will depend largely on the rate of economic growth as well as on the employment intensity of such growth. Although the proportion of youth is expected to decline, it is unrealistic to expect in the near future that the formal economy will create enough jobs to accommodate all the youth entering the labour force for the first time. At the same time, the informal economy's capacity to absorb and allow a growing youth cohort to make a living will continue to decline. Therefore, a major challenge will be to devise mechanisms for promoting sustained growth through employment-intensive strategies.

The absence of job opportunities in home countries and the hope of a better future often act as powerful incentives that motivate youth to migrate outwards. The United Nations estimates that in 2002 young people accounted for some 15 per cent (26 million) of the 175 million global migrants.¹⁸ The outflow of young migrants to the developed world presents a number of benefits for both receiving and sending countries. As regards the former, there is evidence that migrants have only slight negative effects on the wages of nationals, and tend to pay more taxes than they receive in tax-supported services. Conversely, little evidence exists that migration leads to a displacement of nationals in employment. Given the current demographic change, young immigrants are also likely to become part of the solution to the employment and welfare problems raised by aging in developed economies. Young migrants can also be a source of funding for development in their countries of origin. Their remittances help cover family expenses and investment for job creation. When they return, they bring back human, financial and social capital, thereby contributing to the development of their home countries.¹⁹

There is, however, a negative side to the picture. African youth make up a large part of the "brain drain" of educated and skilled labour that is migrating to the developed world to earn a living. This migration is depleting sending countries of their investment in human capital. Research has shown, for example, that in a five-year time span (1985-1990) some 60,000 professionals (doctors, university lecturers,

¹⁷ ILO: *Global Employment Trends for Youth*, op. cit., Table 7, p. 21.

¹⁸ United Nations: *World Youth Report 2005 - Report of the Secretary-General*, (A/60/61), November 2004, p. 24.

¹⁹ ILO: *Towards a fair deal for MIGRANT WORKERS in the global economy*, Report VI, International Labour Conference, 92nd Session, 2004 (Geneva, 2004).

engineers) left Africa to find work elsewhere.²⁰ At the other end of the scale, a large number of Africans, especially young women, are going overseas to work – mainly as domestic workers, care-givers or in the entertainment industry. Their exposure to exploitation and abuse, including being trafficked, is a concern that features increasingly highly on national and international agendas.

3.2 Societal and individual benefits

Investing in youth and in their employment entails significant benefits for societies and young people themselves in relation to issues such as health, commitment to democracy, security and political stability. Sometimes these benefits transcend States' boundaries and spill over into other countries and regions.

Health is an important determinant of the productive potential of youth, and influences both their entry into and positioning in the labour market. Over the past decade HIV/AIDS has emerged as a major threat, affecting youth in particular. In total, there were 10 million youth living with HIV/AIDS worldwide in 2003, accounting for half of all new cases. Approximately two-thirds (or 6.2 million) lived in Sub-Saharan Africa, 75 per cent of whom were young women.²¹ The disease is destroying the productive potential of young people and undermining the likelihood of youth to secure decent jobs. Consequences of this trend include depletion of skills, reduction of human capital and impoverishment as well as exposure to social exclusion and further transmission of the disease.²² The epidemic is also changing the very structure of populations and shaping new dependency relations among generations, not least because it has reversed decades of gains in life expectancy in sub-Saharan Africa. In the worst-affected countries of eastern and southern Africa, the probability of a 15-year-old dying before reaching 60 years of age has risen drastically (from 10-30 per cent in the mid-1980s to 30-60 per cent at the beginning of 2000).²³ In this context, investing in young people's health, education and skills development, and empowering young women and men to make informed choices about their health, are more than ever key to improving their chances of becoming productive agents and active citizens.

Opportunities for decent employment are crucial in enabling youth to take on their economic, social and political responsibilities. Sometimes unemployment as well as precarious and low-paid jobs prevent or delay many young people from becoming economically independent from their parents and setting up their own families. In most African countries, the only option for survival is often work in the informal economy, where lack of adequate incomes, social protection and representation combine to undermine the socio-economic security of youth. Productive employment also helps youth shape their own identity and acquire a place in the world of work and broader society. Young people who do not have rights at work by and large find it difficult to exercise their rights as citizens. Participation in membership-based organizations and engagement in decision-making processes that affect their

²⁰ P. Wickramasekara: *Policy responses to skilled migration: retention, return and circulation* (Geneva, ILO, 2003), p. 5.

²¹ UNAIDS: *2004 Global report on the Global AIDS Epidemic*, op. cit, pp. 93-98.

