



International
Labour
Organization



THE YOUTH EMPLOYMENT CRISIS



Time for Action



Report V.

The Youth Employment Crisis: Time for action



The Office Report prepared for the ILC discussion has 4 parts:

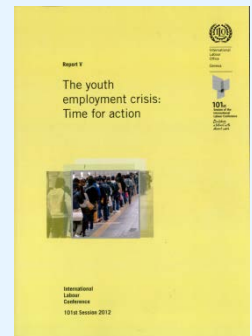
Chapter 1. Trends, characteristics and new challenges

Chapter 2. Decent Work policies for youth: Key issues and lessons learnt

Chapter 3. ILO support to youth employment and global partnerships

Chapter 4. Summary and possible ways forward

Suggested Points for discussion





1. Trends, characteristics and new challenges of the youth employment crisis





1. Trends and characteristics of the youth employment crisis



Several dimensions to the present crisis:

- Unemployment of unprecedented proportion
 - The low quality of jobs
 - Slow and uncertain transitions from school to work
 - “Discouragement” and “detachment” from labour markets
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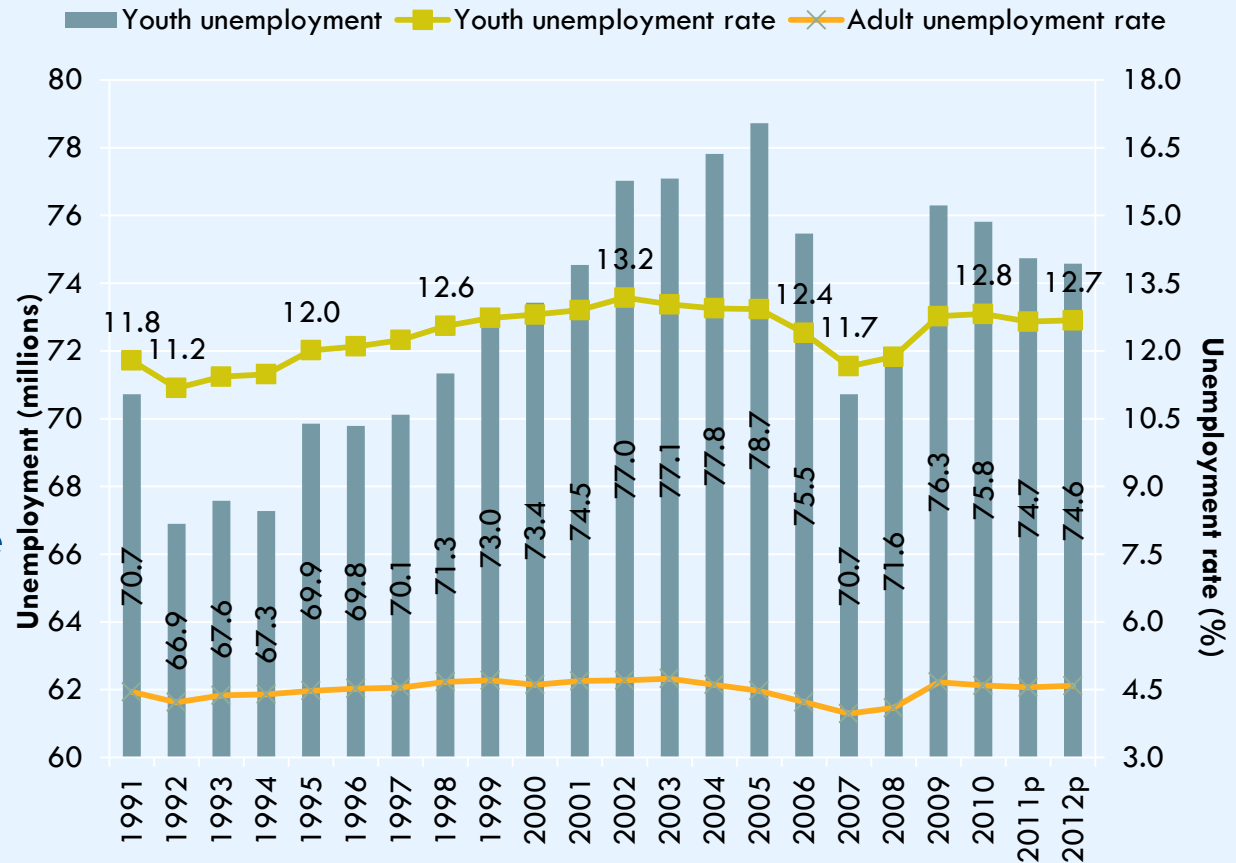
First: Youth unemployment reaching staggering proportion



