



Scaling up investments in decent jobs for youth

Global Employment Trends for Youth 2015

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in decent jobs for youth

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Acronyms and abbreviations

CIS	Commonwealth of Independent States
EPR	employment-to-population ratio
EU	European Union
GDP	gross domestic product
GET	Global Employment Trends (series)
IANYD	UN Inter-agency Network on Youth Development
IFC	International Finance Corporation
ILC	International Labour Conference
ILO	International Labour Office/Organization
LFPR	labour force participation rate
NEET	not in employment, education or training
OECD	Organisation for Economic Co-operation and Development
PPP	purchasing power parity
S4YE	Solutions for Youth Employment
SDG	Sustainable Development Goals
STED	Skills for Trade and Economic Diversification
SWTS	school-to-work transition surveys
Youth-SWAP	Systematic Action Plan for Youth

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1. Introduction

1.1 Overview

The youth employment crisis is easing, at least in terms of global trends...

After the period of rapid increase between 2007 and 2010, the global youth unemployment rate settled at 13.0 per cent for the period 2012 to 2014.¹ At the same time, the number of unemployed youth declined by 3.3 million from the crisis peak: 76.6 million youth were unemployed in 2009 compared to an estimated 73.3 million in 2014.

The youth share in total unemployment is also slowly decreasing. As of 2014, 36.7 per cent of the global unemployed were youth. Ten years previously, in 2004, the youth share in total unemployment was 41.5 per cent. While the indicator marks an improvement over time, it is still worthy of note that youth made up only one-sixth of the global population in 2014 (UN, 2014a) and are therefore strongly overrepresented among the unemployed.

but recovery is not universal and many young women and men remain shaken by changing patterns in the world of work.

The 2013 edition of the *Global Employment Trends for Youth* (ILO, 2013a) set the premise that “it is not easy to be young in the labour market today” in the context of a stubborn jobs crisis, long job queues and increasing scarcity of stable employment. Despite some signs of “good news” presented above, the instability of the situation continues and the global youth unemployment rate today remains well above its pre-crisis rate of 11.7 per cent (in 2007). Overall, two in five (42.6 per cent) economically active youth are still either unemployed or working yet living in poverty. In the face of such statistics, it is safe to report it is *still* not easy to be young in today’s labour market.

In the Asian regions and in the Middle East and North Africa, youth unemployment rates worsened between 2012 and 2014. For the developed economies, the youth unemployment rate improved over the same period, but still in 2014, rates exceeded 20 per cent in two-thirds of the European countries and more than one in three (35.5 per cent) unemployed youth had been looking for work for longer than one year. In Central and South-Eastern Europe (non-EU) and CIS, Latin America and the Caribbean and sub-Saharan Africa, youth unemployment rates have demonstrated a declining trend in both the medium and short-run periods. In all regions the stability of career prospects becomes increasingly tentative, but the situation could appear more degenerative in the developed countries where formal employment on a permanent contract was once the standard. In the developed economies, shares of youth involuntarily working part-time or engaged in temporary work have declined

¹ The global and regional estimates in this report apply the age definition of 15–24 for youth. Differences continue to exist in the way national statistics programmes define and measure youth and there is a growing momentum to increase the upper age limit to better reflect increasing educational attainment and postponement of labour market entry beyond the age of 24. For this reason, the ILO school-to-work transition surveys which serve as the basis for discussion on youth in developing economies in chapters 3 and 4 defines youth as 15–29. Age definitions are given with each figure and table in the notes.

from the crisis peak, but within a longer term increasing trend as more young people take up part-time or temporary work in combination with education.

While the outlook for youth entering the labour market now does look slightly more positive than for those entering over the previous five years, we should not discount the lingering harm accruing to the cohorts who experienced long-term unemployment spells or were forced to take up less-than-ideal jobs during times of low labour demand. In still too many countries, the youth population continue to suffer the effects of the economic crisis and/or austerity measures put in place as a reaction. In these countries, finding work, let alone full-time work, as a youth with no work experience continues to be a drawn-out uphill struggle (see sections 2.3, 2.4 and 3.5).

To benefit from the “demographic dividend” in developing economies implies enabling young people to escape from working poverty.

Youth in developing countries continue to be plagued by working poverty stemming from the irregularity of work and lack of formal employment and social protection. In 2013, more than one-third (37.8 per cent) of employed youth in the developing world were living on less than US\$2 per day. Working poverty, therefore, affects as many as 169 million youth in the world. The number increases to 286 million if the near poor are included (living below US\$4 per day).

While the working poverty distribution represents a major improvement over the 20-year period between 1993 and 2013, the vulnerability of millions of workers remains an impediment to reaping the benefit of the demographic dividend in numerous low-income countries. Employed youth were 1.5 times more likely to be found in the extreme poverty class than adults and 1.2 times more likely to be in the moderately poor class. Adults were more likely to be found in the groups of the developing middle class and above.

In most low-income countries, at least three in four young workers fall within the category of irregular employment, engaged either in own-account work, contributing family work, casual paid employment or temporary (non-casual) labour. Nine in ten young workers remain in informal employment. This compares to an only slightly improved share of two in three youth in the middle-income countries.²

In all countries youth aspire to productive, formal employment opportunities that provide them with a decent wage, relative security and good conditions of work. Unfortunately far too few youth are able to match their aspirations to reality, which means that opportunities to benefit from the demographic dividend in the countries with the greatest potential – principally in Africa – are quickly slipping away (see sections 3.5.2 and 3.5.3).

Educational attainment continues to increase among young men and women and is a principal factor behind the long-term declining trend in youth labour force participation...

In the more than twenty-year span between 1991 and 2014, the number of economically active youth – the youth labour force³ – has declined by 29.9 million while the overall youth population grew by 185 million. The resulting youth labour force participation rate declined by a significant 11.6 percentage points (from 59.0 to 47.3 per cent) over the period. A principal factor behind the sharp decline in youth participation rates is the tendency for more young men and women to engage in secondary and tertiary education. This is a welcome evolution.

² Lower middle-income and upper middle-income countries combined.

³ The labour force is the sum of persons employed and unemployed.

**yet too many youth are still excluded from the education system
and labour market prospects are harmed as a result.**

Despite improvements in enrolment, it is important to bear in mind that not all young people are benefiting and millions of youth in lower-income countries are still leaving school early to take up employment at early ages. Based on recent ILO school-to-work transition survey (SWTS) data, 31 per cent of youth in low-income countries had no education qualifications at all. This compares to 6 per cent in lower middle-income countries and to less than 2 per cent in upper middle-income countries. Meanwhile, it is only attainment of a tertiary education that serves as a “guarantee” of paid employment for youth (presumed to bring greater returns, although the discussion in section 3.5.2 will call this into question); three in four tertiary graduates managed to find paid employment compared to only four in ten young secondary-school graduates. Access to education thus becomes a further element in labour market segmentation and inequality.

Young workers in low-income countries are three times more likely to be undereducated than young workers in upper middle-income countries. Results are particularly poor in sub-Saharan Africa where nearly two in three young workers do not have the level of education expected to work productively on the job. Undereducation can have a severe impact not only on the labour productivity of countries but also on the wages of the young workers. Breaking the cycle of low access to quality education and training, low completion rates and low earning prospects, with renewed commitment and investment in quality education from pre-primary through tertiary levels, must therefore remain a primary focus in the 2030 development agenda⁴ (see sections 3.4 and 3.5).

**The school-to-work transition is not long to a first job for most youth, but it takes
on average 19 months to complete the transition to a stable or satisfactory job.**

The deficiencies in the quality of available employment in most developing countries block the successful transition of young people but also serve as a severe impediment to economic development. While development should bring gains in the shares of youth in paid employment that is neither casual nor temporary in nature, the fact that we are not there yet has consequences for measurements of youth transitions. Results from the SWTS demonstrate that the transition paths of the most disadvantaged youth are often the most direct; that is, they move directly from school – if they even go to school – into the irregular and informal work that they are likely to continue doing for a lifetime. Even in developed economies, a short transition period to a first job should not be overly praised if the job does not offer a good foundation for the broader transition to a stable and satisfactory job in adulthood.

Looking beyond the first job to achievement of a decent or stable job, defined in terms of stability and desire to stay put, the analysis of the SWTS finds that it took an average of 19.3 months for youth to complete the labour market transition. Young men were able to complete the transition earlier than young women (18.9 and 19.9 months, respectively). A more striking contrast comes with the youth’s level of education. A young person who manages to stay in education through the tertiary level has the potential to complete the transition in one-third of the time needed for youth with only primary education (9.7 and 29.1 months, respectively).

Youth in sub-Saharan Africa were the most likely to remain in transition as young adults. For those who do not have the luck to get their decent job on the first try, it can take another three years to complete the transition. These young people are therefore effectively blocked

⁴ The recent adoption of the “Incheon Declaration” at the World Education Forum 2015 in Incheon, Republic of Korea demonstrates a renewed commitment to an agenda for “Education 2030: Towards inclusive and equitable quality education and lifelong learning for all”. The Declaration builds on the 1990 World Declaration on Education For All and the 2000 Dakar Framework for Action and aligns to the proposed Goal 4 of the Sustainable Development Goals (SDG 4): “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” and its corresponding targets. For more information, see <https://en.unesco.org/world-education-forum-2015/incheon-declaration>.

in their ability to fully adopt their role as productive members of society, which in turn jeopardizes the country's capacity to grow. It is of little surprise, therefore, that as many as 37 per cent of young respondents in the region have stated a desire to move permanently to another country (see sections 4.3-4.5).

Youth employment is a top policy concern.

