International
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PROMOTING DECENT WORK FOR YOUTH IN BRICS COUNTRIES

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A BACKGROUND PAPER FOR THE FIRST BRICS
LABOUR AND EMPLOYMENT MINISTERS' MEETING

UFA, RUSSIAN FEDERATION, 25 and 26 JANUARY 2016

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INTRODUCTION

Creating decent jobs for young women and men entering the labour market every year is an essential element of the progression towards wealthier economies, fairer societies and stronger democracies. Getting the right foothold in the labour market is not only critical for success at work, but also has a multiplier effect throughout the lives of individuals, their families and their countries. Youth is a crucial time of life when people start fulfilling their aspirations, assume their economic independence and find their place in society. A difficult entry into the world of work has serious repercussions for young people, including a higher risk of poverty and a loss of valuable skills, talent and energy.

The employment trajectories of young people are particularly sensitive to the economic cycle. Young people are generally the first to lose their jobs in times of economic contraction and the last to gain employment when the economy rebounds. This is one of the main reasons why young people have been seriously affected by the global economic crisis.

The world today is facing a monumental youth employment challenge. Of the estimated 197 million unemployed people in 2015, over 36 per cent – or about 73.3 million – were between 15 and 24 years of age.[1] These alarming figures are compounded by the increasing numbers of young men and women who are trapped in insecure jobs, including in the informal economy. Estimates for countries where data are available show that a significant proportion of young workers are engaged in informal employment with no social security coverage. This is in addition to the high number of young workers in precarious jobs and the many young people who have lost hope and are neither in employment nor in education or training (NEET).

The global economy is showing signs of weakening, with growth projected to increase by only around 3 per cent in the next two years, significantly less than before the advent of the global crisis. This economic weakening has caused a further increase in global unemployment, mainly driven by higher numbers of jobseekers in emerging and developing countries. The employment outlook in Latin America, especially in Brazil, and in some Asian countries, especially China, have worsened in recent months, with young people more affected than adults.[2]

These trends have important consequences for young people, as a large proportion of the new cohorts of the active population are joining the ranks of the unemployed or underemployed. This unprecedented situation raises concerns about a cohort of disaffected and discouraged young people forced to live on the

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[1] If not otherwise indicated, data on global trends presented in this paper are drawn from ILO's publication *Global employment trends for youth*, Geneva, 2015.

[2] ILO, *World employment and social outlook: Trends 2016*, ILO, Geneva 2016.

margins of the labour market. As demonstrated by several events around the world, high levels of enforced idleness, discouragement and poor job opportunities are a threat to economic and social stability.

The promotion of decent work for youth has been identified by BRICS countries (Brazil, Russia, India, China and South Africa) as an overarching theme of focus of the inter-regional cooperation mechanism that was established in 2006. The commitment towards the promotion of decent work for youth was reiterated in 2011 at the third BRICS Summit in China. Since then, the focus on employment of young people has become the subject of attention in the BRICS' cooperation. This resulted in the establishment of a new area for regional cooperation in 2012. In 2014, during the sixth BRICS summit in Brazil, partner countries agreed to establish a facility to finance infrastructure projects and support sustainable development within the BRICS and in other emerging and developing economies. During the same year, a proposal was tabled by South Africa to establish a fund for the purpose of supporting initiatives to promote employment of young people, primarily through technical and vocational education, training and exchanges among BRICS countries.

In 2015, the first BRICS and the Shanghai Cooperation Organization (SCO) held the first Youth Forum in Ufa (Russian Federation).[3] This Forum gathered young leaders from BRICS and SCO countries and reviewed the most promising areas of cooperation and exchange knowledge on economic, social cultural and scientific developments. It also discussed about the establishment of an international centre of expertise for SCO and BRICS countries.

The commitment to promoting decent and productive work for young people is also prominent in the agendas of the United Nations (UN), particularly the ILO, and the G20, of which all BRICS countries are members. At the International Labour Conference in 2012, the members of the ILO, which include all countries of the BRICS, have committed to take immediate and urgent action to address the unprecedented youth employment crisis.[4]

The youth employment commitment is directly linked to the achievement of the Goals of the 2030 Agenda for Sustainable Development that was adopted by UN member States in 2015. This Agenda, annexed in draft resolution A/69/L.85. The outcome document includes the following youth employment targets: (i) 4.4 "By 2030, increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship"; (ii) 8.5: "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value"; and (iii) 8.6: "By 2020, substantially reduce the proportion of youth not in employment, education or

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[3]SCO is an intergovernmental organization composed of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan.

[4] The full text of the 2012 Resolution "The youth employment crisis: A call for action" can be found on the ILO website at http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm.

training".[5] Finally, in November 2015 the G20 Leaders agreed to the goal of reducing "the share of young people who are most at risk of being permanently left behind in the labour market by 15 per cent by 2025 in G20 countries".[6] The strengthening of BRICS cooperation on decent work for youth would certainly be beneficial to meeting the above-mentioned international commitments.

The main purpose of this paper is to serve as background for the discussion at the event of the social partners that will take place on the side of the BRICS Labour and Employment Ministers Meeting (Ufa, Russian Federation, 25 and 26 January 2016). The paper provides an overview of youth labour market and policy trends at the global level in general and in BRICS countries in particular.

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[5] United Nations General Assembly, *Transforming our world: the 2030 Agenda for Sustainable Development* A/RES/70/1, New York 21 October 2015, accessible at http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=

[6] G20 Leaders' Communiqué, Antalya Summit, 15-16 November 2015, available from ILO's website at http://www.ilo.org/global/WCMS_425633/lang--en/index.htm

1. YOUTH EMPLOYMENT TRENDS IN BRICS COUNTRIES

1.1. Demographic and education trends

According to population data and projections (see Table 1) in the last decade Brazil, China, India, China and South Africa (BRICS) experienced a decline of the youth (15-24) population and an increase of the older population (65+). This trend is expected to accelerate in the next years, with a progressive ageing of the population. The population projections show that in the Russian Federation and in China the share of the working age population will decline by 7.8 and 3.1 percentage points – respectively, while in Brazil, India and South Africa the working age population will continue to rise up to 2030.

TABLE 1 Youth (15-24) population projections, BRICS countries, 2005-2030

		2010	2015	2030
Brazil	19.0	17.3	16.4	13.2
China	17.7	17.6	13.4	11.3
India	19.5	19.0	18.4	16.1
Russian Federation	17.0	14.9	10.6	12.4
South Africa	20.6	20.4	19.3	17.7

Source: United Nations, Department of Economic and Social Affairs (UNDESA), Population Division, *World population prospects: The 2015 revision*, New York, 2015

Since the early 2000, all BRICS countries made significant progress in reducing illiteracy and increasing enrolment at all levels of education (see Table 2). In India, for instance, there were more than 20 million children out of primary school in 2000. By 2012, it reached nearly universal enrolment in primary school.

TABLE 2 Key education indicators in the BRICS, 2012 circa

	Literacy rates (%)		Gross enrolment ratios by education level (%)				
	Youth (15-24)	15+	Pre-primary	Primary	Lower secondary	Upper secondary	Tertiary
Brazil	99.0	91.0	...	...	...	...	...
China	100.0	95.0	62.3	104.2	100.1	84.0*	27.0
India	81.0	63.0	58.0	113.0	86.0	55.0	25.0
Russian Federation	100.0	100.0	91.0	101.0	94.0	98.0	76.0
South Africa	99.0	94.0	77.0	102.0	111.0	96.0	19.0**

*For China the data are from the 2013 Education Statistics Yearbook;
**Tertiary enrolment rates for South Africa excludes enrolments in private higher education institutions.
Source: UNESCO, *BRICS: Building Education for the Future. Priorities for National Development and International Cooperation*, UNESCO, Paris, 2014.

The current number of young people enrolled in tertiary education in Brazil, China and India and the Russian Federation altogether accounts for 39 per cent of the total number of university students worldwide. In just over a decade, the number of students in higher education increased by five times in China, nearly tripled in Brazil and India, more than doubled in South Africa and increased by over one-third in the Russian Federation.