²² ILO: *HIV/AIDS and work: Global estimates, impact and response*, op. cit.

²³ World Health Organization: *The world health report 2004 – changing history* (Geneva, 2004), p. 5.

livelihoods and working conditions are key to empowering young people, fostering social inclusion and advancing the democratization of societies.

The provision of decent job opportunities for young people can play a vital role in preventing conflict and promoting political stability and security at national, regional and international levels. Youth are significantly impacted by armed conflicts. On the one hand, conflicts destroy education, training and work facilities, break down families, social structures and institutions, and seriously undermine a government's capacity to fulfil its basic functions. In these circumstances, young people's rights are particularly likely to be violated and their needs to be unattended to. On the other hand, inappropriate schooling, idleness, poverty and social exclusion increase the risk of youth being recruited or voluntarily joining armed gangs, including across borders.²⁴

Recent years have witnessed a sharp increase in the involvement of youth in conflicts, either as victims or as offenders. It is estimated that over the past decade two million children and youth were killed or died in armed conflict, and five million were disabled.²⁵ Some 300,000 children and youth would be engaged in armed conflicts globally.²⁶ Wars in Côte d'Ivoire, Guinea Bissau, Liberia and Sierra Leone have provided incomes and recognition for many young people and have shown that the absence of gainful employment for youth can be a contributing factor in protracted or re-emerging conflict. In turn, this tends to further fuel joblessness and poverty because of the decline in investments and savings. In this context, productive employment for young people has come to be seen as key not only for the socio-economic development of West Africa, but also for increasing political stability and security in the whole region. In the near future, jobs and income-generating opportunities will be critical if young people are to meaningfully participate in building and consolidating peace and growth.²⁷

More generally, access to productive employment can reduce the risk of young people being dragged into risky behaviour that can harm their position in society and their health status. Indeed, idleness and high levels of unemployment among youth can be a source of drug abuse and crime. They can also fuel ideological and political unrest. In Africa juvenile delinquency by and large stems from hunger, poverty and unemployment. It is often both a cause and a result of economic and social exclusion. Inevitably, strategies to address juvenile delinquency and youth crime would need to include actions that enable young people to work themselves out of poverty in a virtuous circle of productive jobs, improved incomes and social inclusion. In this case, the gains often go beyond direct economic and social benefits to also include a reduction in expenditure geared to remedying risky behaviour (e.g. criminal justice costs, medical and other costs associated with victims).

²⁴ R. Brett and I. Specht: *Young Soldiers: Why They Choose to Fight* (Geneva, ILO, 2004).

²⁵ United Nations: *Making Commitments Matter: A Toolkit for young people to evaluate national youth policy* (undated), p. 80, at: <http://www.un.org/esa/socdev/unyin/wyr/documents/Toolkit.pdf>.

²⁶ United Nations: *Implementation of the United Nations Millennium Declaration – Report of the Secretary-General* (A/59/282), August 2004, as cited in United Nations: *World Youth Report 2005 - Report of the Secretary-General*, op. cit., p. 29.

²⁷ UNOWA/ILO: "Report on ways to address youth unemployment in West Africa", op. cit.

4. Achieving the goal of decent employment for youth

4.1 Policy responses at national level

Recent years have seen an increasing understanding of the youth employment challenge and the policy options available. Almost every country in the world has sought to meet this challenge and a wide number of approaches have been implemented at national level. However, many interventions have been confined to specific programmes that are narrow in scope, limited in time and tend to target labour market entrants, with little attention to the poor working conditions of many young workers. In addition, many such programmes have failed to address the multiple aspects of the youth employment challenge and focus either on job creation or labour market training.

Despite efforts deployed to address this challenge during recent decades, the youth employment problem has persisted and sometimes worsened, especially during recessionary periods since young people are disproportionately affected by the business cycle. As noted in Section 2 above, Africa and the Middle East struggled with both youth unemployment and underemployment.

To date, there is growing agreement among policy-makers that productive employment for young people cannot be achieved and sustained through isolated and fragmented measures; it requires long-term, coherent and concerted action over a combination of economic and social policies.²⁸ This calls for an integrated and coherent approach that combines interventions at the macro- and microeconomic level, focuses on labour demand and supply, and addresses both the quantity and quality of employment.²⁹ Such an approach has important implications for action at national level.

First, national policies and programmes promoting youth employment should be integrated into overall macroeconomic and development policies. Given that youth employment is highly dependent on overall employment, any strategy to improve employment prospects for young people should be part of broader policies that promote sustained and broad-based economic growth. The problem of many policy prescriptions advocated in recent years is that they have regarded employment as a derivative of sound macroeconomic policies, rather than as an objective in its own right. To make sure that growth translates into more and better jobs, employment must be at the core of various policy fields, in particular finance, economic and social policies.