First: Youth unemployment reaching staggering proportion

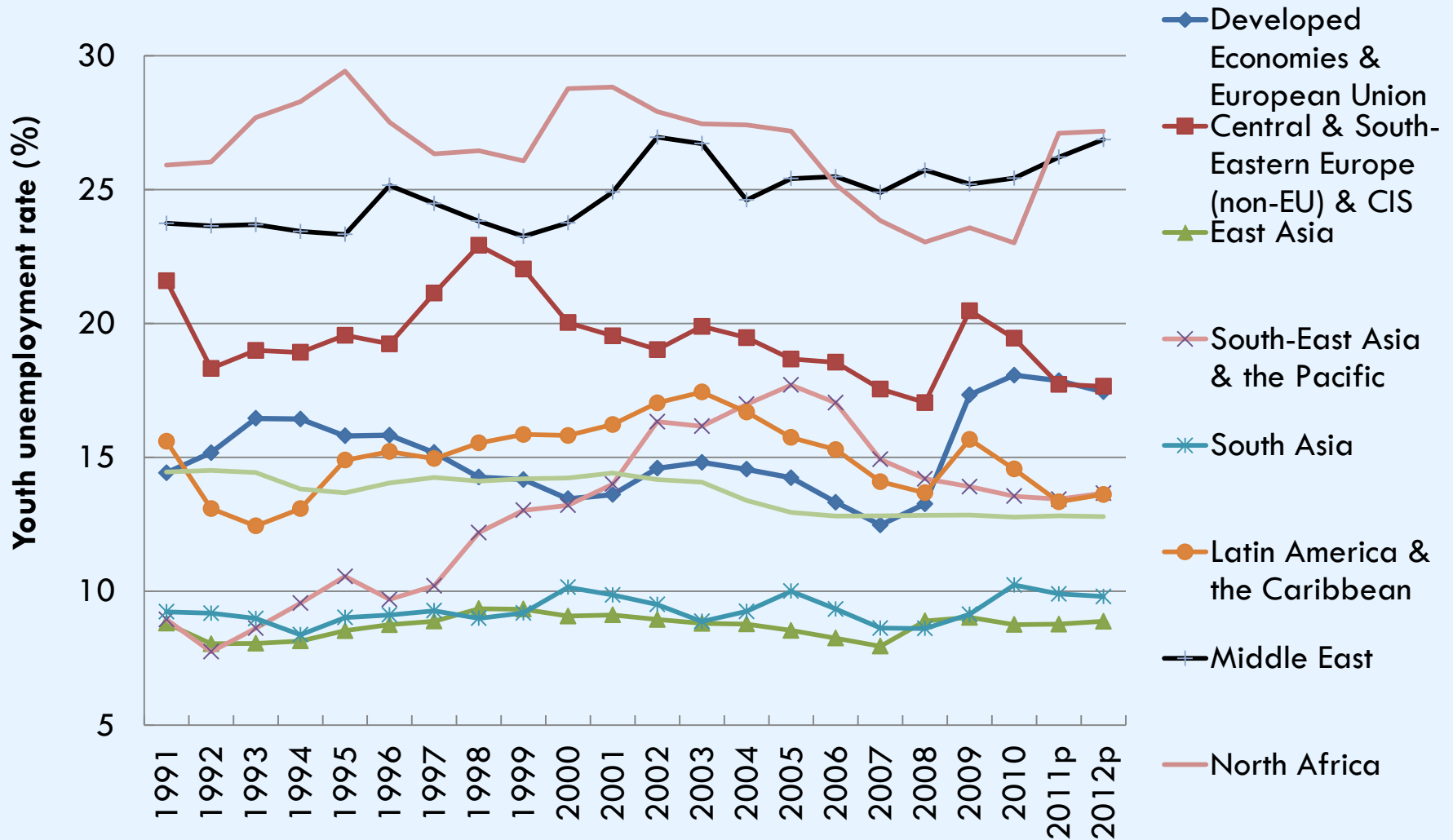
In 2012, worldwide...