Available data shows that education pays in all BRICS countries in terms of better employment opportunities and higher wages. In Brazil, for instance, workers with tertiary educational attainment earn on average 140 per cent more than workers with upper secondary education.[7] In the Russian Federation, educational achievement is positively related to labour market outcomes, as young people with lower educational attainment are more likely to be unemployed compared to youth with vocational and higher education. Having a tertiary educational attainment pays a wage premium (37 per cent higher wages compared to youth with basic education) and eases the transition to a stable and satisfactory job. In South Africa, youth who complete tertiary education are between two and three times more likely to be formally employed and to earn on average between 2.5 and four times more than youth who do not complete school.[8] In China, the marginal rate of education return for college graduates in 2010 was estimated at around 40 to 60 per cent, with young (20-24) university graduates earning nearly three times the wage of their peer with just upper secondary education. Also India show high

[7] OECD, *Education at a Glance 2015*, OECD, Paris, 2015
[8] Cloete N., (ed.), *Responding to the Educational Needs of Post-School Youth*, Centre for Higher Education, Cape Town, 2009.

private rates of return to the investment in tertiary education, ranging from 11 to 13 per cent per year of study and with higher rates for women compared to men.[9]

Despite the expansion of tertiary education in recent years, only one every five young people in India and about one every four in China attends higher education. Gender disparities are significant in some countries. In India, for instance, young women are less likely to attend higher education than young men, while in others young women constitute the majority of students. In the Russian Federation, for example, young women's gross enrolment ratio in tertiary education is 85 per cent compared with a rate 68 per cent of young men.

Formal technical and vocational education and training institutions enrol a very low share of secondary school students in Brazil (6.5 per cent of total secondary school enrolment) and South Africa (5.1 per cent), while in the Russian Federation and China vocational education enrolments are higher (20.7 per cent and 17.2 per cent, respectively).

1.2. Youth labour force participation

The global youth labour force participation rate continued to decline as enrolment in education increased. Between 2007 and 2014, the share of youth in the labour force declined by 2.5 percentage points (from 49.8 to 47.3 per cent). In numerical terms, the number of young people in the labour force decreased by about 27 million over the same period (see Table 3).

[9] Carnoy, M., et al. *The economic returns to higher education in the BRIC countries and their implications for higher education expansion*, Rural Education Action Project, Working paper No 253, 2013 at https://reap.fsi.stanford.edu/sites/default/files/Economic_returns_to_higher_education_in_the_BRIC_countries 2.pdf

TABLE 3 Youth labour force participation rates, by region and sex, 2007 and 2014

Region	2007			2014		
	Total	Men	Women	Total	Men	Women
World	**49.8**	**57.9**	**41.2**	**47.3**	**55.2**	**38.9**
Developed Economies and European Union	49.9	52.3	47.5	47.4	49.1	45.5
Central and South-Eastern Europe (non-EU) and CIS	40.3	47.1	33.2	40.6	47.9	33.0
East Asia	56.6	58.0	55.0	55.0	57.0	52.9
South-East Asia and the Pacific	53.2	59.9	46.4	52.4	59.4	45.2
South Asia	45.6	62.8	27.1	39.5	55.2	22.6
Latin America and the Caribbean	53.4	63.9	42.8	52.5	62.1	42.6
Middle East	31.7	48.6	13.9	31.3	47.2	13.8
North Africa	34.1	48.7	19.2	33.7	47.2	19.7
Sub-Saharan Africa	54.2	56.4	52.0	54.3	56.6	52.1

Source: ILO, Trends Econometric Models, April 2015.

This decline of participation of young people in the labour market was prominent in Developed Economies and in East and South Asia. In East Asia, lower labour force participation was driven by increased inactivity among young women, while in Developed Economies and South Asia this decline was mostly attributable to increased shares of inactive young men. One of the main determinants of this global trend relates to increased participation of young people in secondary and tertiary education. Since 2005, the enrolment rates in secondary and tertiary education have increased by 18 and 7 percentage points in East Asia and by 12 and 11 percentage points in South Asia, while the participation of young people in tertiary education in OECD countries increased by roughly 11 per cent.

According to the data recently collected by the ILO through the implementation of ILO school-to-work transition surveys (SWTS), tertiary education substantially increases the prospects of paid employment for young people.[10] These data show that three in four university graduates found paid employment compared to only four in ten young secondary school graduates. Despite improvements in school enrolment on a global scale, there are still millions of young people from low-income countries who drop out from school to take up work. Access to higher levels of education is increasingly becoming a determinant of labour market outcomes for youth.

[10] Brazil and the Russian Federation are part of the ILO's global initiative "Work4Youth" that aims to improve knowledge and understanding of young people's school-to-work transition paths through the implementation of national surveys in 28 countries across all continents. For more information see www.ilo.org/w4y.

The trends in youth labour force participation rates in BRICS countries are similar to those at the global level, with a general trend of lowering of activity rates in the period 2007-2014 (see Table 4).

TABLE 4 Youth labour force participation rates in BRICS, by sex, 2007 and 2014

Region	2007			2014		
	Total	Men	Women	Total	Men	Women
Brazil	64.1	72.9	55.0	62.7	70.6	54.6
China*	57.6	59.2	55.7	56.4	58.6	53.9
India*	43.2	60.7	24.2	35.2	51.2	17.6
Russian Federation	40.0	43.3	36.6	39.6	43.6	35.2
South Africa	30.3	33.3	27.2	26.4	28.8	24.1

Source: ILO, Key Indicators of the Labour Market (KILM), 2015.

The decline of youth labour force participation was significant in India and South Africa, with young men more affected than young women. In China and the Russian Federation, it was the decline in the participation of young women that mostly affected the reduction of youth activity rates.

1.3. Youth employment trends

In the period 2007-2014, the global youth employment-to-population ratio (or youth employment rate) declined by over 2.7 percentage points – from 43.9 to 41.2 per cent (see Table 5). This declining trend held true for all regions except for Sub-Saharan Africa and Central and South-Eastern Europe and the Commonwealth of Independent States (CIS). In these regions, the youth employment rate experienced a slight increase (see Table 5). These trends are linked to raising enrolment rates in education, but also to the still weak labour demand for young workers.

TABLE 5 Youth employment-to-population ratios, by region and sex, 2007 and 2014

Region	2007			2014		
	Total	Men	Women	Total	Men	Women
World	**43.9**	**51.3**	**36.2**	**41.2**	**48.3**	**33.7**
Developed Economies and European Union	43.7	45.5	41.8	39.5	40.5	38.5
Central and South-Eastern Europe (non-EU) and CIS	33.3	38.9	27.5	33.6	39.8	27.1
East Asia	51.9	52.8	51.0	49.2	50.3	47.9
South-East Asia and the Pacific	45.3	51.2	39.3	45.3	51.5	38.9
South Asia	41.5	57.3	24.6	35.6	49.8	20.2
Latin America and the Caribbean	45.8	56.5	35.0	45.5	55.2	35.5
Middle East	24.2	38.9	8.7	22.5	36.1	7.4
North Africa	25.5	38.6	12.1	23.4	35.4	11.0
Sub-Saharan Africa	47.6	50.0	45.1	48.0	50.5	45.5

Source: ILO, Trends Econometric Models, April 2015.

The decline in youth employment was higher in South Asia (nearly six percentage points) and in Developed Economies and the European Union (four percentage points), with young men having been more affected compared to young women.

In many countries with a mid-range youth employment-to-population ratios (between 30 and 40 per cent), it is the very low employment rates of young women that explains the low rate of overall employment among young people. In Central and South-Eastern Europe and the CIS, the employment rate of young women in 2014 (27.1 per cent) was 12.7 percentage points lower than that of young men (39.8 per cent). In the countries of the Middle East and North Africa region, the employment rates of young women in 2014 were 7.4 and 11 per cent, respectively. This compared with an employment rate of young men in the same year of 36.1 per cent in the Middle East and 35.4 per cent in North Africa.

In the period 2007-2014, the youth-to-population ratios declined in all BRICS countries, except for the Russian Federation, which recorded a small increase. The most significant decreases were recorded in India and South Africa, with 7.9 and 3.7 percentage points, respectively. These decreases were mainly driven by a sharp contraction of employment among young men (see Table 6).

TABLE 6 Youth employment-to-population ratios, by sex, BRICS countries, 2007 and 2014

Region	2007			2014		
	Total	Men	Women	Total	Men	Women
Brazil	53.4	63.5	43.0	53.2	61.9	44.2
China	53.0	53.8	52.1	50.5	51.5	49.4
India	39.4	55.3	22.1	31.5	46.0	15.6
Russian Federation	34.3	37.0	31.3	34.5	38.4	30.4
South Africa	16.2	19.6	12.8	12.5	14.7	10.3

Source: ILO, Trends Econometric Models, April 2015.

In Brazil, the youth employment-to-population ratio experienced a sharp decline in 2009. It then recovered in the following two years. By 2011, youth employment rates had returned to the pre-crisis level. In China, youth employment declined during the period 2008-2010 with an overall youth employment loss of two percentage points. Since 2010, youth employment in this country has been levelling at around 50 per cent of the youth population, three percentage points lower than in the pre-crisis period.

In India, the youth labour market shed jobs throughout the period 2008-2012, with a total employment-to-population ratio loss of nearly 8 percentage points. By 2014, youth employment had decreased compared to 2007 by 16.3 percentage points.