This is a necessary condition in itself, but is not enough. In fact, the employment prospects of young people vary depending on factors such as age, gender, ethnicity, social class, household size, and education and training levels. Therefore, it is crucial to link broader employment and other economic and social policies to targeted

²⁸ See, for example, ILO: *Resolution on decent work for youth in Africa and the ILO's response*, document GB.289/5, Governing Body, 289th Session (Geneva, March 2004), pp. 49-50.

²⁹ See "Conclusions of the Tripartite Meeting on Youth Employment: The Way Forward", in *Note on the proceedings* (Geneva, ILO, 2005), pp. 25-28; and *Conclusions*, 7th European Regional Meeting, Budapest 14-18 February 2005, para 17, at: http://www.ilo.org/public/english/region/eurpro/geneva/regconf2005/pdf/conclusions_en.pdf.

interventions aimed at overcoming the specific disadvantages faced by many young people in entering and remaining in the labour market. The two sets of measures are not mutually exclusive; they should complement each other.

South Africa provides an example of a comprehensive and multidimensional approach that addresses youth employment within broader policy interventions. Employment policies are embedded in broader pro-growth and poverty alleviation policies, but also linked to both youth-specific and anti-discrimination policies (see box 2 below).

Box 2. Youth employment in South Africa: Policy integration and targeting

Employment as part of pro-growth and poverty alleviation policies. Job creation is the main strategy for poverty eradication and is promoted through macroeconomic policies, sectoral policies and individual programmes.

Key elements of national employment policies. The national employment strategy framework includes the following non-age-specific and youth-specific targets:

- create jobs;
- raise skills base and move into higher value added sectors;
- increase labour-absorptive capacity of the economy through SME promotion;
- improve functioning of the labour market;
- improve education and training;
- improve social security;
- address crime;
- address employment (targeting youth as a vulnerable group).

Responding to the development and employment needs of young people. The employment strategy framework aims to “promote youth employment and skills development through youth training subsidies, measures to avoid displacement of existing workers when young workers are taken on, improved career guidance in schools, internships and improved vocational training”. Coordinated by the National Youth Commission, the *National Youth Policy (1997)* addresses broader issues relating to youth development including education and training, employment and unemployment, health, public participation and crime prevention. This policy recognizes the broader national context in which it was formulated and is being implemented. In addition, the *Employment Equity Act of 1998 prohibits discrimination on a wide range of grounds, including age, and requires employers to implement affirmative action measures.*

Source: *Starting right: Decent work for young people*, Background paper prepared for the Tripartite Meeting on Youth Employment, Geneva, 13-15 October 2004 (Geneva, ILO, 2004), p. 19.

Second, policies and programmes should aim at increasing employment opportunities for youth as well as their employability, and therefore address both labour demand and supply. Some of these initiatives have a long-term perspective and extend over different stages of the lifecycle (e.g. labour legislation, labour market information, education and training for employability and career guidance). Other targeted and short-term interventions, such as active labour market policies and programmes, tend to react to education and labour market failures by addressing a specific life-stage.

On the demand side, these policies and programmes include interventions such as employment-intensive infrastructure development, the promotion of sectors with high youth employment potential (e.g. ICT, service, agriculture), labour market regulations, job placement schemes and self-employment and entrepreneurship, including cooperatives and social enterprises. On the supply side, policies and programmes for youth employment promotion cover issues such as access to

universal basic education, quality vocational education and training and lifelong learning, measures and partnerships to link school with the world of work and employment services, career guidance and labour market information. Active labour market policies and programmes that combine different tools to address both the demand and supply of labour are an attempt to articulate different programmes in broader and more comprehensive initiatives. They can be an effective mechanism if well designed and targeted to meet specific needs, especially those of disadvantaged young women and men.

Third, but not less importantly, an integrated approach to decent and productive employment for young people requires policies and programmes geared to the promotion not only of more jobs but also of quality jobs. All too often, the youth employment challenge is depicted only in terms of reducing unemployment. This is surely a key feature of the youth labour market in Africa and the Middle East, but is not the only one. The high presence of young people in intermittent and insecure work arrangements and their over-representation in the informal economy require urgent action to improve working conditions and advance rights at work. This should be pursued through appropriate national legislation based on international labour standards and good governance of the labour market, including through close coordination between government institutions and agencies, at the national and local level. The involvement of the social partners in the design, implementation and evaluation of such policies and programmes is also important to improve responsiveness to socio-economic needs, promote the quality of jobs, and shape fair and inclusive interventions.