Growing up in the midst of rapid technological changes and globalization, today's youth are already adept at making their way through unpredictable times. For most, they do not identify with their label as a "lost generation", "generation in crisis" or any other label denoting a sense of decline. Decline implies backwards-looking, which young people are anything but. Rather, most youth today are ready to create their own futures, yet they still look to their families, communities, institutions and governments to empower them and to ensure that they are best equipped to navigate their way towards adulthood in an environment that supports their aspirations and productive potential.

In 2012, a "Call for action" on youth employment was adopted by representatives of governments, employer organizations and trade unions of the 185 member States of the ILO at the International Labour Conference (ILC) in June (ILO, 2012).⁵ The urgency of the "Call for action" in response to the unprecedented global youth employment crisis has not subsided despite some current signs of tentative recovery in youth labour markets in advanced economies. On the contrary, the Call has gained in strength and in scope.

Youth employment is now a top policy priority in most countries across all regions, and at the international level is being translated into the development of a global strategy for youth employment and embedded into the 2030 development agenda.⁶ With a growing multitude of country-level initiatives involving many actors and institutions from the public and private sectors, focus now turns to forging partnerships for policy coherence and effective coordination on youth employment (see section 5.4).

Scaling up investments in decent jobs for youth is the best way to ensure that young people can realize their aspirations and actively participate in society. It is also an investment in the well-being of societies and inclusive and sustainable development.

Policy-makers, the development community and academics alike have increasingly recognized the importance of taking advantage of the potential that young people represent for growth prospects, sustainable development and social cohesion (see box 1). The aim of policy must be to nurture today's youth. This is an investment in the future of our societies. This can be done by investing in their education of the highest possible quality; supporting lifelong learning and training opportunities that facilitate adjustments to technological and labour market changes; and providing them with social protection and employment services regardless of their contract type. A particular focus needs to be laid on the most disadvantaged amongst youth, to even the playing field so that all aspiring youth can attain productive employment regardless of their background and nature of their disadvantage. Yet the most effective strategies are those which acknowledge that such targeted interventions must go hand in hand with an integrated strategy for growth and job creation. Chapter 5 discusses the wide range of policies and programmes that can serve a long-term, determined and concerted strategy for investment in decent jobs for youth.

⁵ 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.

⁶ To "develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization" is proposed as an implementation mechanism toward SDG Goal 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". See <https://sustainabledevelopment.un.org/post2015/transformingourworld>.

Box 1. Why do we focus on youth employment?

The ILO has been talking about youth employment for a long time now as part of its agenda to promote full productive employment and decent work for all, and as an institution it is not alone. Emphasis has been placed on the gains to be had in economic, development and social terms by maximizing the potential for youth to build their future (and society as a whole) on a solid foundation of productive employment. Following the global economic and financial crisis, the “call for action” has intensified and emphasis has been placed on the need to assist a generation at risk and on the costs of inaction.

The global community has benefited from the significant investment in research on topics relevant to youth (employment, development,

skills development, empowerment, health, inclusion, leadership). There is an increasing evidence base to show that investing in youth, and more specifically, productive employment of (and for) youth, matters. It matters for economic growth, health,¹ civil unrest,² demographics, environmental sustainability and certainly personal levels of happiness and life satisfaction (see, for example, Frey and Stutzer, 2002; Camfield, 2006). In other words, youth employment touches on all aspects of growth and development. A happy youth is one faced with exciting options for the future. The better we drive youth towards productive employment, the better our hopes for bolstering the positive spirit of young people and making progress toward the broader framework of inclusive development.

¹ For example, Siegrist et al. (2011) and Robone et al. (2008) look at the effects of unemployment and contractual conditions on health and well-being. ² For example, Eurofound (2012) and ILO (2015b). The link between youth unemployment and civic unrest has recently been called into question in an important study by MercyCorp (2015). The report concludes that it is not unemployment alone that attracts young people to political violence, but rather the sense of hopelessness, frustration and anger that comes with perceptions of injustice, usually as a result of bad governance.

1.2 Organization of the report

This issue of *Global Employment Trends for Youth* provides an update on youth labour markets around the world, focusing both on the continuing labour market instability and on structural issues in youth labour markets.⁷ Chapter 2 sets the stage with an overview of youth labour markets at the global and regional levels, with a particular focus on trends toward declining labour force participation and employment shares among youth and diversity in unemployment outcomes. Chapter 3 addresses youth employment as an issue of economic development, with emphasis on the quantitative and qualitative changes that can occur when labour market institutions are strengthened to promote greater regularity of employment. The chapter also looks at the trends toward declining yet still prominent working poverty rates among youth, persistent underutilization of young labour engaged in irregular work and skills mismatch. It also explores the concept of non-standard employment according to the context of developed or developing economies. Chapter 4 addresses the increasingly complex labour market transition of youth. Finally, Chapter 5 turns the attention to policy options for investing in youth employment. The stress is placed on balancing macroeconomic and microeconomic interventions, addressing labour demand and supply together, keeping the qualitative aspects of employment firmly on the agenda and forging partnerships for policy coherence and effective coordination on youth employment.

⁷ Previous editions of the *Global Employment Trends for Youth* (2004, 2006, 2008, 2010, 2011, 2012 and 2013) are available from the ILO's website at www.ilo.org/trends.

1.3 Main findings

This is a dense report, packed with data and information. The following summary aims at assisting readers to grasp the main findings and updates in youth labour market trends as well as the key issues for a continued policy focus on investments to promote youth employment.

Global youth labour market trends

- The **global youth labour force and labour force participation rate** continues to decline as enrolment in education increases. Between 1991 and 2014, the share of active youth (either employed or unemployed) in the youth population declined by 11.6 percentage points (from 59.0 to 47.3 per cent) compared to a 1 percentage point decline in the adult labour force participation rate.
- The global **youth employment-to-population ratio** (EPR) – the share of the working-age population that is employed – declined by 2.7 percentage points between 2007 and 2014 (from 43.9 to 41.2 per cent). The declining trends in youth EPRs are closely linked to increasing trends in educational enrolment.
- After a period of rapid increase between 2007 and 2010, the global **youth unemployment rate** settled at 13.0 per cent for the period 2012 to 2014 and is expected to increase only slightly to 13.1 per cent in 2015. The rate has not yet recovered its pre-crisis rate of 11.7 per cent in 2007.
- The number of **unemployed youth** has 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** has hardly changed over time and stood at 2.9 in 2014. The youth unemployment rate has been consistently close to three times that of the adult unemployment rate since 1995 (with ratios between 2.7 and 2.9).

Regional trends in youth unemployment, labour market participation and inactivity

- In 2014, youth unemployment was highest in the Middle East and North Africa, at 28.2 per cent and 30.5 per cent, respectively, and lowest in South Asia (9.9 per cent) and East Asia (10.6 per cent).
- The youth unemployment situation in the Developed Economies and European Union, the region most drastically impacted during the crisis period, started to ease as of 2012. The youth unemployment rate decreased between 2012 and 2014 from 18.0 to 16.6 per cent and is expected to continue its downward trend to a projected 15.1 per cent in 2020.
- But recovery has yet to come to many European countries. The youth unemployment rate exceeded 20 per cent in two-thirds of the European countries in 2014.
- The youth unemployment rate decreased between 2012 and 2014 in: Central and South-Eastern Europe (non-EU) and CIS (17.4 to 17.2 per cent), Latin America and the Caribbean (13.5 to 13.4 per cent) and sub-Saharan Africa (12.1 to 11.6 per cent). Rates increased over the period in East Asia (10.1 to 10.6 per cent), the Middle East (27.6 to 28.2 per cent), North Africa (29.7 to 30.5 per cent) and South-East Asia and the Pacific (12.7 to 13.6 per cent). There was no change in rates in South Asia.

- Gender differentials in youth unemployment rates are small at the global level and in most regions. In the Middle East and North Africa, however, the unemployment rate of young women exceeds that of young men by as much as 22 and 20 percentage points, respectively.
- The aggregate youth unemployment rate of high-income countries in 2014 was 6.5 percentage points higher than that of low-income countries (16.1 and 9.6 per cent, respectively). But the youth unemployment rate nearly doubles in the low-income grouping when the relaxed definition of unemployment is applied.⁸
- The youth unemployment rate increases consistently with the level of education attained in Asia and the Pacific, the Middle East and North Africa and sub-Saharan Africa. Youth who completed their tertiary education in the three regions were between two to three times more likely to be unemployed than the youth with primary education or less. In the higher-income regions, it is the youth with lower education who face the most significant challenge in finding work.
- The share of youth population neither in employment nor in education or training (NEET rates) peaked in 2010 in the wake of the Great Recession in most developed economies (2012 for the European Union). Shares of young NEETs in the European Union (EU-28) have started to decline from the peak of 13.1 per cent in 2012 to 12.4 per cent in 2014.
- In the European Union (28 countries), more than one in three (35.5 per cent) unemployed youth 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 among lower-income countries, but only among the few youth who can afford to be unemployed. The incidence of long-term unemployment among youth in sub-Saharan Africa was 48.1 per cent, behind only the share in the Middle East and North Africa (60.6 per cent). Viewed by income level, there is a slightly higher incidence of long-term unemployment in low-income compared to upper middle-income countries (43.4 and 40.9 per cent, respectively).

Regional trends in youth employment

- In 2014, the shares of employed youth in the population (youth employment-to-population ratio) ranged from 22.5 per cent in the Middle East to 49.2 per cent in East Asia. The ratio declined in all regions except sub-Saharan Africa between 2007 and 2014.
- One-fifth (20.7 per cent) of employed youth in OECD countries worked less than 30 hours per week (part-time) in 2000 compared to 30.1 per cent in 2013. Shares of youth in involuntary part-time work increased from 12.2 per cent in 2007 to 17.1 per cent in 2010 before falling back to 14.8 per cent in 2013.
- The majority of European countries are also witnessing an increasing trend in temporary work among youth. The EU-28 average showed a slight increase from 40.0 per cent in 2005 to 43.3 per cent in 2014.
- Part-time work in low-income countries can be interpreted primarily in the irregularity of hours of the most vulnerable young workers (own-account and contributing family workers) as well as casual paid labourers. While 23.6 per cent of young paid employees in low-income countries worked part-time (similar to the 20.7 per cent share in OECD countries), the share of part-time workers among own-account workers was 35.9 per cent.