- 75 million young people are unemployed
- Four out of every ten unemployed is a young woman or man
- Young people are three times more likely than adults to be unemployed





Youth unemployment is a global challenge... but wide regional and country variations





2. Quality of jobs available for youth is declining



Unemployment is only the tip of the iceberg, those who have a job are disproportionately represented amongst:

- ***The working poor:*** 23.5 per cent of total working poor but only 18.5 of non-poor workers
 - ***Low paid workers:*** more than 50 per cent of low-wage workers, 2 to 6 times more likely to be in low wage than the national average
 - ***Informal economy:*** in Latin America, informal employment of youth is 30 % higher than for adults, in Eastern Europe +/3 of total youth employment
 - ***Temporary jobs:*** in the EU, more than one out of three youth could not find a permanent job
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3. A new challenge: detachment from labour markets



Evidence of **rising discouragement** – youth who are neither in education nor employment

- Globally, nearly 6.4 million fewer young people in the labour force in 2012 than expected based on long-term historical trends
 - In the EU, in 2012 one out of six young person was neither in education nor in employment, an increase of 2 percentage points since 2008
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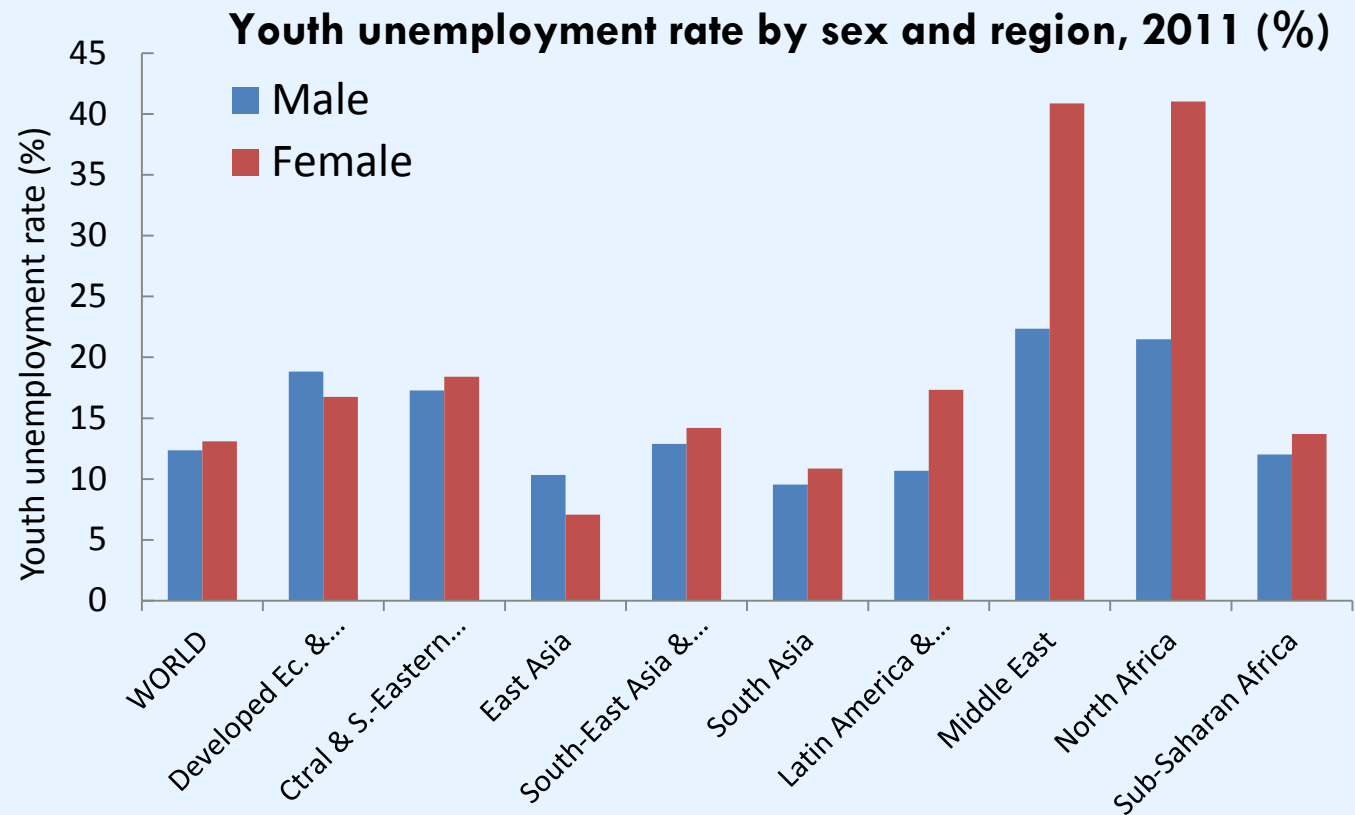
Increasing polarization among young people



Youth are not a homogeneous group -

Widening disadvantages based on:

- Gender
- Age
- Education
- Social background
- Origin
- Disability
- HIV/AIDS
- Migrant
- ...