4.2 International action and the role of the ILO

The past decade has witnessed a growing international commitment to youth employment. In 2000, the Millennium Summit recognized the political urgency and relevance of addressing the problem of youth unemployment and underemployment. As a result, the Millennium Declaration resolved to develop and implement strategies that give young people everywhere a real chance to find decent and productive work – a target that was subsequently reflected in the Millennium Development Goals (MDGs).³⁰ MDG 8 on global partnership for development, which is to be implemented through partnerships between governments, employers' and workers' representatives, civil society, and young people themselves, explicitly refers to creating employment opportunities for youth. Addressing youth employment is also crucial to achieving other MDGs, particularly those relating to poverty reduction, education and gender equality.

In this context, the Youth Employment Network (YEN) – a global alliance between the United Nations, the World Bank and the ILO – was established in 2001 to support countries to develop National Action Plans on youth employment. To date, ten countries have stepped forward as lead countries in preparing national action plans that revolve around four global priorities, namely employment creation, employability, entrepreneurship and equal opportunities. Of these countries, six are

³⁰ United Nations General Assembly, A/RES/55/2, 18 September 2000, para. 20.

from Africa and the Middle East.³¹ Since September 2002, the ILO has been hosting the YEN permanent secretariat and has taken the lead in organizing its work.³² Currently this work includes, among other tasks, the preparation of a global analysis and evaluation of National Action Plans on youth employment for submission by the United Nations Secretary-General to the 60th session of the General Assembly.³³

The ILO's lead role in the YEN provides it with a major opportunity to build international consensus on youth employment and to influence the international agenda with a comprehensive strategy on employment organized around the goal of decent work for all. Work towards the Millennium Declaration's commitment on decent and productive work for youth represents an opportunity to pursue a more balanced and sustainable global growth through increased collaboration and coordination across international institutions and by strengthening partnerships within and across countries.

This kind of multilateral and participatory approach to employment and growth is in line with the outcome of recent G8 Labour and Employment Ministers' conferences, which identified productive employment as the best avenue to meeting major current challenges – responding to demographic transformation, eradicating poverty and promoting social inclusion.³⁴ In particular, in the conclusions adopted at the end of the conference held in Stuttgart in December 2003, the Ministers recognized the need for increased attention to the social dimension of globalization at the multilateral level. In this regard, they called for stronger collaboration by international institutions with respect to the impact of global policy issues on employment policy, building also on the results of the work by the World Commission on the Social Dimension of Globalization established within the ILO.³⁵

The need to agree on strategies for youth employment that combine job creation, rights and representation, and basic socio-economic security through adequate social protection points to the role that the ILO can play at national and international levels. The ILO's action in this field is threefold.

First, it supplies international expertise and knowledge on the multi-faceted dimensions of the youth employment challenge, including the patterns of young people's transition to the world of work, their sectoral distribution in the labour market, working conditions, earnings and participation in training. Data availability is key for policy-making and awareness-raising purposes. The ILO has designed and is pilot-testing a statistical tool to capture both quantitative and qualitative variables through surveys that are intended to help countries improve the effectiveness of their interventions in easing young people's transition to work.

³¹ Egypt, Islamic Republic of Iran, Mali, Namibia, Rwanda and Senegal. The other four countries are: Azerbaijan, Brazil, Indonesia, and Sri Lanka.

³² For more details on YEN, see ILO: *Starting right: Decent work for young people*, op. cit.

³³ The preparation of this analysis and evaluation by the ILO responds to a request of the UN General Assembly in its resolution on "Promoting youth employment". See: United Nations General Assembly, A/RES/57/165, December 2002.

³⁴ See "Chair's Conclusions", G8 Labour and Employment Ministers' Conference, Montreal (26-27 April 2002) and Stuttgart (14-16 December 2003).

³⁵ For the results of this work, see World Commission on the Social Dimension of Globalization: *A Fair globalization: Creating opportunities for all* (Geneva, ILO, 2004).

Second, it provides a normative framework and a forum for international dialogue and consensus among governments and the social partners. International labour standards are an important pillar of the ILO's effort to promote the employment and improve the working conditions of young workers. While most ILO instruments are applicable to young people, some are particularly important as they specifically address or contain provisions concerning youth employment. For example, several ILO instruments call for specific protective measures for young workers. This is the case, for instance, of Conventions and Recommendations on night work or medical examination of young persons. A number of instruments of general application, such as those on occupational safety and health, contain provisions to prevent or limit the exposure of young persons to specific occupational hazards. The outcomes of a number of tripartite events held at regional and international level have informed the work of the Office in this field. More detailed guidelines for the promotion of decent and productive work for youth are expected to result from the general discussion on this topic, due to be held at the International Labour Conference in June 2005.