FIGURE 1 Changes in youth employment-to-population ratios in BRICS, 2008-2014

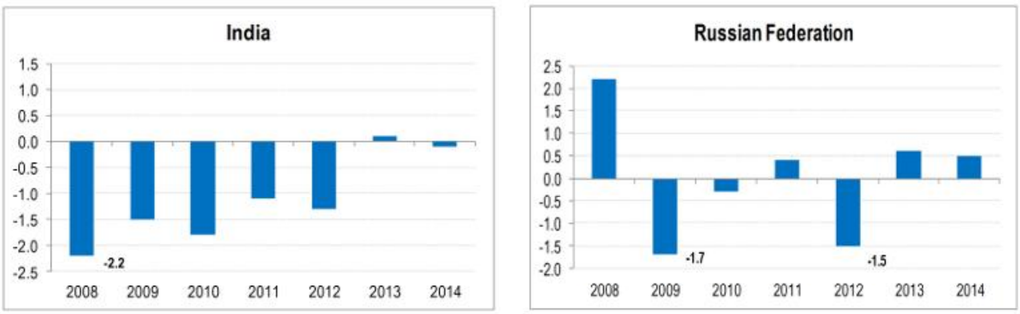
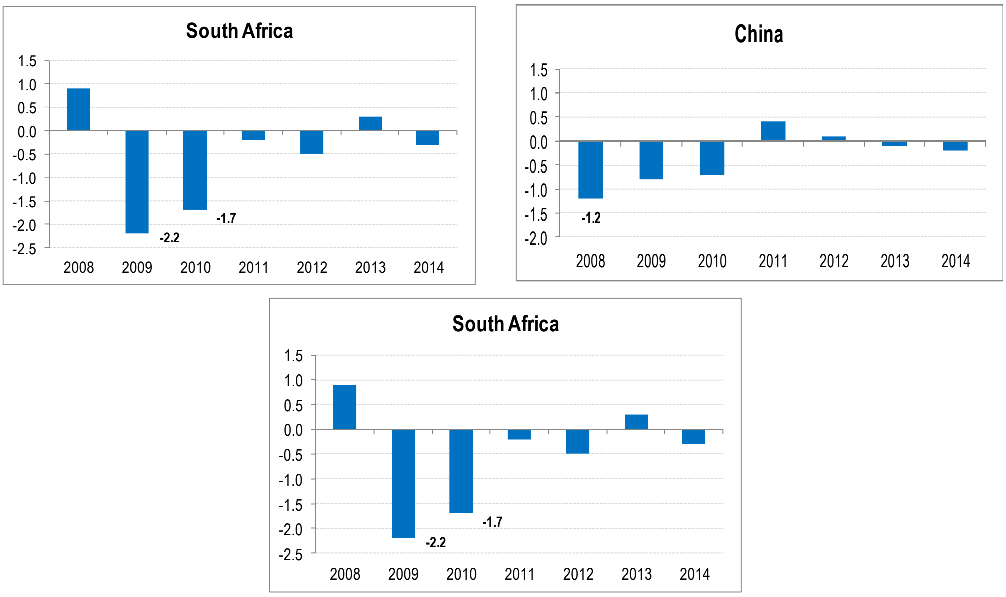


FIGURE 1 Changes in youth employment-to-population ratios in BRICS, 2008-2014 (continued)



Source: ILO, Trends Econometric Models, April 2015.

In the Russian Federation, the youth labour market shed jobs to adjust to the economic shock of 2009 (when gross domestic product declined by 8 percentage points). Between 2008 and 2009 youth employment levels decreased by 10 percentage points (compared to 1.2 percentage points for adults), driven by the drops in employment in the manufacturing and in construction (20 per cent) and the service sector (13.5 per cent). Similar to what occurred in OECD countries, the sectoral and occupational distribution of youth employment in the Russian Federation also explains the higher employment losses of young men compared to young women and of urban workers compared to rural ones.

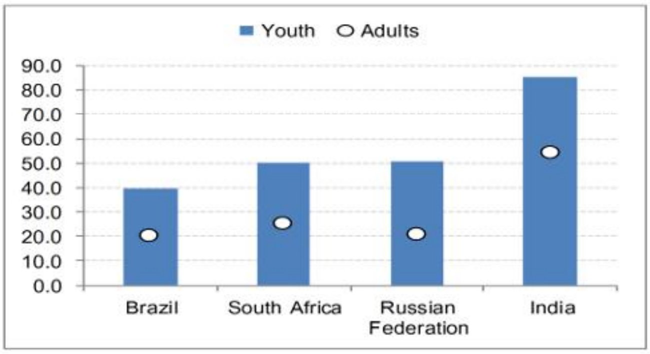
In South Africa, the youth employment-to-population ratio declined sharply in 2009-2010, to then decelerate in the following years. By 2014, the number of young workers in the country had declined by a roughly 27 per cent. Similarly to what occurred in the Russian Federation, young men were more affected than young women by the loss of jobs due to the sectoral distribution of youth employment in the country (mostly in trade, construction and transport).

The deterioration of the quality of jobs available to young people is a global trend that resulted from the economic and financial crisis. In 2013, more than one-third (37.8 per cent) of young workers in the developing world were poor, with as many as 169 million young people who worked but lived in households that earned less than the equivalent of US$2 per day. Over 72 per cent of all young workers in low-income countries are in “irregular employment”, i.e. they are either in vulnerable employment, or working in casual jobs or engaged in temporary employment. Many countries of the European Union (EU), for instance, are witnessing an increasing trend in temporary work among young people. The EU-28 average of young people who engaged in temporary work because they could not find a full-time job (involuntary temporary work) increased from 33.6 per cent in 2002 to 37.7 per cent in 2014.

In the BRICS countries, young workers are more likely than adult workers to have jobs that are low paid, offer limited labour market stability and social protection, as well as limited opportunities for training and career progression. As new labour market entrants, young people are frequently recruited through temporary work arrangements or find their way in the labour market through subsistence work in the informal economy.

In all of these countries, the incidence of both temporary and informal employment is much higher for youth than for other age groups of workers. However, there are considerable differences across BRICS countries in terms of numbers, composition and characteristics of young people in non-regular forms of employment. More than 85 per cent of young workers are engaged in the informal economy in India, while the share of young workers in the informal economy is around 50 per cent in the Russian Federation and in South Africa and around 40 per cent in Brazil (see Figure 2).[11]

FIGURE 2 Estimates of the incidence of informal employment out of total employment, 2014 (in %)*



**Informality is estimated by using the proxy of the number of workers who are not covered by social security.*
Source: OECD and ILO, Setting objectives for achieving better youth employment outcomes. Report prepared for the G20 Employment Working Group Meeting of 23-24 July 2015

[11] See OECD and ILO.

1.4. Youth unemployment and inactivity: The NEETs

After a period of sharp increase of youth unemployment during the period 2007-2010, the global rate settled at 13 per cent for the period 2012 to 2014 and is projected to slightly increase to 13.1 per cent in 2016. The youth unemployment rate at global level is still quite higher than that of 11.7 per cent of the pre-crisis level (see Table 7). The overall number of young people looking for a job declined from 76.6 million at the peak of the crisis in 2009 to an estimated 73.3 million in 2014. Globally, the ratio of youth to adult unemployment rates continues to show that there are nearly three young unemployed people every adult unemployed.

TABLE 7 Youth unemployment rates, by region and sex, 2007 and 2014

Region	2007			2014		
	Total	Men	Women	Total	Men	Women
World	**11.7**	**11.3**	**12.3**	**13.0**	**12.6**	**13.6**
Developed Economies and European Union	12.5	12.9	12.1	16.6	17.6	15.5
Central and South-Eastern Europe (non-EU) and CIS	17.4	17.4	17.4	17.2	16.9	17.8
East Asia	8.2	9.0	7.3	10.6	11.6	9.4
South-East Asia and the Pacific	14.8	14.5	15.3	13.6	13.3	13.9
South Asia	8.9	8.8	9.2	9.9	9.7	10.6
Latin America and the Caribbean	14.1	11.5	18.2	13.4	11.1	16.8
Middle East	23.8	20.1	37.3	28.2	23.5	45.9
North Africa	25.2	20.7	36.9	30.5	25.1	44.1
Sub-Saharan Africa	12.3	11.3	13.3	11.6	10.8	12.6

Source: ILO, Trends Econometric Models, April 2015.

In the period 2012-2014, the youth unemployment rate decreased in Central and South-Eastern Europe (non-EU) and CIS (from 17.4 to 17.2 per cent), Latin America and the Caribbean (from 13.5 to 13.4 per cent) and sub-Saharan Africa (from 12.1 to 11.6 per cent). During the same period, youth unemployment rates increased in East Asia (from 10.1 to 10.6 per cent), the Middle East (from 27.6 to 28.2 per cent), North Africa (from 29.7 to 30.5 per cent) and South-East Asia and the Pacific (from 12.7 to 13.6 per cent). There was no change in youth unemployment rates in South Asia. The youth unemployment situation in the Developed Economies and European Union − the region most severely affected by the global economic and financial crisis − started to ease as of 2012. The youth unemployment rate decreased in 2014 to 16.6 per cent from 18 per cent in 2012 and is expected to continue its downward trend to a projected 15.1 per cent in 2020. The jobs recovery for youth has yet to come to many European countries. In 2014, the youth unemployment rate exceeded 20 per cent in two-thirds of the EU countries.