Urgency for action:



All these dimensions of the youth employment crisis are deteriorating- showing slower and less secure transitions of youth to decent work across the world - with high risks:

- that these trends become structural and harder to reverse - of a “scarred generation” , even when growth and economy recover from the current global crisis
 - tremendous waste of opportunity and hardship for individuals, but also loss of creativity and productivity in the economy and a threat to the fabric of societies
 - More importantly , “ loss of faith” by young people in the possibility of a better future?
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2. Decent Work policies for youth

What has been done? What works?





What has been done to implement the 2005 ILC Resolution concerning youth employment?



The 2005 ILC Resolution called for giving youth multiple pathways to decent work through an approach that combines macroeconomic and microeconomic interventions, addresses both labour demand and supply, both the quantity and the quality of employment

Integrated and coherent approach

macro and micro interventions

labour demand and supply

quantity and quality of employment



Youth employment has risen to the top of policy agendas, *but...*



ILO review of some 140 country experience shows:

- Few comprehensive policy frameworks with clear and coherent set of policy priorities
- A project/programme approach prevails with limitations for impact, outreach and scaling up
- Funding is limited and resources underestimated
- Coherence and coordination among various interventions and institutions is a challenge

Most importantly.....:

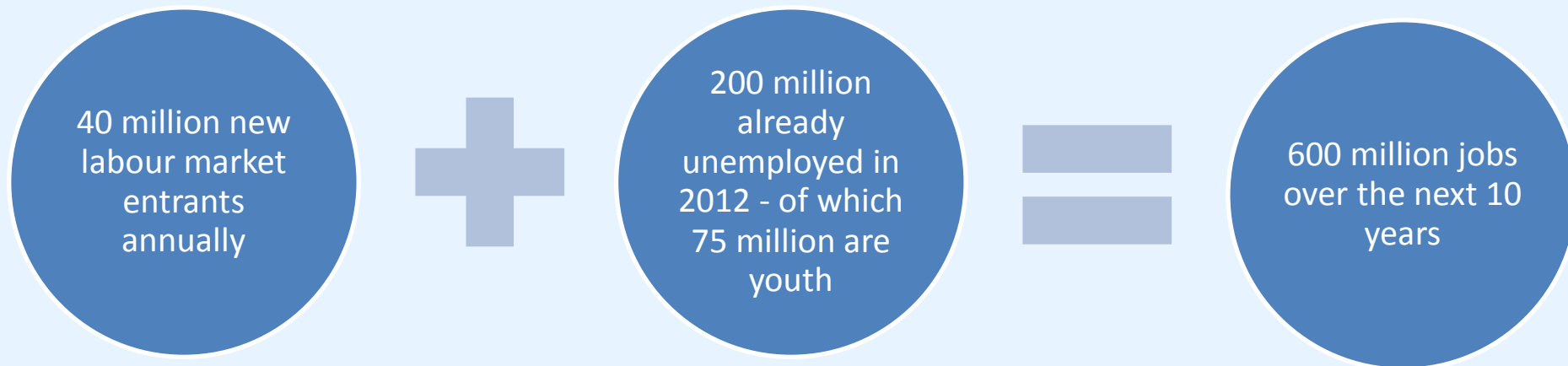
- **Most interventions focus on the supply side, while sluggish demand is a major constraint- in the present context of global slowdown, but also more structurally in developing countries**
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Policy area 1. The growth strategy, macro-economic policy environment and youth employment



- ILO research shows that youth employment is closely bound to the overall employment situation... but economic cycles-boom and bust- affect youth in a different manner,
- In the present context, without a balanced approach to promote job-centered inclusive growth, and to manage demand , there is little chance to create the 600 million jobs needed:





Policy area 1. The growth strategy, macro-economic policy environment and youth employment



- Policy responses to the global crisis of the type embodied in the 2009 Global Jobs Pact and coordinated action to stimulate economies saved millions of jobs
 - Since 2010, the policy shift to debt and fiscal consolidation, has not resulted in growth and job creation, and the global outlook for recovery remains grim in several advanced economies
 - In developing and emerging economies, investments in productive employment generation remain structurally insufficient
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ILO research shows that macroeconomic policies can influence youth employment by:



- Encouraging **economic diversification and productive transformation**
 - Reducing macroeconomic volatility by engaging in timely and **targeted counter-cyclical policies**
 - Loosening constraints on private sector growth with a particular emphasis on **access to finance for micro, small and medium sized enterprises**
 - Focusing on **targeted demand side interventions** of particular impact for youth employment (e.g labour intensive infrastructure works, public employment programmes, wage and training subsidies)
 - Ensuring **adequate and predictable funding** for targeted youth employment interventions :% of GDP invested in ALMPs; ring-fencing from fiscal consolidation
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Policy area 2: Education and Training



Key issues

- universal access and quality education and training remain primary challenges in many developing countries: 130 million young people still lack basic education-with a continued gender gap
 - Skills mismatches seen as number one constraint- several dimensions:
 - challenges of skills anticipation in a rapidly changing environment of innovation and technology,
 - Emphasis on core or soft skills, values and attitudes, first practical experience
 - Mismatch between competencies acquired and job opportunities on the market: simply not good enough jobs generated by the economy- the case of graduate unemployment
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Policy area 2: Education and Training



Lessons learnt

- **Second chance initiatives** have been effective in reaching-out to youth “left behind” including school drop-outs and disadvantaged youth
 - **Lifelong learning** policies and opportunities can be effective in bridging the gap between initial education and labour market development
 - **TVET reforms** need to be stepped up to
 - Increase quality, financing and management
 - Ensure coordination across various institutions and actors
 - Improve monitoring and evaluation
 - **Apprenticeships** and other work experience programmes effective
-



Policy area 3. Labour Market Policies and institutions



- **Active Labour Market Policies** (ALMPs) include a range of measures- that can play a crucial role for easing transitions of First-time jobseekers and young unemployed and for preventing “detachment”
 - **Employment services:** can play a key role in providing much needed labour market information to young people and to develop their job search skills
- but often lack technical capacity , financial resources , outreach to rural and informal economies, and engagement of social partners particularly in developing countries;
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Policy area 3. Labour Market Policies and institutions :what works for youth?



Labour Market Policies work better when:

- **A package of services is provided integrating and sequencing various components and provide for positive interaction between active and passive income support**
 - **They take into account the heterogeneity of youth and are targeted and tailored to the specific individual needs of disadvantaged youth**
 - **They combine learning with earning**
 - **Involve social partners in the design and implementation**
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Labour Market Policies and institutions

What works for youth?



- **Well designed wage subsidies** can help increase the demand for young workers. They work best when targeted and for a limited period of time
 - Minimum wages and other in-work benefits can help curb the incidence of low pay among young workers.
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Labour Market Policies and institutions

What works for youth?



- policies facilitating access to jobs should not be to the detriment of young workers' rights at work ;
 - the growing labour markets duality in some countries , traps them in a cycle of temporary jobs, vulnerability and insecurity
 - in developing countries, most youth are in low productivity jobs in the informal economy: enhanced enforcement of legislation on labour contracts with other complementary measures supporting the transition to formal employment can help
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Policy area 4. Promoting youth entrepreneurship and self-employment



Key issues

- Entrepreneurship and self-employment is an alternative source of employment for young people and can potentially create other jobs

Youth entrepreneurship programmes are more effective when:

- Developed in an enabling environment, including for SMEs and encouraging transition to formality
 - Addressed to overcome specific market barriers
 - Supported by a broad range of services other than managerial training or financial support taking into account special vulnerabilities of youth
 - Implemented in partnerships with the private sector
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Other Policy areas for youth employment



- **Cooperatives and social economy provide young people the opportunity to create their own enterprises and gain self-employment**
 - **Public Investment and Employment Programmes (PEP) efficiently target youth**
 - **With a proven anti-crisis impact, are particularly relevant particularly to reach out to disadvantaged communities with a high prevalence of informality**
 - **Mostly in the field of infrastructure development with significant scope for organizing PEPs to provide social services , and address consequences of climate change**
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Policy area 8. International labour standards



International labour standards play an important role in protecting young workers' rights and in improving their opportunities in the labour market:

- ILS provide a framework to declare national commitment and define key policy objectives (C. 122, C.142 , R.189)
 - ILS help protect young workers' rights
 - A number of standards are of special relevance: C.111, C.131 and R.198
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Policy area 9. Social protection for young workers



Key issues

Access to social protection often a challenge for young people

- First-time job seekers usually not covered by unemployment benefits
- Youth on temporary contracts are only eligible for limited benefits
- Gender bias