⁸ Unemployed defined as persons without work and available to work rather than without work, available and actively seeking work (see section 3.3).

- In 2013, more than one-third (37.8 per cent) of employed youth in the developing world were poor (17.7 per cent in extreme poverty and 20.1 per cent in moderate poverty).
- In 2013, as many as 169 million youth were working but living on less than US\$2 per day. The number increases to 286 million if the near poor are included, thus measuring working poverty below US\$4 per day.
- In most low-income countries, two in three (66.3 per cent) young workers were in vulnerable employment as either own-account workers or contributing (unpaid) family workers. Another 4.3 per cent were in casual paid labour and 2.1 per cent in temporary (non-casual) labour, for a total of 72.5 per cent in “irregular employment”. This compares to an average of 34.5 per cent in irregular employment in seven upper middle-income countries and 41.2 per cent in eight lower middle-income countries.

Key policy implications and strategies for scaling up investment in youth employment

- Strategies to promote youth employment should articulate the mix and interaction of macroeconomic policies, labour and employment policies and other interventions specifically targeting young people, particularly the most disadvantaged.
- Policies that offer fiscal incentives, support the development of infrastructure and develop enabling regulations for enterprises operating in sectors with high employment potential can help improve youth employment outcomes.
- The positive effect of public investment on youth employment can be maximized by ensuring that young workers have the right skills and are supported in the job matching. In this sense, linking investment in infrastructure with labour market policies would boost both quantity and quality of jobs for youth.
- Comprehensive packages of active labour market policies that target disadvantaged youth can help in the school-to-work transition.
- An increase in public investment, social benefits and active labour market policies (ALMPs) has an impact on youth employment, particularly in terms of labour market participation. Evidence shows that public spending on labour market policies is associated with significantly higher youth employment-to-population ratios.
- Specific policies and targeted interventions to support the transition of young workers to the formal economy yield better results if designed as part of macroeconomic policies and include interventions to improve legal and administrative requirements for entrepreneurial activity, reforms to advance the quality of youth employment through access to rights at work, better working conditions and social protection.
- Coordinated responses and partnerships are required to scale up policies and strategies that have had an impact on the quantity and quality of jobs for young people.

2. Global and regional outlook for youth employment

2.1 Global youth labour force continues to decline

At the global level there has been a significant decrease in the share of youth who are either employed or unemployed (the labour force participation rate, LFPR). Between 1991 and 2014, the youth LFPR declined by 11.6 percentage points (from 59.0 to 47.3 per cent) compared to a 1 percentage point decline in the adult LFPR (figure 2.1 and table 2.1). In terms of volume, the youth labour force decreased by 29.9 million over the period, while the youth population grew by 185 million.⁹

Table 2.1 Youth labour force participation rates, by region and sex, 1991 and 2014

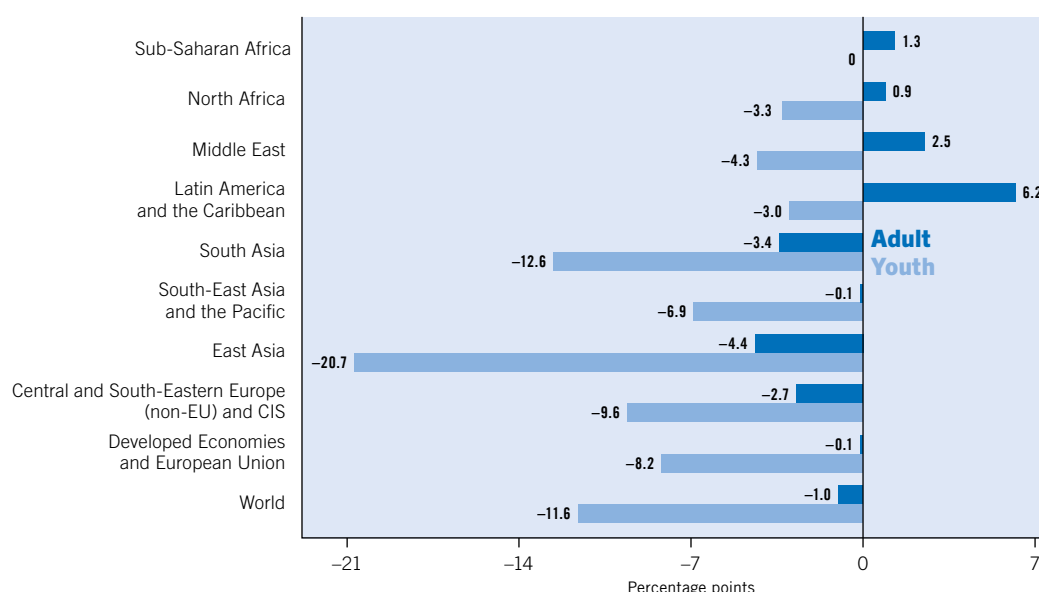
Region	1991			2014		
	Total	Male	Female	Total	Male	Female
World	59.0	67.0	50.6	47.3	55.2	38.9
Developed Economies and European Union	55.6	58.7	52.4	47.4	49.1	45.5
Central and South-Eastern Europe (non-EU)	50.2	56.3	44.0	40.6	47.9	33.0
East Asia	75.7	74.9	76.6	55.0	57.0	52.9
South-East Asia and the Pacific	59.3	65.8	52.7	52.4	59.4	45.2
South Asia	52.2	70.4	32.5	39.5	55.2	22.6
Latin America and the Caribbean	55.5	71.3	39.6	52.5	62.1	42.6
Middle East	35.6	57.3	12.6	31.3	47.2	13.8
North Africa	37.0	51.8	21.5	33.7	47.2	19.7
Sub-Saharan Africa	54.3	58.6	50.1	54.3	56.6	52.1

Source: ILO, *Trends Econometric Models*, April 2015. See also Annex table A.3.

⁹ Unless otherwise specified, figures in this chapter refer to youth aged 15–24.

Youth labour force participation shows significant declines in most regions over the long term.

Figure 2.1 Changes in labour force participation rates of youth (15–24) and adults (25+), by region, 1991–2014



Source: ILO, *Trends Econometric Models*, April 2015.

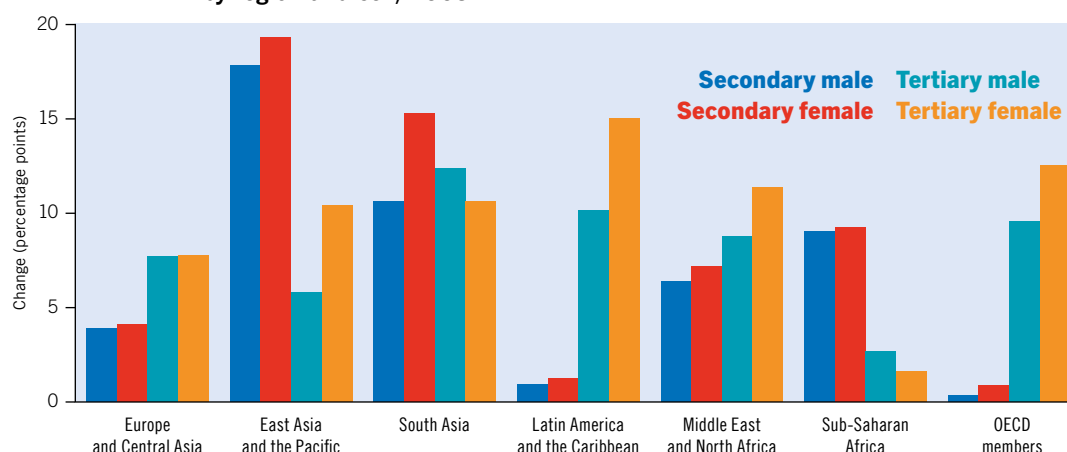
The decline in participation among youth is both universal (only sub-Saharan Africa saw no change) compared to that of adults and also significantly larger in scope. Although there are other factors at play (see section 2.2 on youth employment trends), the tendency for more youth to engage in secondary and tertiary education is a main determinant of the declining youth LFPRs. Figure 2.2 demonstrates the continued increase in school enrolment for both males and females, particularly at the tertiary level. As participation in education is not an important influence on adult LFPRs, these tend to show less variation over time. Despite improvements in enrolment, it is important to bear in mind that exclusion from the opportunity of education remains a significant challenge in many regions. UNESCO (2015) reports that there are still 58 million children out of school globally and around 100 million children who do not complete primary education. The inequality in access to education is further supported in the detailed analysis of youth in developing countries in Chapter 3.

The inverse of labour force participation is inactivity, so as the youth LFPR decreases the youth inactivity rate increases. The principal reason behind increased youth inactivity rates is increased education, yet there are other reasons for inactivity that include engagement in household duties including child care; injury, disability or illness that prevents labour market engagement; waiting for seasonal work; or reasons implying a sense of discouragement with the prospects of finding work. The NEET rate – the share of youth neither in employment nor in education or training in the youth population – aims to focus attention on the share of inactive youth who are inactive for reasons other than education, as well as on youth who are without work and looking for work, i.e. the unemployed.¹⁰ The indicator is increasingly used to address a broad array of vulnerabilities among youth, touching on issues of unemployment, early school leaving and labour market discouragement. The indicator is gaining momentum, with measurement and interpretation of the concept now guaranteed by its adoption as an indicator of the 2030 Sustainable Development Goals (see section 5.4).