The youth unemployment rate increased consistently with the level of education attained in Asia and the Pacific, the Middle East and North Africa and sub-Saharan Africa. Young people who completed tertiary education in these regions were between two to three times more likely to be unemployed than the youth with primary education or less. This is explained by the fact that young people with high educational levels find it difficult to get a job in contexts where the productive capacity of enterprises is unable to generate high-skilled jobs. On the contrary, it is young people with lower educational attainment that face higher unemployment in high-income regions.

In the EU, more than one in three unemployed youth (35.5 per cent) had been looking for work for longer than one year in 2014, an increase from 32.6 per cent in 2012. Long-term unemployment is also a concern of some low-income countries, but only for young people who can afford to be unemployed. The incidence of long-term unemployment among youth of the Middle East and North Africa was 60.6 per cent in 2014 and 48.1 per cent in Sub-Saharan Africa.

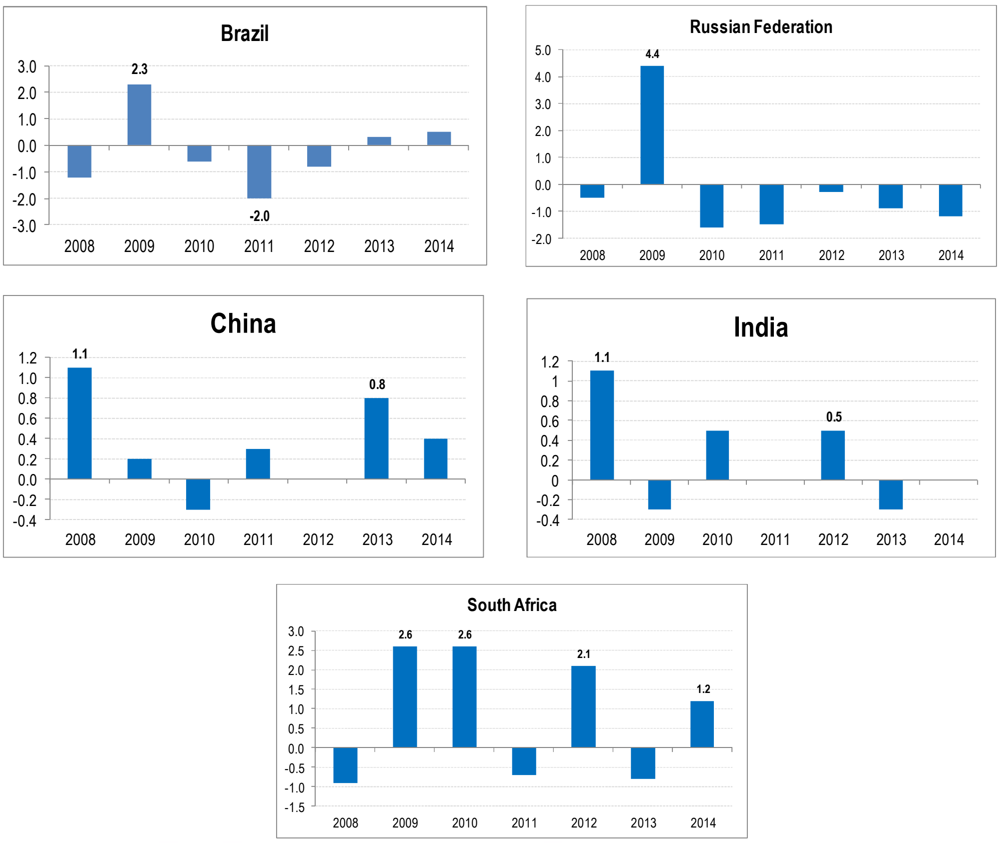
The global financial crisis has left a legacy of higher youth unemployment rates in BRICS countries such as China, India and especially South Africa. In these countries, the economic recovery has not yet managed to restore the pre-crisis performance of youth labour markets. The changes in youth unemployment experienced in BRICS countries during the past years are shown in the Figure 3 below.

In Brazil, youth unemployment experienced its highest rate in 2009 to then decline steadily till 2012. Brazil and the Russian Federations are the only two BRICS countries that had lower youth unemployment rates in 2014 compared to 2007. While in Brazil such decline was mainly due to a decrease in the number of young people looking for work (a drop of 16.8 per cent in the period 2009-2014) with relatively stable youth activity rates, in the Russian Federation youth activity rates dropped by 31 per cent within five years. This resulted in a lower youth unemployment rate.

As shown in Figure 3, the youth unemployment rates in China and India experienced similar patterns at the onset of the crisis. However, youth unemployment in India declined in 2009 and 2013, while in China it continued to increase. By 2014, the youth unemployment rate in China stood at over 10 per cent of the youth labour force, two percentage points higher than in 2007. The sharp decline of nearly 21 percentage points in the number of young Chinese participating in the labour market in just seven years resulted in a four per cent increase of the youth unemployment rate during the period 2007-2014. The same occurred in India, where the youth unemployment rate in 2014 was higher than that recorded in 2007 (10.4 per cent and 8.9 per cent, respectively). This was mostly due to the decline in youth activity: the number of youth participating in the labour market declined by approximately 15 per cent.

South Africa experienced a particularly high youth unemployment rate throughout the period 2007-2014 (averaging 50 per cent of the youth labour force annually). Second, the increase in the number of young unemployed at the peak of the crisis in 2009 was – at 28 per cent − the highest among BRICS countries. Since then, the actual number of young people looking for a job has been decreasing every year, with a total decline in the number of young unemployed by 8.5 per cent by 2014. Again, the main culprit for high unemployment rates in the presence of declining levels of youth looking from jobs is to be found in lower labour force participation among young people (with approximately 21 per cent less youth active in the labour market in the period 2009-2014).

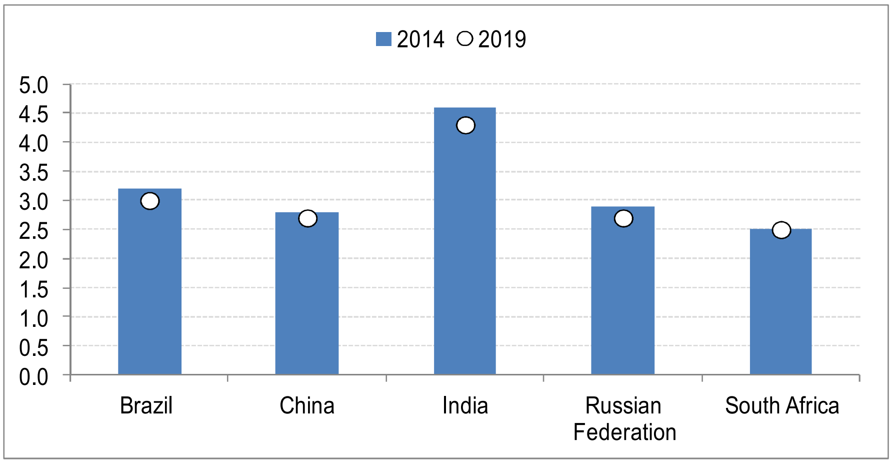
FIGURE 3 Changes in youth unemployment rates, BRICS countries, 2008-2014



Source: ILO, Trends Econometric Models, April 2015.

The projections up to 2019 show that youth unemployment rates will mostly remain at the same levels recorded in 2014, with no measurable changes in the youth-to-adult unemployment rate ratio. This means that the relative disadvantage of youth compared to adults will not be bridged (Figure 4).

FIGURE 4 Ratio youth-to-adult unemployment rate, BRICS 2014-2019

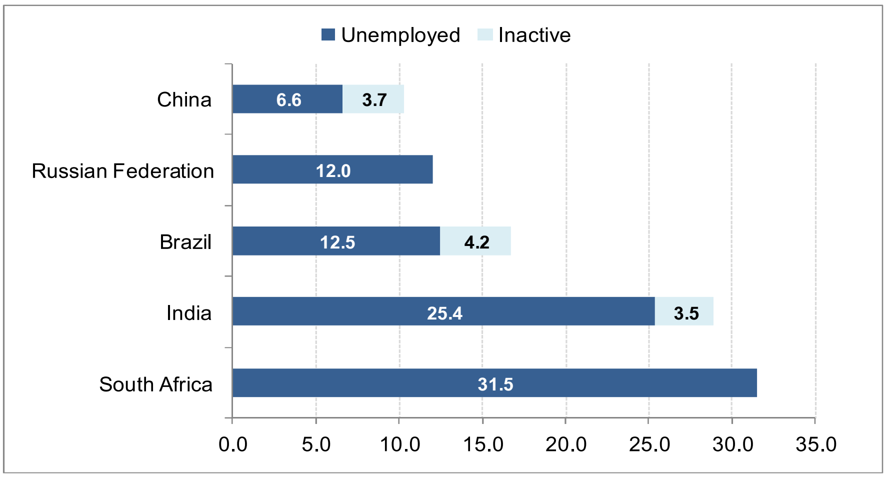


Source: ILO, Trends Econometric Models, April 2015.