Third, through its tripartite constituency and global alliances, the ILO can act as a catalyst in mobilizing assistance and action on youth employment. At the country level, the ILO supports governments and the social partners in building broad-based partnerships and developing integrated youth employment policies and programmes in line with the goal of decent work. This work includes assistance to member States in the formulation of national initiatives and piloting of targeted programmes to promote the social inclusion of disadvantaged youth. The ILO's Global Employment Agenda (GEA) lays out a comprehensive framework to address youth employment through such an integrated and inclusive approach. At international level, the ILO's role is geared towards building international consensus and influencing the development agenda with a comprehensive strategy for the employment and social inclusion of young people.

5. Conclusions

Young people are assets that no country can afford to squander. They have energy, skills and aspirations that are essential for the development and prosperity of our societies. It is, therefore, critical to foster economic and social conditions that help youth in their empowerment and development efforts and enable them to realize their productive potential and their contribution as agents of change.

Throughout this paper, we have argued that access to decent employment is the surest way to achieving this goal and have pointed to a number of policy options to do so. Clearly action for youth employment needs to be pursued at the country level, where the parties concerned have the necessary knowledge and experience to make informed decisions. However, in the increasingly borderless global economy the need for joining forces within and across population groups, within and across countries, within and across actors and institutions is more relevant than ever. This leads to some concluding remarks.

In the years to come demographic change will continue to produce fundamental changes in our societies and economies, hence requiring new adjustments in economic and social policies. Projections indicate that by 2050 young and old people will comprise a roughly similar proportion of the world's population. Globally, the share

of those aged 60 years and over is expected to double (from 10 to 21 per cent between 2000 and 2050), and the proportion of children will decline by a third (from 30 to 21 per cent over the same period).³⁶ Africa will remain the region with the youngest population, although the number of youth is expected to decrease and the share of older persons to double.³⁷

The interdependence between younger and older people will grow, including in developing economies, and so will the need for intergenerational solidarity. The ability of governments to meet the needs of an aging society will to a large extent depend on the contribution of all people to progress and development. Increasingly, youth employment issues will have to be addressed in an age-integrated approach in recognition of the fact that intergenerational solidarity and reciprocity are essential to build an inclusive and equitable society. This kind of intergenerational approach is in keeping with the new Social Agenda, which was launched by the European Commission in February 2005. In fact, the Agenda recognizes that such an approach makes up, together with extended partnerships and the need to seize the opportunities offered by globalization, one of the three key conditions for the success of European policies aimed at boosting growth and jobs.³⁸

As a result of globalization, the interdependence between developed economies and developing economies is also increasing. Growing levels of poverty, the rise in conflicts and the dramatic expansion of HIV/AIDS in many countries in Africa and in the Middle East are threatening the stability and future prosperity of these regions, and are posing new challenges to the rest of the world. The challenge at stake is daunting and the responsibility for addressing it cannot be left entirely to countries themselves. This calls for renewed efforts in order to find ways of working together in a concerted and effective way. Governments, the social partners, civil society, the international community and young people themselves all have important contributions to make to this process.

The Millennium Development Goals provide a set of internationally agreed targets against which progress and development of our future societies will be measured. The promotion of decent work for all is an essential stride towards the achievement of the MDGs and should be pursued at all levels, as called for by the World Commission on the Social Dimension of Globalization.³⁹ Within the international community, the ILO has a special role to play in meeting the Millennium Declaration's commitment on decent and productive work for youth, thereby enhancing the chances of young women and men to obtain productive work in conditions of freedom, equity, security and human dignity. Its lead role in the Youth Employment Network (YEN) represents an opportunity to integrate the ILO's values into the international development agenda and contribute to shaping a globalization that is more responsive to the needs and demands of young people.

³⁶ United Nations: Madrid International Plan of Action on Aging 2002 (in *Report of the Second World Assembly on Aging*, Madrid 8-12 April 2002 (New York, 2002), para 3, as cited in United Nations: *World Youth Report 2003*, op. cit., p. 397.

³⁷ United Nations: *World Youth Report 2005 - Report of the Secretary-General*, op. cit, p. 30.

³⁸ European Commission: *Communication from the Commission on the Social Agenda* (Brussels), COM (2005), 33 final.

³⁹ United Nations General Assembly, A/RES/59/57, December 2004.