¹⁰ Caution is advised in the interpretation of the indicator because it merges two categories – the unemployed with the inactive non-students – that result from distinct determinants and respond to different policy responses (Elder, 2015).

Shares of children and youth in education continue to increase in all regions of the world.

Figure 2.2 Changes in gross enrolment ratio in secondary and tertiary education, by region and sex, 2005–12



Note: The gross enrolment ratio is the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.

Source: World DataBank, World Development Indicators.

The NEET rates, like unemployment rates in most developed economies, are on their way down. NEET rates peaked in 2010 in the wake of the Great Recession in most developed economies (2012 for the European Union). Shares of young NEETs in the European Union (EU-28) started to decline from the peak of 13.1 per cent in 2012 to 12.4 per cent in 2014 (see Annex table A.6). A study of American youth (Dennett and Sasser Modestino, 2013) found no evidence of a long-term upward trend to suggest rising shares of NEETs among youth. The study goes further to demonstrate that youth NEET rates in the country at the peak of the Great Recession were no higher than they were two decades ago in the aftermath of the recession of 1990–91. Thus, there is a growing acknowledgment that the NEET rate is largely pro-cyclical. Box 2 looks in more detail at the structural versus cyclical nature of youth LFPR and NEET rates. While some components of the NEETs may shrink with economic recovery, activation strategies are still needed to encourage employment of the long-term unemployed and participation of “hard-to-reach” inactive youth, including the disabled.¹¹

¹¹ Eichhorst and Rinne (2014) present an overview of activation strategies to promote youth employment.

Box 2. How does the youth LFPR react to jobs crises?

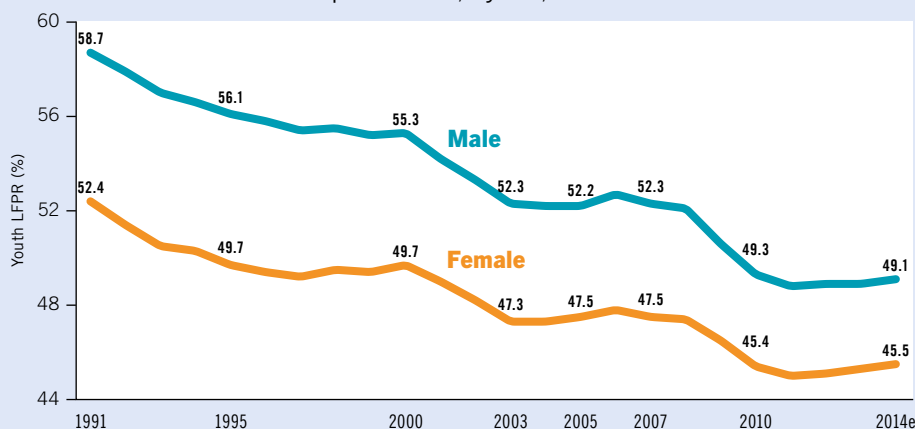
Can declining youth participation be explained by longer-term structural developments alone? What about cyclical forces, i.e. the tendency for individuals to withdraw from the labour force during periods of reduced job opportunities? The economic crisis starting in 2007 and the subsequent Great Recession flattened growth prospects in the developed economies (ILO, 2015b). With sufficient time passed since the inception of the crisis, there is now sufficient data to test the hypothesis that it is poor job prospects – the cyclical effects – driving recent labour market detachment among youth in developed economies.¹

The Developed Economies and European Union region showed a sizable decline of 8 percentage points in youth LFPR between 1991 and 2014 (box figure 1). This means that the economic crisis started in the midst of an already well-established trend of declining youth participation. In other words, the structural elements were already in play. A recession hit developed countries in the early 2000s, with

impacts on the European Union during 2000 and 2001, the United States in 2002 and 2003 and Australia, Canada and the United Kingdom hardly at all. Interestingly, the dates correspond well to a sharper than usual decline in youth participation rates in the region. Between 2000 and 2003, the male LFPR dropped 3 percentage points and the female 2 points. From 2003, however, participation rates recovered slightly, a hint that cyclical impacts are in fact short-lived. The next sharper dip was experienced in the region post-2007, again with drops in the magnitude of 3 and 2 percentage points for young males and females, respectively, between 2007 and 2010. From 2010, the rates had started to creep up again.

Turning back to the question, how does the youth LFPR react during times of economic crisis, the response is that there is an increase in the pace of declining youth participation during times of economic crisis, but the impact will be short-lived.

Box figure 1. Youth labour force participation rates in Developed Economies and European Union, by sex, 1991–2014



e = estimate.

Source: ILO, *Trends Econometric Models*, April 2015. See also Annex table A.3.

¹ As the labour markets in the Developed Economies and European Union were those most affected by the crisis (ILO, 2013a; ILO, 2015b), this analysis concentrates on this region alone. Another reason for looking at trends of youth LFPR in developed economies more directly is to show that the long-term trends of declining rates in relation to increases in numbers and durations of educational attainment are universal and not linked to economic development alone.

2.2 The youth employment-to-population ratio also decreases over time

Given the specific dynamics of youth within the labour market that distinguish the cohort from that of adults – the influence of increasing educational attainment and resulting declines in the youth labour force, for example – a “jobless” recovery is much more likely for youth than for adults. And this is not simply because fewer jobs are being filled by youth than adults, but also because youth are becoming less likely to take up jobs before the upper age limit of the definition (i.e. before 25 years).

The global number of employed youth has been steadily decreasing for reasons that go beyond reactions to the business cycles. The global youth employment-to-population ratio (EPR) – the share of the working-age population that is employed – declined by 2.7 percentage points between 2007 and 2014 (from 43.9 to 41.2 per cent; see figure 2.3 and Annex table A.5). The declining trends in youth EPRs hold for all regions except sub-Saharan Africa (which showed an increase from 46.9 per cent in 2000 to 48.0 per cent in 2014). These trends are closely linked to increasing trends in educational enrolment, discussed in the previous section.

What is immediately clear from figure 2.3 is the wide variation among regions in the shares of working youth. In 2014, youth EPRs ranged from 22.5 per cent in the Middle East to 49.2 per cent in East Asia. There are three primary factors determining youth employment levels which are useful to explain regional variations. First, in the regions with high youth EPRs (between 45 and 50 per cent), it is principally low household incomes and limited access to education which drive the majority of youth to work at early ages (too early, in fact; see section 3.1).¹² Four regions fall in this range: East Asia, Latin America and the Caribbean, South-East Asia and the Pacific and sub-Saharan Africa.

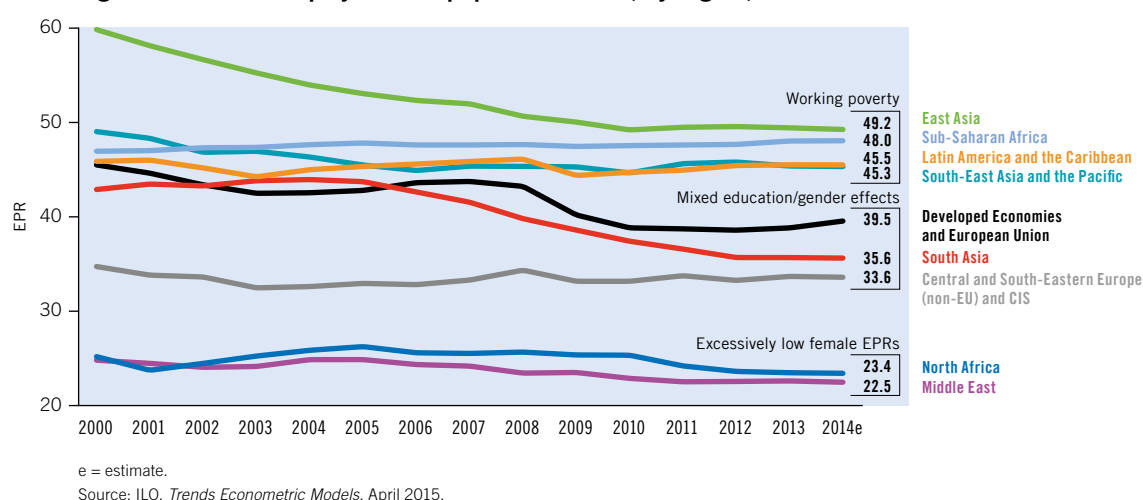
At the other extreme, with fewer than one in four youth working, are the Middle East and North Africa (22.5 and 23.4 per cent, respectively). In these two regions, the low levels are a clear reflection of the socio-cultural factors that keep most young women from employment. The female EPRs were 7.4 and 11.0 per cent in the Middle East and North Africa, respectively; both well below the global average of 33.7 per cent (Annex table A.5). Male EPRs in the regions, in contrast, while also below the global share (48.3 per cent) do not show such a sizable gap from the average.

Finally, the regions showing a mid-range of youth EPRs (between 30 and 40 per cent) include Central and South-Eastern Europe (non-EU) and CIS (33.6 per cent), South Asia (35.6 per cent) and the Developed Economies and European Union (39.5 per cent). Levels in these regions reflect a more complex mix of determinants: comparatively low female EPRs (in the prior two regions); very high, poverty-driven male EPRs in South Asia; and high shares of educational enrolment among youth in the higher-income regions (excluding South Asia).

¹² There are, of course, other determinants of EPRs in low-income countries beyond poverty and education; health, for example. For a more detailed list of determinants of EPRs in sub-Saharan Africa, see Sparreboom and Albee (2011), table 3.2.

There are wide regional variations in youth employment shares.