Lessons learnt

- The need for close synergy between welfare and income support and activation measures to prevent perverse effects.
 - These schemes must:
 - Be comprehensive enough to cover all unemployed youth
 - Incorporate special measures to promote greater participation by disadvantaged youth, especially those at risk of permanent detachment
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Policy area 10. Youth participation, social dialogue and collective bargaining



Much more to be done on social dialogue

- The social partners have a key role in the formulation and implementation of policies for decent work for youth
- Need for more initiatives of collective bargaining on youth employment issues
- Limited participation of young members and consultation with youth organizations and networks





Policy area 11. High level of policy coordination, coherence and evaluation are key for youth employment



***There is no single model of institutional arrangement...
... what matters most is that:***

- Responsible Ministry/Agency has technical capacity and ability to muster political support for policy coherence and coordination
 - Monitoring and evaluation systems are in place and effective in allocating resources to “what works”
 - Employers and workers’ organisations are involved in policy design and implementation
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3. The ILO support strategy

Knowledge building, advocacy and promotion of decent work for youth and technical assistance





ILO Policy frameworks



The ILO policy frameworks guiding work on youth employment:

- The normative body of ILS
 - Global Employment Agenda, 2003
 - Social Justice Declaration for a fair Globalization
 - Global Jobs Pact, 2009
 - Resolution on informal economy, 2002
 - [Resolution concerning youth employment, 2005](#)
 - Resolution concerning the promotion of sustainable enterprises, 2007
 - Resolution concerning skills for improved productivity, employment growth and development, 2008
 - Resolution concerning promotion of rural employment for poverty reduction, 2008
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The ILO's strategy to support its constituents



Knowledge

Advocacy

- YE in national development frameworks and employment policies
- National action plans developed and implemented
- National programmes for decent work for youth
- Awareness-raising, training or outreach strategy on youth

Field/country-level action

Outcomes

Technical assistance



ILO strategy: Knowledge



- More than 70 policy research publications
 - Global Employment Trends for Youth and LMI database (YouthStat)
 - School-to-work transition surveys in 38 countries
 - Policy database on NDFs, NEPs and youth employment policies (YouthPol)
 - Youth employment inventory and good practice database
 - Toolkits on different aspects of youth employment
 - Platforms for sharing knowledge, online forums and distance learning
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ILO strategy: Advocacy



Partnerships:

- **Youth Employment Network (ILO/UN/WB)**
- **Multi-lateral cooperation and policy coordination at international (IANYD, MDG-F, G20, OECD) and regional levels**

Campaigns:

- **Regional and national events on employment creation, rights at work and employability, including through 50 recent national and regional events**
 - **Awareness raising on decent work for youth through the media**
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ILO strategy: Technical assistance



- More than 60 countries received youth employment support since 2006
 - 14 target countries achieved youth employment impact in 2010-11
 - Increased demand for ILO assistance (55 countries)
 - Ongoing technical cooperation portfolio of 53 projects with donor funding
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Intervention on youth employment at country level



STEP 1

Data collection and analysis

STEP 2

Review of policies and institutional frameworks

STEP 3

Problem identification, policy options and priorities

STEP 4

Development of policies, strategies and programmes

STEP 5

Implementation of policies, strategies and programmes

CAPACITY BUILDING

SOCIAL DIALOGUE



ILO strategy: Technical assistance



An illustrative example: impact through technical cooperation on youth employment in Peru'

- National employment policy (2010-14) with youth employment priorities
- Youth employment action plan (2010-14)
- Integrated youth employment programmes and services tailored to youth (CertiJoven, skills training and work experience: Jovenes a la obra and Joven Emprendedor), especially those living in rural areas

Policy development and implementation through tripartite social dialogue involving youth in the National Labour and Employment Council.

Impact: 260,000 disadvantaged youth supported in finding a job, enhancing employability and improving conditions of work



Points for discussion: What has been done since 2005 and which policy approaches have been effective?



1. Employment and economic and sectoral policies

affecting youth employment including the **role of the public sector** and the **social economy**

2. Employability - Education, Training and Skills, and the School to Work Transition

including the recognition of **prior learning** and **skills gained on the job**

3. Labour Market Policies

active and **passive** labour market policies, including **employment services** and **social security**

4. Youth Entrepreneurship and Self Employment

→ youth entrepreneurship and self employment

5. Rights for Young People

- a) wages, working conditions and workers' rights
- b) contractual arrangements

6. The way forward

→ what should be done by (a) governments, (b) social partners, (c) International Labour Office, and, where appropriate, (d) multi-lateral institutions and dialogues