The data presented above show that, over the past few years, BRICS experienced substantial decreases in youth participation in the labour market. The share of young people neither in employment nor education or training (NEET) may help understand the above-mentioned trends. In G20 economies, young NEETs accounted for 16.2 per cent of the overall 15-24 youth population at the end of 2013. This share has remained broadly stable since 2007 with the increase in the number of young people unemployed being offset by an increase in school enrolments that reduced the number of inactive youth not studying.

In BRICS countries, the NEETs rate ranged from a low 10.3 per cent of the population aged 15-24 in China to over one third of the youth population in South Africa. Figure 5 shows that the overwhelming majority of young NEETs is represented by unemployed youth. This evidences that the decline of youth activity rates noted above was mostly absorbed by higher enrolment in education.

FIGURE 5 Youth neither in employment nor in education or training, BRICS, 2012



Source: OECD, Society at a Glance 2014. OECD Social Indicators, Paris, 2015.

The breakdown of the data by sex, educational attainment and other individual characteristics (available for South Africa and the Russian Federation only) show that young women are more likely than young men to be in the NEET categories compared to young men (35.3 per cent vs. 27.7 per cent in South Africa and 14.4 per cent vs.9.7 per cent in the Russian Federation). In the Russian Federation young people with initial vocational education and those with higher education are more likely to be part of the NEETs (19.9 and 19 per cent, respectively). This compares to a rate of 7.8 per cent for young people who have attained only basic education. In South Africa, conversely, youth with no schooling are twice as likely to be in the NEETs groups compared to youth with primary and secondary education (54.5 and 25.8 per cent, respectively). In this country, young people of African descent are three times more likely to be NEETs compared to youth with non-African descent (33.1 and 11 per cent respectively).[12]

There is also evidence that the transition from school to work has increasingly become more difficult in BRICS countries. In the Russian Federation, for example, the school-to-work transition survey carried out by the ILO and the State Statistical Office in 2012 reveals that it takes on average nearly two years (23.4 months) for a young Russian to gain a job that offers relative stability or is

[12] For South Africa see Inter-country Reports of ICQN/TVSD on Youth Employment in Africa, *South Africa Final Report*, May 2014. This report is accessible at http://www.norrag.org/fileadmin/Other_publications/South_Africa_Country_Report.pdf. For the Russian Federation see ILO, *Jobs and skills for youth: Review of policies for youth employment in the Russian Federation,* ILO, Geneva 2014.

personally satisfying. The transition is longer for young men compared to young women, as the latter have higher levels of educational attainment. The results of the survey also showed that over one third of young people who successfully completed their transition had tertiary education.

Similarly, in Brazil and India the duration of the school-to-work transition was estimated to be around two years, while in South Africa it is much longer. This is possibly due to the fact that young people leave school at young age with low qualification levels that, in turn, limit their labour market prospects.[13]

[13] See Quintini, G., Martin S., *Same but Different: School-to-work Transitions in Emerging and Advanced Economies*, OECD Social, Employment and Migration Working Papers, No. 154, 2014

2. POLICIES TO PROMOTE DECENT WORK FOR YOUTH

Creating jobs for young women and men entering the labour market every year is a critical component in the path towards economic growth, fairer societies and stronger democracies. Providing opportunities for young people to access decent jobs means more than just earning a living. It means getting youth into decent and productive work in which rights are protected, an adequate income is generated and adequate social protection is provided.

Scaling up investments in decent jobs for youth is the best way to ensure that young people can realize their aspirations, improve their living conditions and actively participate in society. Over the past few years, youth employment has acquired growing prominence on the policy agendas of many countries, including those of the BRICS, and many initiatives have been set in motion to address this challenge. There is also growing awareness about the need to design a policy mix that tackles both structural and cyclical issues and is grounded on integrated strategies for growth and job creation, as well as targeted interventions to overcome the specific barriers young people face in the labour market.

In June 2012, the representatives of governments, employer organizations and trade unions of the 185 member States of the ILO, adopted at the International Labour Conference (ILC) the resolution "The youth employment crisis: A call for action".[14] The "Call for action" affirms that a multi-pronged and balanced approach that takes into consideration the diversity of country situations is the desired way to respond to the highest global priority of generating decent jobs for youth.

The resolution enlists five policy areas that are critical to shape national strategies and action on youth employment. These areas are: (i) employment and economic policies to promote job creation and improve access to finance; (ii) education and training to ease the school-to-work transition and prevent skills mismatches; (iii) labour market policies to target employment of disadvantaged youth; (iv) entrepreneurship and self-employment to provide career options to young people; and (v) labour rights that are based on international labour standards to ensure that young people receive equal treatment and are afforded rights at work.

The analysis of the youth labour markets in the five countries of the BRICS (Part 1 of this paper) highlights the main challenges facing young people in their

[14] ILO, *The youth employment crisis: A call for action*, op. cit.

transition from school to work. In most of these countries, young people experience high rates of unemployment. When they work, they are more likely than their adult counterparts to be in temporary employment or in the informal economy. Their position on the labour market worsened significantly in nearly all of the countries during the recent years. Over the past few years, youth employment has acquired growing prominence on the policy agendas of BRICS and many initiatives have been set in motion to address this challenge. The following sections of the paper briefly discuss the major developments of policies aimed at promoting decent work for youth.[15]

2.1 Assigning priority to job creation

The pre-conditions for creating jobs for all categories of the population, including young people, are to stimulate demand and place employment at the centre of economic development policies. Policy options that aim to achieve high levels of overall employment and job quality are essential to improve the prospects for the young labour force to obtain decent work.

The employment challenges facing the BRICS countries call for integrated and coherent strategies that address employment as a priority objective of economic and social policy with explicit targets and policy outcomes for youth employment. In order to redress the decent work deficits faced by a significant number of workers, employment strategies are should also aim to improve the quality of employment, especially of young workers who are over-represented in the informal economy and in insecure jobs. It is therefore important for job recovery strategies to be accompanied by policies providing a basic social floor with a view to reducing social exclusion among youth, redressing inequalities and labour market disadvantages, including those linked to gender, and promoting a healthy and productive youth labour force.

Job growth can be spurred by encouraging economic diversification and structural transformation via multiple and diverse pathways Regardless of the policy choice, the State must play an active role, be it in building markets, nurturing enterprises, encouraging technological upgrading, supporting learning processes and the accumulation of capabilities, removing infrastructural bottlenecks to growth, modernizing agriculture and providing access to finance. It should also play a catalyst role by involving the social partners and other actors that have a stake on youth employment.

[15] These sections highlight the policy analysis contained in chapter 6 of the 2015 edition of the ILO's *Global employment trends for youth*, op. cit., with specific reference to the issues that are relevant to BRICS countries.

Positive employment outcomes can be achieved by reducing macroeconomic volatility by engaging in timely and targeted counter-cyclical policies. Through fiscal and monetary policy, central banks and financial authorities can encourage high levels of investment, enhance financial inclusion and ensure access to finance, particularly by granting credit to priority sectors with high potential to create quality employment. There is also increasing evidence from a wide range of economies that well-designed and debt-financed public investment in infrastructure can engender higher output and job growth, while “crowding in” private investment. Estimates for China, for example, show that an increase of 20 per cent in the ratio of public infrastructure investment to GDP would increase output by four percentage points and reduce the national poverty headcount ratio (at the international line of USD 1.25 per day) by two percentage points.[16]

2.2. Supporting the private sector to create decent jobs for youth

An enabling business environment, combined with employment-centred economic and social policies, encourages investment, promotes higher level of growth and creates more and better jobs. An inadequate legal and regulatory framework (for instance, with regard to business registration, licensing, taxation and access to credit, poor safeguards for property rights and an ineffective justice system) can constrain the development of sustainable enterprises and act as a deterrent to job creation.

Over the past years, BRICS countries introduced several reforms to improve the business environment by reducing barriers to doing business, and initiatives are in the making with a view to supporting the formalization of enterprises and applying labour legislation to protect rights of workers and ensure good governance of the labour market.

Together with these reforms, strategies to increase the level of employment among youth are not likely to work unless enterprises are committed to and invest in young people. It is by improving competitiveness and supporting investment in dynamic sectors that enterprises can maximize their capacity to create decent jobs for the benefit of young entrants into the labour market.