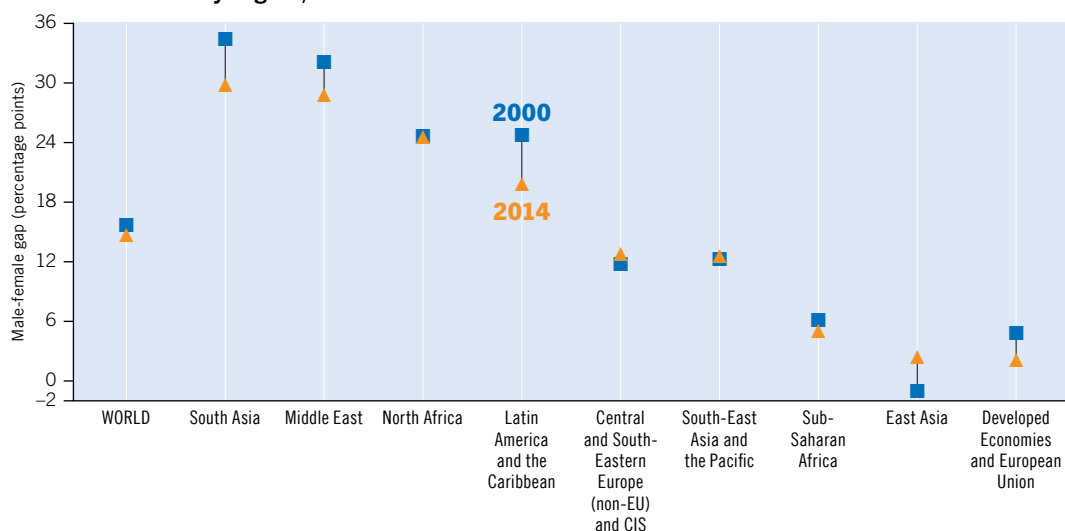
Figure 2.3 Youth employment-to-population ratios, by region, 2000–14



It is not overly surprising to see the largest gender gaps in youth EPRs among the regions with the lowest female shares (namely, the Middle East, North Africa and South Asia). In South Asia, the gap was as high as 29.6 percentage points in 2014, with the Middle East not far behind at 28.7 points (figure 2.4). While the general trend is a slight lessening of gender gaps between 2000 and 2014 (with largest improvements in Latin America and the Caribbean and South Asia), the statistics imply that a long road lies ahead in the quest for equal access to work.¹³

Progress toward gender equality in employment still seems a long way off in most regions.

Figure 2.4 Gender gaps (male–female) in the youth employment-to-population ratio, by region, 2000 and 2014



¹³ See Kring and Elder (forthcoming) for a more in-depth gender analysis of SWTS data. A revised ILO *Global Employment Trends for Women* is also expected for late 2015.

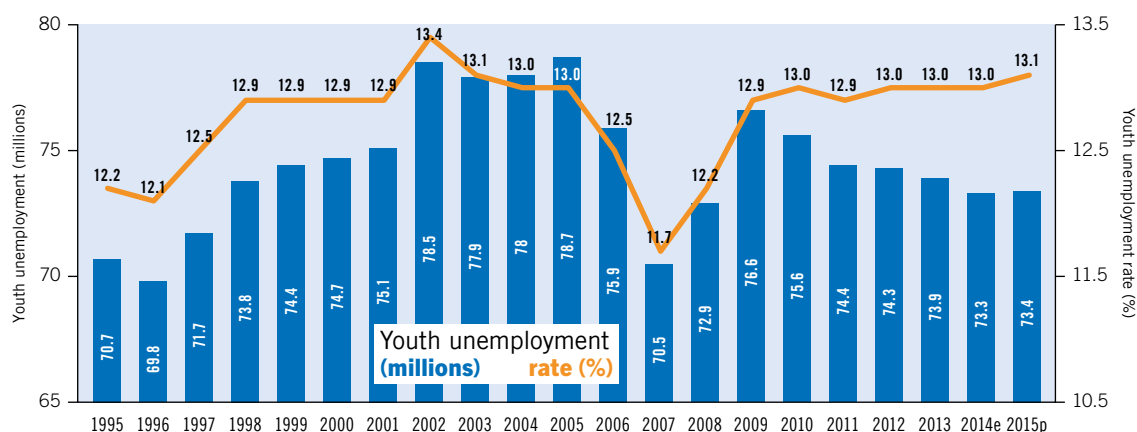
2.3 Global youth unemployment starts to recover

After a period of rapid increase between 2007 and 2010, the global youth unemployment rate settled at 13.0 per cent for the period 2012–14 and is expected to increase only slightly to 13.1 per cent in 2015 (figure 2.4 and Annex table A.1). While this rate is now on par with rates of the early 2000s, the number of unemployed youth has shown a significant decline over the same period: 78.7 million youth were unemployed in 2005, 76.6 million at the peak of the crisis in 2009 and then descending to an estimated 73.4 million in 2015. That the youth unemployment rate has not decreased with declining numbers of unemployed youth is a signal of the longer-term trends in the declining youth labour force, the denominator of the rate. In the ten-year span between 2005 and 2015, the youth labour force declined by as much as 46 million while the number of unemployed youth dropped by 5.3 million.

Figure 2.5 reflects well the cyclical nature of youth unemployment and reminds us of the often repeated tenet that youth are among the most severely impacted by economic crises; youth are the “first out” as economies contract and the “last in” during periods of recovery. Evidence from previous crises suggest that it takes an average of four to five years from the resumption of economic growth before overall employment returns to its pre-crisis levels (ILO, 2009). Recovery of youth employment can take even longer. In fact, at this point in time, nearly ten years after the onset of the global economic crisis, the global youth unemployment rate remains well above the pre-crisis rate of 11.7 per cent in 2007.

While the number of unemployed youth is decreasing in recent years, the global youth unemployment rate is proving more stubborn.

Figure 2.5 Global youth unemployment and unemployment rate, 1995–2015



e = estimate; p = projection.

Source: ILO, *Trends Econometric Models*, April 2015.

Projections for 2015 through 2019 show no change at 13.1 per cent until 2018, when a slight jump to 13.2 per cent is expected (figure 2.6 and Annex table A.2). Regional disparities are, however, likely to increase, as some improvement in youth unemployment rates in developed economies in the medium term will be offset by the increase in unemployment rates in other regions. The following sub-section presents the regional trends in more detail while section 3.3 discusses how and why youth unemployment increases in correlation to per capita income levels.

Youth unemployment rates continue to exceed those of adults. Globally, the ratio of youth to adult unemployment rates has hardly changed over time and stood at 2.9 in 2014 (Annex table A.4).¹⁴ The youth unemployment rate has been consistently close to three times

¹⁴ For a review of why youth unemployment rates consistently exceed adult rates, see box 2.1 in the 2006 report *Global Employment Trends for Youth* (ILO, 2006).

Box 3. Interpreting the ratio of the youth-to-adult unemployment rate

Declining youth employment is reflected also in declining youth labour force numbers and rates (see section 2.1). And since the labour force is the denominator of the unemployment rate, its decline becomes one factor in higher youth than adult unemployment rates. In fact, the labour force trend is so particular to the youth cohort that comparing youth and adult unemployment rates becomes akin to comparing apples and oranges. If we were to instead propose an alternative indicator of the ratio of youth-to-adult shares of unemployment in total (respective) populations, the interpretation of the comparative labour markets would have to change accordingly.

Take the EU-28 average for example. In 2014, the ratio of youth-to-adult unemployment rate was 2.5 while the ratio of the youth-to-adult

shares of unemployed in population was 0.9. The resulting responses to the question “are youth better or worse off than adults in the labour market?” would then diverge according to the indicator on hand. Comparing unemployment rates puts youth as the disadvantaged group, while comparing unemployment shares would show that it is adults who are more affected.

With more youth staying in school longer and many now not starting their “career” job search until the latter years of the age band or beyond, the youth labour force faces a completely different dynamic from that of adults. Comparing unemployment rates between the two cohorts, therefore, makes little sense. In other words, perhaps it is time to put the indicator of the ratio of youth-to-adult unemployment rate into retirement.

that of the adult unemployment rate since 1995 (with ratios between 2.7 and 2.9). But the indicator masks some differences between youth and adult labour markets at different points in time and caution is required in comparing the two groups due to their different labour market behaviours (see box 3).

In developing regions, youth unemployment rates are expected to increase slightly over the next few years.