Similarly, policies that offer fiscal incentives, support the development of infrastructure and develop enabling regulations for enterprises operating in competitive sectors with a high youth employment elasticity can offer a wide range of potential work opportunities by generating significant demand for labour in the medium to long term. Incentives that encourage sustainable enterprises to provide

[16] Zhang Y., Wang X., Chen K., *Growth and distributive effects of public infrastructure investments in China*, Partnership for Economic Policy, Working Paper 7, 2012

work experience for young people (see following section 2.3) can have a significant impact on youth employment outcomes.

2.3. Enhancing youth employability

The data on education and training of young people that were reviewed in Part 1 of this paper show that, despite increasing levels of education, productive employment is often hampered by low skills or by skills that are not aligned to labour market requirements. The impact of learning and training is of central importance in determining the employability of the labour force and influencing the investment climate of an economy. Education and training that equip youth with relevant skills and work experience can be effective in easing transitions to decent work.

The countries of the BRICS have achieved remarkable progress in the education and training areas. They are however still faced with a number of challenges to increase quantity and the quality and relevance of education and training outcomes (equality of access, early school leaving, poor learning outcomes and relevance of the education outcomes to labour market needs).

In Brazil, for instance, approximately one third of all youth aged 20 to 24 leaves school without attaining a secondary an upper secondary degree.[17] In the Russian Federation there are large differences in education spending per student across regions, with poorest regions spending only half the national average. Data on education and occupation mismatch shows that nearly one third of all young Russian workers (15-29) are over-qualified for the job they are currently performing.[18] In China, there are still wide gaps in education across regions, schools and between urban and rural areas. Although about 10 per cent of the Chinese population holds a tertiary degree, the number of young university graduates is increasing significantly as is the difficulty for them to finding jobs that respond to their educational levels and qualifications.[19] In India, only 40 per cent of adolescents attend secondary school (Grades 9-12).[20] Within this country, there are the large and growing learning gaps across regions and income levels. On average, a child in the highest income quintile has four more years of schooling than one from the lowest income quintile. In South Africa, education quality remains an issue. In this country, many schools from disadvantaged areas suffer from important infrastructure backlogs and the quality of basic education is quite low for a large share of the Black African population.

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[17] OECD, *Investing in youth in Brazil*, OECD, Paris, 2014

[18] ILO, *Jobs and skills for youth in the Russian Federation*, ILO, Geneva, 2014.

[19] Data are from Chu, S. K., *Achieving EFA and Beyond. Education for All in China 2000-2010*, Beijing, UNICEF, UNESCO, National Commission of the People's Republic of China for UNESCO, 2013

[20] Government of India, Ministry of Human Resource and Development, *Educational statistics at a glance*, New Delhi, 2014

All BRICS are looking at ways to strengthen the link between skills training and labour market needs. Work experience is highly valued by employers, and the lack of such experience constitutes a major obstacle for first-time jobseekers. In order to overcome this situation, some BRICS countries have adopted a number of reforms and have included periods of practice in enterprises in the curriculum of vocational education and training programmes. Brazil, for instance, introduced apprenticeships through the 2000 reform of the Education Law. The Russian Federation has implemented a programme that supports employers who offer apprenticeships to young people through the partial reimbursement of the labour costs associated with both the trainees and the trainer.

Training programmes aimed at increasing the employability of young people are a strategy that can facilitate the transition from school to work. BRICS countries are seeking to expand existing programmes or the investment in skills development – particularly in priority occupations and accompany training with incentives for employers to hire young people once the training has been completed. The need for enhancing the employability of young workers by extending access to skills training of young workers engaged in low productive and subsistence jobs, particularly in the informal economy, is of paramount importance to support the transformation of the economy and the transition of workers to the formal economy. In general, these latter groups of young workers deserve special consideration while designing youth employment interventions.

2.4. Designing labour market policies to improve efficiency of the labour market, reduce inequalities

The nature of work is changing with increasing numbers of young people being exposed to job insecurity. In OECD countries, over 25 per cent of young people are working in temporary jobs and over one third are working less than 30 hours per week (part-time). In low-income countries, three out of four young workers are in irregular employment (own-account work, contributing family work, casual paid employment or temporary jobs) and more than one-third (37.8 per cent) are working poor. In BRICS countries, young people are much more likely to be working in the informal economy compared to adults. The rate of informal employment among youth ranges from 85 per cent in India to 40 per cent of total youth employment in Brazil.

BRICS countries have developed a wide array of labour market policies and interventions, including those focusing on employment protection legislation, wage policy, and employment promotion and social protection measures, These policies have been implemented with the objective of promoting efficiency and fairness of the labour market by targeting groups that were facing temporary difficulties or longstanding disadvantages in the labour market.

Likewise in many countries, young people from BRICS countries earn, on average, lower wages than other workers. In the last few years, average wages for young workers continued to decrease relative to adult ones despite a declining youth share of the population, falling youth employment rates and rising educational levels.[21] The widening of this wage gap (or youth wage discount) is also due to the overrepresentation of young workers in informal and temporary work, in certain types of occupations and/or economic sectors.

In response to the deterioration of labour market conditions of young workers, some BRICS countries have also increased the protection of certain non-standard forms of employment, including through laws that aim to enforce equal treatment for part-time and full-time workers, fixed-term and agency workers with permanent and regular workers (e.g. China).

In an effort to enhance the integration of different policies, several countries around the globe have started to adopt or expanded measures to improve the labour market integration of young people through targeted interventions. These policies have featured prominently in the package of employment policy reforms adopted by many advanced economies to cushion the negative impact of the global economic and financial crisis on youth employment outcomes. They included labour market training and work-experience programmes, job-search assistance and other employment services, as well as incentives for employers to recruit disadvantaged young people or measures to support young people to start their own economic activity. In an effort to enhance the integration of different labour market policies, several of these countries have also reformed the targeting and sequencing of different labour market and social protection measures, as well as expanded the package of interventions in order to respond to the diverse needs of young workers.

The review of recent youth employment policy developments in BRICS countries showed that the bulk of initiatives to promote youth employment mainly focus on public works, vocational training, subsidized employment, and self-employment and entrepreneurship promotion. The following paragraphs provide an overview of the said developments.

South Africa's *Expanded Public Works Programme* (EPWP) is a cash-for-work programme that includes also on-the-job training. Young people constitute the 40 per cent of the total number of participants. South Africa also has a wide-ranging loan system (National Student Financial Aid Scheme), which finances post-secondary education fees (public universities and further education and training colleges). In 2012, loans were distributed to over 380,000 students. More recently the South African government has approved a youth employment subsidy, aimed at boosting youth employment by subsidizing hiring costs.

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[21] Grimshaw, D., *At work but earning less: Trends in decent pay and minimum wages for young people,* Employment Working Paper No. 162, ILO, Geneva, 2014.

The *Employment Tax Incentive Act* targets all youth 18 to 29 hired by an employer for a minimum of two years with wages above the minimum wage and below ZAR6,000 (approximately US$360).

The Indian Mahatma Gandhi National Rural Employment Guaranteed Act (MGNREGA) – which guarantees 100 days of unskilled work mostly for the construction of public infrastructure − does not have a specific focus on or quotas for youth, but in some regions of the country the proportion of young people employed in the programme is around 35 per cent of the total beneficiaries. In China, public work programmes focus on activities requiring low skills. Estimates suggest that currently 70 per cent of public work jobs are allocated to youth. There are also important youth capacity-building initiatives for less developed regions, and incentives for employers to hire unemployed youth. In light of the increasing migration from rural areas, the government launched in the mid-2000s a programme (*Yulu Jihua*) for the training of professionals in less developed regions, offering both training and opportunities in off-farm economic activities. To date the programme has helped more than 4 million people, of whom 80 per cent were able to find off-farm professional employment This programme has a significant impact on young people and women, as these two demographic categories have high rates of rural–urban migration (over 30 per cent in both cases), mainly due to rural unemployment.

Brazil is investing substantially in training schemes. Its flagship training programmes, the *Programa Nacional de Acesso ao Ensino Técnico e Emprego* (PRONATEC), seeks to increase access to quality re-training programmes for low-income workers. *Projovem* is another Brazilian programme which aims to promote reintegration into school and provide vocational training opportunities, as well as to involve young participants in social activities (e.g. those linked to sports, culture and leisure). Between 2008 and 2009 this programme benefited more than 1 million young people. The Brazilian conditional cash transfer programme, *Bolsa Família*, beyond stimulating youth education through its school attendance conditionality, also provides an additional grant to adolescents (16–17 years old). In 2009, these grants benefitted over two million young people.

The Russian the *New State Employment Programme* launched at the end of 2013 aims to stimulate the employment of youth, persons with disabilities, and of citizens who reside in depressed regions. One of the key features of the programme is the promotion of regional mobility of young professionals to reduce skills mismatch and geographical inequalities. The overall investment envisaged by the *Programme* equals 1.1 per cent of GDP (at 2011 prices).