Figure 2.6 Youth unemployment rate estimates and projections, 2008–19 (%)

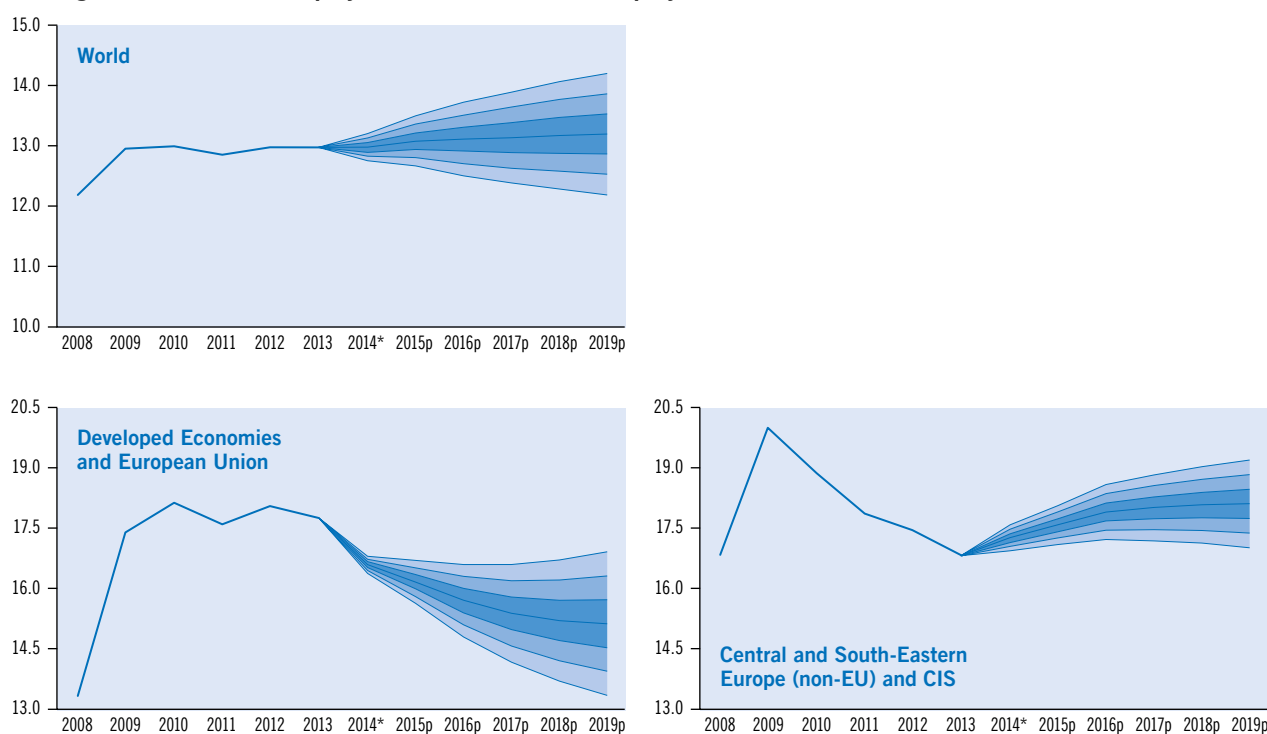
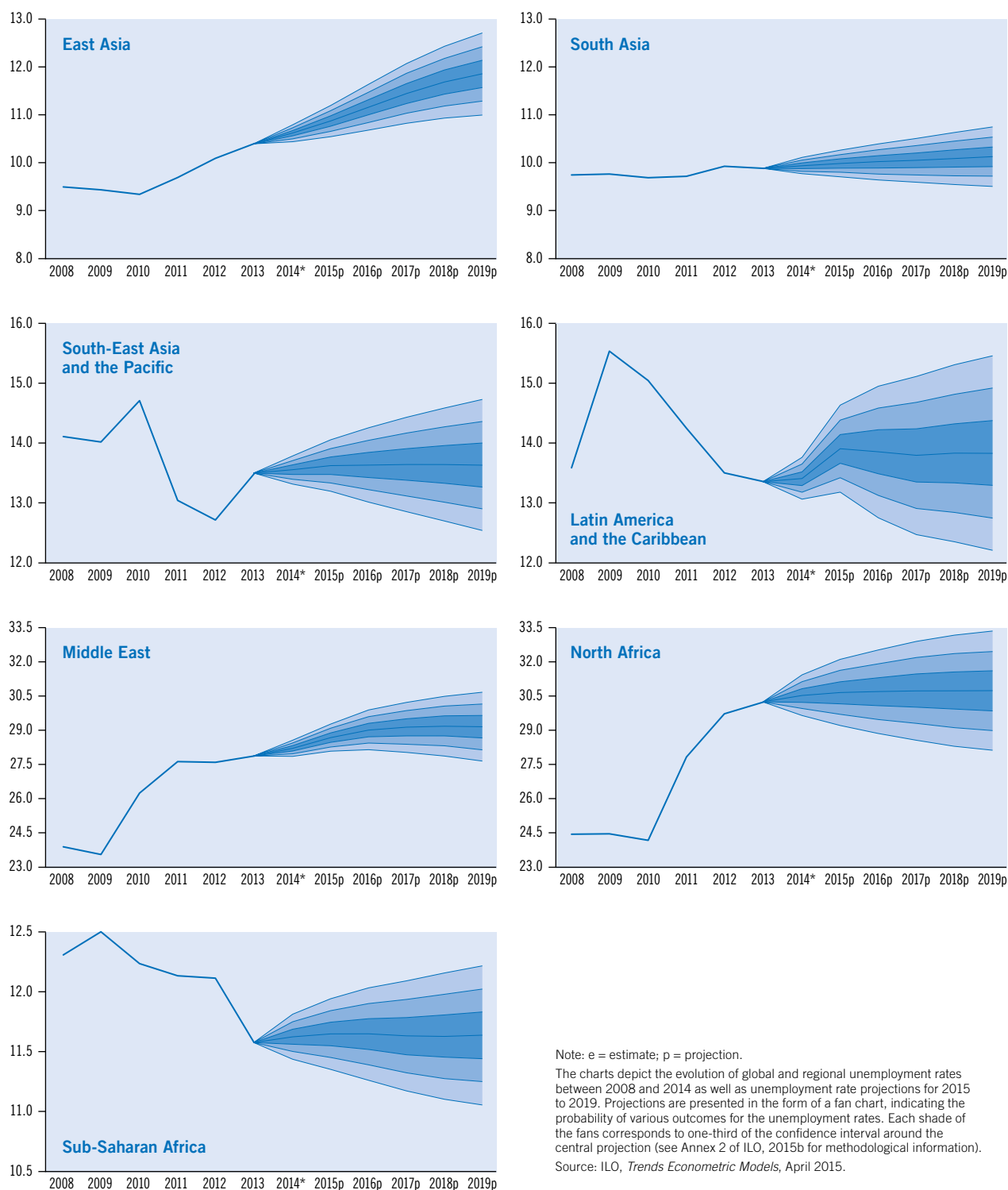


Figure 2.6 (cont.)

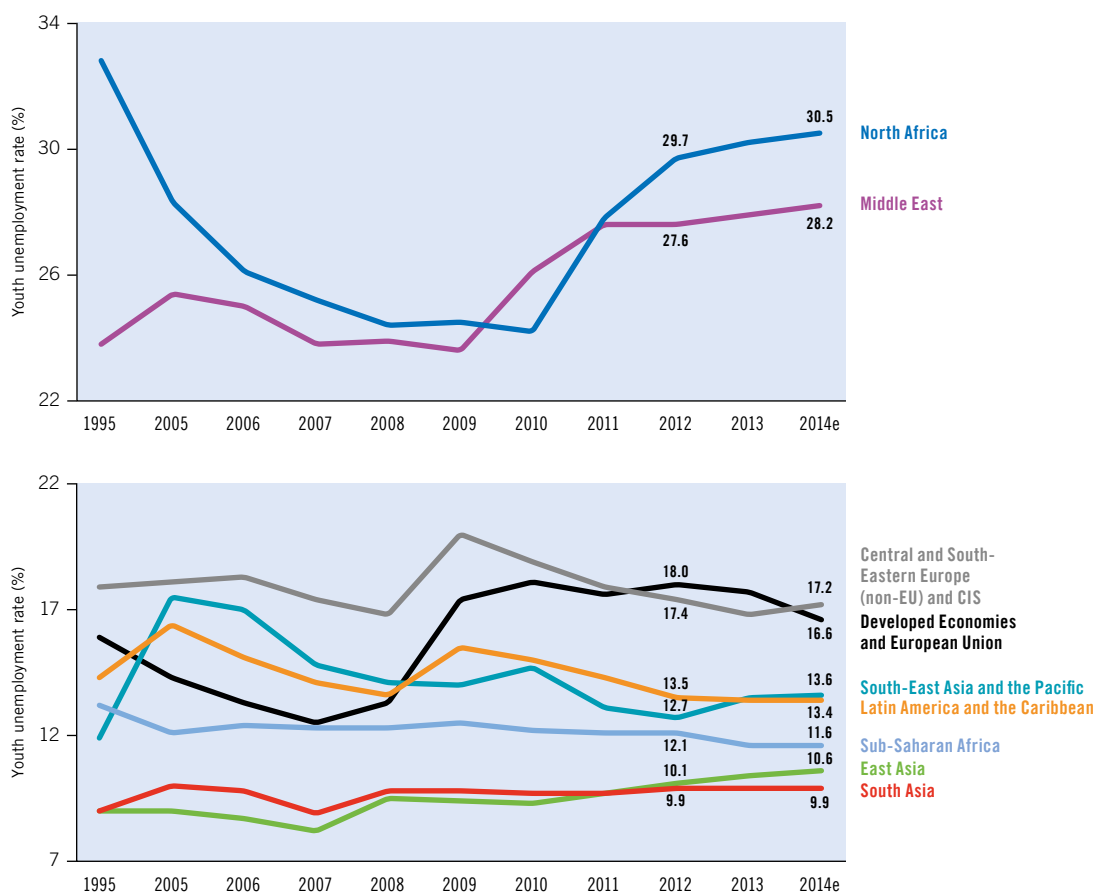


2.4 But regional youth unemployment trends are mixed¹⁵

There is a mix of encouraging and discouraging trends in youth unemployment depending on the short- or long-term perspective for each region. In 2014, youth unemployment was highest in the Middle East and North Africa, at 28.2 per cent and 30.5 per cent, respectively, and lowest in South Asia (9.9 per cent) and East Asia (10.6 per cent; figure 2.7 and Annex table A.2). There are two distinct tiers when it comes to youth unemployment: the Middle East and North Africa, where the share of unemployed youth has exceeded one in four (among the active youth) since at least 1991, and the rest of the world, where rates currently range between 10 and 20 per cent. The particularities of the Middle East and North African labour markets have been frequently analysed (see Annex C for a selection of references), yet policy prescriptions rarely go beyond skills development and apprenticeship programmes. While education and programmes to aid labour market entry are certainly important – noting that Arab youth are already doing well in terms of near universal education, including young women at the higher levels – the persistent high unemployment among both youth and adults in the regions denotes the deep-rooted structural elements that cannot be resolved by supply-side policies alone. The alarmingly high rates of youth unemployment in the Middle East and North Africa thus count among the discouraging trends.