China has introduced a series of active labour market measures (e.g. employment services, vocational and skills training, self-employment and entrepreneurship measures) that have had many young people as participants and/or priority age group of focus. It has also started the elaboration of an approach to the design and implementation of youth employment policy with the view of reducing labour market polarization and delivering diversified services and programmes according to young people’s needs and labour market difficulties. More specifically, employment services and programmes are being designed to address the disadvantages of the millions of low-skilled young migrant workers who move every year from rural areas to large urban agglomerates and, in parallel, to serve to the needs of increasing numbers of young university graduates who are affected by the "educated youth unemployment" phenomenon.[22]

2.5. Providing career opportunities by supporting entrepreneurship and self-employment

Entrepreneurship can provide career options for young people by unleashing their economic potential. It can also offer greater independence, higher income potential and job satisfaction. In general, young people have fewer business skills, knowledge and experience, savings and reduced access to credit, business networks and sources of information than older individuals. Financial institutions regard them as a high-risk group because of their lack of collateral and business experience. For these reasons, entrepreneurship components of youth employment policies are more successful when they combine training, support services and access to finance. Group-based youth entrepreneurship, including cooperatives and social enterprises, can "pool" together complementary skills and experience that are valuable in starting and running an enterprise.

BRICS countries have implemented a wide array of programmes to support an entrepreneurial culture by including entrepreneurship education and training in school (e.g. China, South Africa), ease access to finance, including by subsidizing credits (e.g., Russia, South Africa); and (iv) increase the range of support services (e.g. Brazil) available to young entrepreneurs.

In India, for instance, programmes that promote access to credit to stimulate self-employment and entrepreneurship − such as the *Swarna Jayanti Shahari Rozgar Yojana* (SJSRY) and the Prime Minister's Employment Generation Programme (PMEGP) − are important initiatives to promote youth employment. Similarly, in South Africa the provision of training and the support in accessing credit is an important component of the youth employment promotion measures implemented by national agencies. These measures currently target mostly young labour market entrants with little focus on young people who are in subsistence self-employment in the informal economy. For these groups, there is a need to develop and expand measures that increase enterprises' efficiency and enhance the capacity to innovate, as well as measures that aim to raise productivity and improve conditions of work of these groups of self-employed young people.

[22] See ILO, *Jobs and skills for youth: Review of policies for youth employment in China*, forthcoming.

2.6. Ensuring equal treatment and rights at work

As already mentioned in Part 1 of this paper, many young people from BRICS countries continue to suffer from decent work deficits and low-quality jobs measured in terms of working poverty, low pay and/or employment status, and exposure to occupational hazards and injury. They lack opportunities to move to full-time employment from part-time, temporary, casual or seasonal employment. In the informal economy that constitutes a significant proportion of the GDP of the BRICS countries, young people work under poor conditions in both urban and rural areas.

The formulation or revision of national youth employment policies in these countries should be crafted on the basis of a rights-based approach to ensure that young people receive equal treatment and are afforded rights at work. The ILC resolution of 2012 identifies a number of key areas that can guide governments and the social partners in the development of youth employment policies that are consistent with the provisions of international labour standards.

The strengthening and enforcement of labour laws and collective agreements, including through a stronger and more effective sanctioning mechanisms, can protect young workers and facilitate their transitions into stable and decent employment. The development of a coherent wage-policy framework that takes account of the observance of minimum wage set by law or by collective agreement can give many young people the opportunity to overcome poverty and low paid work (see Box 2.1).

BOX 2.1 Collective agreements on policies for youth employment

An ILO review of developments in respect of both single-employer and multi-employer collective agreements shows that depending on the type of industrial relations system, issues related to youth employment are included in agreements at different levels.

In several European countries, collective agreements typically deal with four types of youth employment issues. The first issue relates to young people's entrance into the labour market. These agreements consist of policies and measures to encourage the recruitment of young workers, including terms and conditions for internships and apprenticeships. A second area of focus revolves around the stabilization of employment for vulnerable categories of workers, including disadvantaged youth. A third area relates to improvements in terms and conditions of employment for young workers, including the abolition of an age-based wage rate and the regulation of youth pay within the minimum wage legislation. Another area (regulated instead by a minimum wage). The fourth area in some of agreements includes the negotiation of training provision to young workers.

Source: Based on ILO, *The youth employment crisis: Time for action*, op. cit

Greater participation of young people in employers' and workers' organizations and in social dialogue, as well as increased awareness about young workers' rights – including through modules in schools' curricula − are key instruments to raise young people's voice and concerns and to improve the quality of jobs available to them.

3. PARTNERSHIPS FOR DECENT WORK FOR YOUTH

3.1. Institutional models and partnerships for youth employment

Almost every country in the world has sought to tackle the youth employment challenge and a wealth of approaches has been implemented at the national and local levels. However, many interventions have been confined to specific programmes that are narrow in scope and limited in time. The priority attached to them varies over time, and many initiatives have failed to address the multiple aspects of the youth employment challenge and have focussed on labour market entrants, while paying little attention to the poor working conditions of many young people. The multitude of country-level initiatives has, in some cases, led to excessive fragmentation and limited impact of interventions, with little coordination among implementing partners.[23]

The institutional set up can influence the outcome of youth employment interventions. Although there is no single institutional model, the need of ensuring policy coherence through coordination of initiatives by multiple actors remains a key element of success of youth employment policies. A good practice revolves around having a coordinating government institution with appropriate technical capacity and authority to muster political support. ILO's experience on youth employment coordination mechanisms shows that design and implementation approaches that have proven effective include: (i) mainstreaming of youth employment in broader national development plans and strategies, yet with explicit objectives and targets; (ii) involvement of the social partners and other actors with clear indication of roles and responsibilities; (iii) establishment of links between youth employment policy and other policies that affect youth employment outcomes; (iv) reflection of government commitments to youth employment in

[23] In many instances, the promotion of youth employment is carried out through a variety of institutional models at country and local levels engaging various institutions. In most countries the Ministry of Employment and/or Labour, the Ministry of Education and the Ministry of Youth often have a lead and/or complementary responsibility. Other ministries, including that in charge of trade, industry and economy, finance or those with a coordination function (e.g. the Ministry of Planning), can be involved in the development and implementation of a youth employment policy.

national budgets; and (v) setting up of monitoring and evaluation mechanisms that involve all concerned partners.

3.2. Social dialogue on youth employment

The Call for Action highlights the importance of social partnership and strategic alliances in the promotion of decent work for youth at global, regional and national levels. Broad-based partnerships can address youth employment more effectively as they are: i) efficient, because they pool resources and each partner contributes its expertise; ii) effective, because they involve a variety of actors in the creation of decent jobs; and iii) mutually beneficial, because investing in decent jobs for youth contributes to having productive workers, entrepreneurs and consumers.

Employer and worker organizations are important partners for policy and programme development. They play a critical role in shaping a balanced agenda that reflects the interests of young workers and of enterprises. The social partners can, for instance, contribute to strengthen the links between business and education and promote rights at work of young people.[24]

There are at least two important dimensions regarding social dialogue and youth employment. First, there is the question of youth representation in the institutions and in dialogue on policy issues and options. Social dialogue is first and foremost a fundamental principle of democracy. It embodies the right of representative groups to express their views on public policies affecting their interests and to have these views taken into serious account in the formulation and implementation of policies. Social dialogue includes all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest. Secondly, social dialogue also has strong instrumental justifications. Dialogue between governments and the social partners leads to better policies because it opens the door to a wider pool of information and proposals that will be useful for the design and implementation of policies. By drawing on the knowledge and experience of the social partners, including youth trade union networks and young entrepreneurs creative ideas, policy makers have a more accurate picture of the nature of the problems that are to be addressed by the proposed legislation or policy, the interests that will be affected, the needs that should be met and the potential effects of the policy. In addition social dialogue provides a forum where the trade-off between competing interests can be negotiated and resolved in the overall national interest. Social dialogue also induces support for the proposed

[24] For a recent review of the role that trade unions can play to promote decent work for youth, see ILO; *Juventud y organizaciones sindicales en América Latina y el Caribe,* Oficina Regional para América Latina y el Caribe, Lima, , 2015. A detailed guide on the role of employers' organizations is available in ILO; *An Introductory guide for employers' organizations: Tackling youth employment challenges,* International Training Centre of the ILO Turin, 2011

measures and hence pre-empts future opposition and conflict that will reduce their effectiveness.

From this perspective it is important that representatives of the young people who are directly affected by policies towards youth employment have a say in the design and implementation of these policies. There should thus be mechanisms that allow for the aspirations, needs, and special problems faced by different groups of young people to feed into the design of policies on youth employment. This can be either ensured by the social partners themselves or through the direct representation of youth organizations in the policy consultation process.