The Middle East and North Africa continue to stand out, with youth unemployment rates in the area of 30 per cent, and while rates are decreasing over time in most regions, these two regions show a continued deterioration.

Figure 2.7 Youth unemployment rates, by region, 1995 and 2005–14



e = estimate.

Source: ILO, *Trends Econometric Models*, April 2015.

¹⁵ For more in-depth coverage of regional trends and challenges, see sources recommended in Annex C.

Positive signs in youth unemployment can be seen in (i) the relatively low rates of youth unemployment in the Asian regions and sub-Saharan Africa (although section 3.3 will demonstrate that low unemployment has little meaning to the overall welfare of youth in the low-income countries of the regions); and (ii) the decrease in youth unemployment rates over time (comparing both the long-term period 1995–2014 and medium-term period 2005–14) in Central and South-Eastern Europe (non-EU) and CIS, Latin America and the Caribbean and sub-Saharan Africa. Two regions, Developed Economies and European Union and the Middle East, in contrast, have shown deterioration (increases) in youth unemployment rates over both the long and medium terms. But while subsequent improvement in rates is shown for the former region, the situation shows a continued worsening in recent years in the latter.

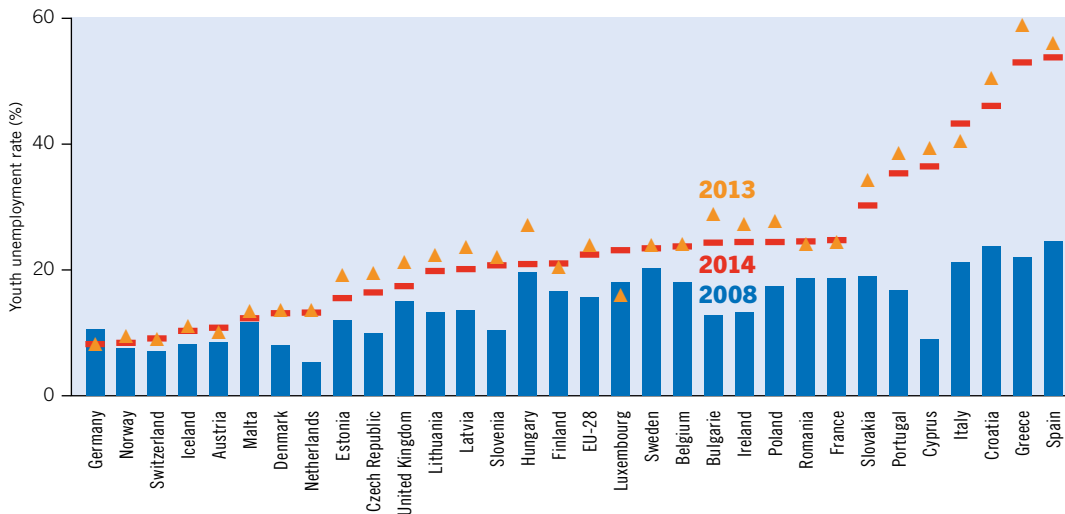
In the short term, the youth unemployment rate decreased between 2012 and 2014 in: Developed Economies and European Union (18.0 to 16.6 per cent), Central and South-Eastern Europe (non-EU) and CIS (17.4 to 17.2 per cent), Latin America and the Caribbean (13.5 to 13.4 per cent) and sub-Saharan Africa (12.1 to 11.6 per cent). Rates increased over the period in East Asia (10.1 to 10.6 per cent), the Middle East (27.6 to 28.2 per cent), North Africa (29.7 to 30.5 per cent) and South-East Asia and the Pacific (12.7 to 13.6 per cent). There was no change in rates in South Asia.

The regions where very slight increases are expected over the period 2014–19 are Central and South-Eastern Europe (non-EU) and CIS, East Asia, South Asia and the Middle East (figure 2.6). The remaining regions – Latin America and the Caribbean, North Africa, South-East Asia and the Pacific and sub-Saharan Africa – are projected to have relative stability in youth unemployment rates over the period.

As the region most drastically hit by the economic crisis (see previous GET Youth reports), as of 2012 the youth unemployment situation in the Developed Economies and European Union has started to ease. As we have seen, the youth unemployment rate decreased between 2012 and 2014 from 18.0 to 16.6 per cent, and recalling figure 2.6, is expected to continue its downward trend to a projected 15.1 per cent by 2019. Unfortunately, however, improvements at the aggregate level mask the severity of the continued crisis in many European countries. Even with the slight overall decline between 2012 and 2014, youth unemployment rates still exceeded 30 per cent in six southern Mediterranean countries (figure 2.8): Croatia (45.5 per cent), Cyprus (35.9 per cent), Greece (52.4 per cent), Italy (42.7 per cent), Portugal (34.8 per cent) and Spain (53.2 per cent). Rates exceeded 20 per cent in two-thirds of the European countries in 2014. In ten countries – Bulgaria, Croatia, Cyprus, Greece, Ireland, Italy, the Netherlands, Portugal, Slovenia and Spain – the current youth unemployment remains at double the rate in 2008. Some of these countries are still undergoing austerity adjustments in reaction to the crisis, which are proving to have especially painful consequences for youth (see section 3.5.1).

Improvements in youth unemployment rates among developed economies at the aggregate level hides the continuing crisis situation facing youth in many European countries.

Figure 2.8 Youth unemployment rates, European countries, 2008, 2013 and 2014



Source: Eurostat, database of the European Union Labour Force Survey.

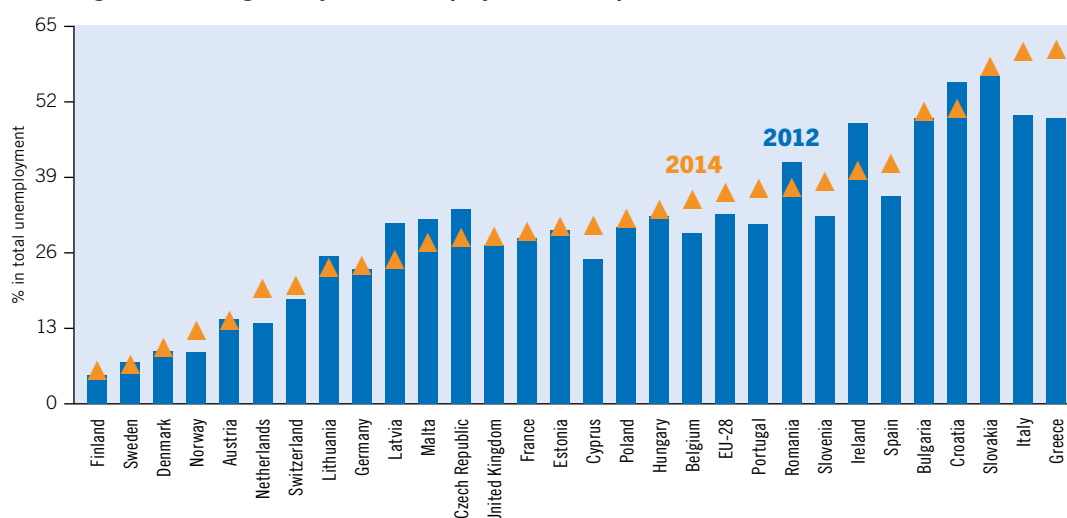
For many of the youth, entering and re-entering the labour market with associated short spells of unemployment is not problematic, i.e. it does not cause them too much mental or financial stress.¹⁶ Unemployment of a duration greater than 12 months, however, *can* cause stress, a lot of stress, which is why the indicator of long-term unemployment is an important one for monitoring the health of the youth labour market. The ILO (2015b) has pointed to skills erosion, rising social exclusion and even higher poverty as effects of rising unemployment durations. Numerous other studies look at the issue of scarring, whereby starting out in unemployment increases the risk that an individual experiences more spells of unemployment, lower earnings prospects and lower chances of obtaining a decent job in the longer term (see discussion in ILO, 2010). And the longer the person is unemployed, the longer the scars can last.

In the 28 countries of the European Union, more than one in three (35.5 per cent) unemployed youth had been looking for work for longer than one year in 2014, an increase from 32.6 per cent in 2012 (figure 2.9). In more cases than not, the incidence of long-term unemployment among youth increased between 2012 and 2014, as it did for adults (see box 4). The largest jumps were seen in Italy and Greece, where in 2014 as many as 59.7 and 60.1 per cent, respectively, of unemployed youth were in long-term unemployment. Despite continued increases in some countries, Bivens and Shierholz (2014) challenge the idea that higher long-term unemployment is a new structural phenomenon. Rather, the report finds that, at least in the context of the United States, trends in long-term unemployment are following historical trends; that there has not been a movement towards structural unemployment in the wake of the Great Recession and slow recovery; and that the long-term unemployment rate is reacting slowly to recent increases in aggregate demand. Such results hold out hope for trends in long-term youth unemployment in European countries in the near future.

¹⁶ We can imagine here a teenager looking for seasonal work during the school break.

The incidence of long-term unemployment among youth continues to increase in many European countries.

Figure 2.9 Long-term youth unemployment, European countries, 2012 and 2014



Note: Youth are defined as age 15–24. The incidence of long-term unemployment is the share of persons unemployed for 12 months or longer in total unemployment.

Source: Eurostat, database of the European Union Labour Force Survey.