Efforts are underway at national level in BRICS countries to improve organization of young people. The current picture on the extent of social dialogue in the design and implementation of youth employment policies is a mixed one. Very few countries have formal national-level institutions for dealing with youth employment issues. According to an ILO's study, in less than half the countries that have adopted youth employment policies were the social partners actively involved in the discussions and drafting of these policies. The situation is better when we consider the mainstreaming of youth employment into national employment policies. Amongst the countries that have developed comprehensive employment policies and integrated youth employment as a major area of concern, more than three fourth actively consulted the social partners in the mainstreaming exercise. When ILO support has been sought for developing integrated action plans for example, the participation of social partners and consultations with a wide range of youth organizations and networks are promoted and facilitated.

Social dialogue is essential not only with respect to comprehensive youth employment policies but also in connection with specific labour market interventions that have an important influence on the employment prospects and conditions of work for youth. Such interventions include vocational education and training, the fixing of minimum wages, active labour market policies, and labour legislation.Examples of social dialogue are most widespread in the field of vocational education and training. For instance, across the European Union the social partners have a formal and extensive role in developing and managing apprenticeship and vocational training systems. Similarly in countries which have set up training funds, typically based on a levy-grant system, the social partners are involved in the management of these schemes.

There are also many examples of the involvement of the social partners in the design of the content of vocational training and of systems for the certification of skills. This is true for developed and developing countries alike. For instance through the agreement "Future for youth through training" of the German union of chemical workers and employers managed to increase by 8 per cent the number of apprenticeships offered by companies during the period 2003-2008.[25] In many Latin American countries the governance of the national training systems involves social partners while several Asian and African countries have tripartite involvement in their national Manpower Advisory Councils. In addition, there is strong tripartite involvement in the design of national skill certification systems in Chile, Mauritius, Malaysia, South Africa, Sri Lanka, Tunisia and Turkey.

In the case of minimum wages it is significant to note that 118 countries specify a minimum wage and about half of these have put in place a specific sub-minimum wage for youth. However, these youth sub-minimum wages are fixed as part of the overall process of determining the general minimum wage. There is no known case of a separate process for determining the youth sub-minimum wage through social dialogue.

It is clear from the foregoing discussion that much more can be done on social dialogue with respect to youth employment policies and in ensuring effective youth participation and representation in the policy decisions. These twin deficits need to be closed in the interest of achieving better designed and more effectively implemented policies to confront the youth employment crisis. This entails the development of strong, broad-based, representative and independent workers' and employers' organizations that have a strong the technical capacity to engage in social dialogue; the strengthening of the commitment to social dialogue on the part of all parties; and full respect for the fundamental rights of freedom of association and collective bargaining. Stronger youth representation in the social partners organization needs to be actively promoted.

3.3. Private sector action for decent work for youth

Another important factor of success of youth employment interventions revolves around the establishment of partnerships with the private sector, which is the main source of job creation in market economies. Enterprises determine the composition of labour demand, the supply of training and career development opportunities, and the quality of employment. They are an important source of knowledge on the constraints to and opportunities for job creation. Finally, the local community is well placed to identify roles and comparative advantage of each partner, the needs of young people and requirements of the labour market.

There are many examples of what the private sector can do, together with public institutions and non-State actors, to promote youth employment (see Box 3.1). Some of these examples include: i) training to improve school-to-work

[25] Source: ITUC and TUAC, *Investing in quality jobs, better coherence and social protection: Trade union statement to the G20 high level experts' seminar on employment policies,* page 4, Paris, 7 April 2011.

transition; ii) job creation and stabilization through promoting youth employment among existing and new companies; iii) youth entrepreneurship development; iv) the promotion of evidence-based policies and interventions; and v) open and participatory discussion and agreement on policy and institutional needs.

BOX 3.1 Private sector action on youth employment

The private sector can play an important role in promoting decent work for youth. They can participate in the formulation of training policies that meet market needs, provide work experience and mentorships, and facilitate the access of youth to markets, capital and networks. Investing in young people can only result in a win-win situation. It is also a way for enterprises to engage in corporate social responsibility initiatives. Some examples are given below of private sector action for youth employment:

- Connect with schools, training institutions and universities to address skill mismatches and enhance youth employability by ensuring that training meets enterprise requirements, as well as financing the provision of training;
- Participate in remedial programmes that provide work experience to young people, including on-the-job training and other programmes targeted at disadvantaged youth, with prospects for career advancement;
- Provide entrepreneurship training and mentorship for young entrepreneurs;
- Facilitate access to start-up capital, networks and markets, as well as providing business development services;
- Establish partnerships with, for example: (i) employment services for the identification of jobseekers; (ii) governments and other partners to achieve sustainable results for youth employment; (iii) members of networks of companies engaged in supporting youth employment programmes and corporate social responsibility initiatives, and improving the access of young women to male-dominated jobs.

Source: ILO, *Youth employment in Eastern Europe: Crisis within the crisis, Background paper for the Informal Meeting of Ministers of Labour and Social Affairs during the 100th Session of the International Labour Conference*, ILO, Geneva, June 2011, available at www.ilo.org/youth

3.4. Youth employment partnerships in the international development agenda and the role of the social partners

Achieving decent and productive work for young people is a development concern that requires political attention and collaboration on a global scale. The Sustainable Development Goals (SDGs) of the 2030 Development Agenda provide an opportunity to scale up coordinated action on youth employment. The main targets relevant to youth employment fall under Goal 8 on the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. At the same time, youth employment outcomes can be further leveraged through less-direct targets under other goals, including through the implementation of a coherent strategy for youth employment that involves national institutions in partnership with other actors (see box 3.2).

BOX 3.2 Youth employment: A priority of the 2030 development agenda

The outcome document of the United Nations Summit for the adoption of the post-2015 development agenda (*Transforming our World: The 2030 Agenda for Sustainable Development*) includes the following youth employment targets:

- By 2030, increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship (target 4.4);
- By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value (target 8.5);
- By 2020, substantially reduce the proportion of youth not in employment, education or training (target 8.6).

With respect to modalities of implementation, the proposal of the Open Working Group (paragraph 8.b) indicates that member States should "By 2020, develop and operationalize a global strategy for youth employment and implementation of the Global Jobs Pact of the International Labour Organization".

Source: UN Sustainable Development Knowledge Platform: https://sustainabledevelopment.un.org/post2015/transformingourworld

The international community has an important role to play in supporting action by governments, social partners and other organizations to address the youth employment crisis and promote decent work for youth at national, regional and global levels. Unleashing sufficient financial resources for sustainable development remains a key concern of the international community as well. The urgency of investing in youth employment was placed firmly on the "Addis Ababa Action Agenda" of the Third International Conference on Financing for Development that affirms the commitment of the UN and its partners to work with private actors and development banks to "promote appropriate, affordable and stable access to credit to micro, small and medium-sized enterprises, as well as adequate skills development training for all, particularly for youth and entrepreneurs".[26]

[26] Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa Action Agenda), A/RES/69/313, Resolution adopted by the General Assembly, 27 July 2015.

The social partners have played a key role in shaping the international agenda on youth employment. As already mentioned, together with governments they were the main partners that shaped the global youth employment framework that was adopted by the International Labour Conference in 2012. They also play an important advisory role in the context of the initiatives undertaken by the OECD through the Trade Union Advisory Committee (TUAC) and the Business and Industry Advisory Committee (BIAC) that are the interface for trade unions and employer organizations with the OECD.

In the G20, the social partners have actively contributed to the priority on youth employment. In 2011, the Business organizations (B20) and the Trade Union organizations (L20) of the G20 countries urged to address the employment situation in general and young people in particular in order to prevent "the risk of a growing share of the population losing faith in the global economy".[27] They have also kept the attention – of both the Ministers in charge of labour and employment, and the Leaders – on the key elements that could make nationally-defined social protection floors relevant in all countries, the need of implementing fundamental principles and rights at work, and the importance of promoting coherence of actions in the multilateral system.

Within the context of the EU countries, the employer organization Business Europe and the European Trade Unions Confederation (ETUC) engaged in a dialogue to provide solutions to the youth employment crisis. This resulted in the "Framework of Actions on Youth Employment" that was adopted in June 2013 to provide concrete and actionable proposals and call on national social partners, public authorities and other stakeholders to act together and achieve concrete progress in favour of youth employment.[28] As part of this initiative, the social partners that operate at the national levels are engaged in the regular monitoring and reporting of the work they carry-out to promote decent and productive work for youth in their countries.

[27] See B20 L20 joint Statement, November 2011 available at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/meetingdocument/wcms_166713.pdf
[28] The Framework of Actins on Youth Employment is accessible at https://www.etuc.org/sites/www.etuc.org/files/201306_Framework_of_Actions_Youth_Employment_1.pdf