Box 4. Long-term unemployment in EU countries is not a youth domain

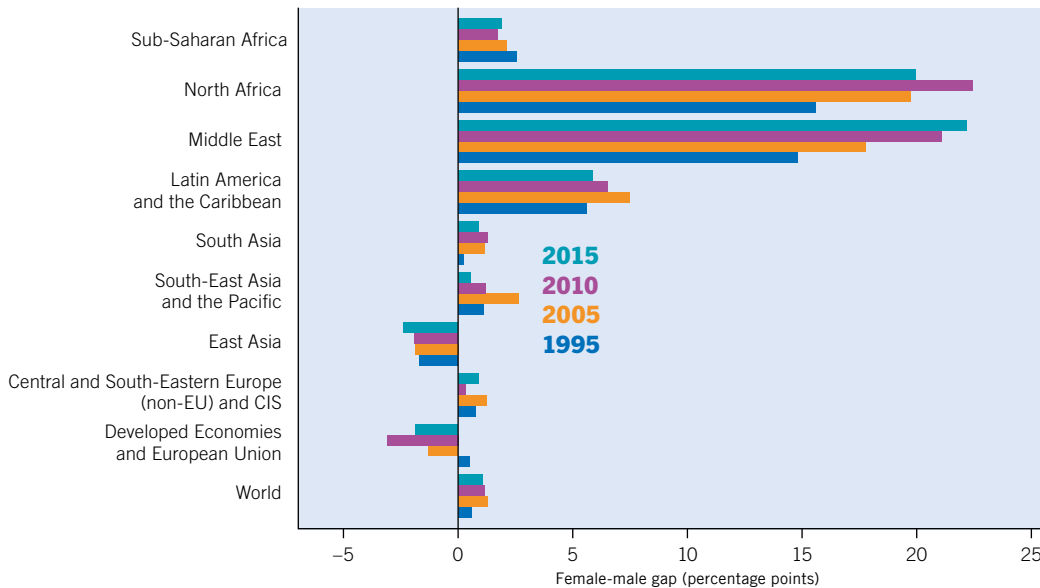
Long-term unemployment among youth as a topic receives a great deal of attention in media and political realms, particularly during times of economic crisis, which is why our readers may be surprised to learn that long-term unemployment is by no means a youth domain. On the contrary, adults are more likely to face the pain of the long-term job search than the younger cohort, at least in the European countries examined. For the same European countries shown in figure 2.9, as many as 13 countries showed an adult (25–74) incidence of long-term unemployment (share in total unemployment) greater than 50 per cent in 2014 compared to three countries for youth. The incidence of long-term unemployment was higher for adults than youth in all countries, and in some cases substantially higher (notably the Scandinavian countries Denmark, Finland and Sweden, where the adult share was between three and five times

greater than the youth share). In 2014, the adult incidence of long-term unemployment in the European Union (28 countries) was 52.7 per cent, up from 41.3 per cent in 2008.

These figures can serve as an important reminder that it is not just youth who are “scarred” by unemployment. In fact, youth may have a stronger tendency to bounce back compared to many unfortunate adults who lose their jobs and find themselves still without work one year later, especially if they have families depending on them. The job search challenge can be magnified for adults unemployed because they often seek work that can utilize the specific skills and experience gained in the year prior to unemployment. Youth, on the other hand, have not yet spent a whole career developing specific skills and experience and might therefore have a wider scope of opportunities available to them.

Gender gaps in youth unemployment rates are exceptionally large in the Middle East and North Africa and worsening over time.

Figure 2.10 Global and regional gender gaps in youth unemployment rates, selected years



Note: Data for 2015 are projections.

Source: ILO, *Trends Econometric Models*, April 2015.

Gender differentials in youth unemployment rates are small at the global level and in most regions. In the Middle East and North Africa, however, the unemployment rate of young women exceeds that of young men by as much as 22 and 20 percentage points, respectively. The gender gap has progressively worsened over time in the Middle East, while North Africa has shown some ups and downs within the twenty-year period 1995–2014 (figure 2.10). Young females are also comparatively disadvantaged in the job search in Latin America and the Caribbean and sub-Saharan Africa, although to a lesser degree than in the Middle East and North Africa, and with an improvement in the gender gap evident from 2005. The Developed Economies and European Union and East Asia are the only two regions where male youth unemployment rates exceed female rates.

Box 5. How well does youth perception of the job market match reality?

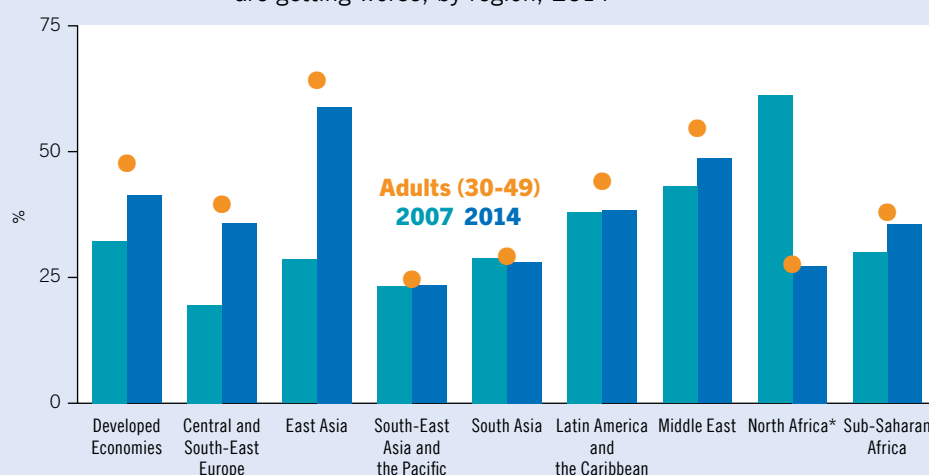
Pessimism or optimism toward job prospects within the youth community can be influenced by economic data and the media, but also by cultural factors and by the nature of the local job market itself. Youth living in an economy based largely around self-employment might feel differently about future prospects for “making” a job from those in an economy where youth are expected to compete for a paid job.

According to Gallup World Poll data, youth in the regions of the Middle East and North Africa and the Developed Economies and European Union were those most likely to perceive the local job market to be bad in 2014; 68 and 58 per cent of youth in the two regions, respectively, felt it was a “bad” time to find work in their local area. Rates were especially high in certain European countries: Cyprus (82 per cent), France (82 per cent), Greece (78 per cent), Italy (99 per cent), Slovakia (84 per cent), Slovenia (78 per cent) and Spain (79 per cent). Indeed, these are the regions showing the highest youth unemployment rates in 2014. That 54 per cent

of youth in sub-Saharan Africa feel job prospects to be bad despite the comparatively low youth unemployment rate in the region (11.6 per cent in 2014 and 2015) reflects the irregularity of the work in the region. Even if working a few hours a week, many youth in sub-Saharan Africa (and low-income countries in general) “feel” themselves to be unemployed (see section 3.3 on relaxed unemployment).

Another perception indicator available from the Gallup World Poll is the share of persons who feel economic conditions in their country are getting better or worse. Comparing results from 2007 and 2014, there was a notable increase in the share of youth who feel economic conditions are getting worse. The current pessimism in most regions – South Asia and North Africa are exceptions – goes against the recent statistical portrait of reducing unemployment, a sign that it takes some time for perceptions to catch up with reality. In all regions youth show greater optimism than adults (box figure 2).

Box figure 2. Share of youth (15–29) who feel that economic conditions are getting worse, by region, 2014



* The earliest year for North Africa is 2008.

Note: The question asked was “Right now, do you think that economic conditions in this country, as a whole, are getting better or getting worse?” The graph indicates the percentage of respondents who answered “getting worse”.

Source: World Gallup Poll, 2014.

3. Youth labour markets from the development perspective

Economic development brings about an evolution in the structure of labour markets. A principal theme of the previous report (ILO, 2013a, Chapter 4) was that labour markets in developing economies do not look like those in developed economies.¹⁷ The theme is continued here and developed further to demonstrate how the process of economic development can be “read” in the labour market indicators for youth. The chapter looks at issues of early employment of adolescents; declining yet still prominent working poverty rates among youth; rural diversification and what it means for the quality of youth employment; and the persistence of irregular work in low-income countries. It addresses how concepts of unemployment, skills mismatch and job quality can differ according to the level of economic development.

Analysis in this chapter and the next benefit greatly from the availability of the recent ILO school-to-work transition surveys (SWTS). The SWTS seeks to understand the different experiences of young people as they leave school and enter the labour market. It gathers pertinent information on the challenges that young people face in this transition not only towards employment in general but specifically towards a stable and decent job. The survey, implemented in more than 30 low- and middle-income countries from five different regions through the Work4Youth (W4Y) partnership between the ILO and The MasterCard Foundation (see box 6), has proven to be a unique and valuable asset for furthering our understanding of this crucial transition process in a young person’s life.

Box 6. Work4Youth: An ILO project in partnership with The MasterCard Foundation

The Work4Youth (W4Y) project is a partnership between the ILO Youth Employment Programme and The MasterCard Foundation. The project has a budget of US\$14.6 million and is running for five years to mid-2016. Its aim is to “promot[e] decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market. The assumption is that governments and social partners in the project’s 28 target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on:

- what young people expect in terms of transition paths and quality of work;
- what employers expect in terms of young applicants;
- what issues prevent the two sides – supply and demand – from matching; and
- what policies and programmes can have a real impact.

Work4Youth target countries by region

- *Asia and the Pacific:* Bangladesh, Cambodia, Myanmar,* Nepal, Samoa, Viet Nam
- *Eastern Europe and Central Asia:* Armenia, Kyrgyzstan, the former Yugoslav Republic of Macedonia, Montenegro,* Republic of Moldova, Russian Federation, Serbia,* Ukraine
- *Latin America and the Caribbean:* Brazil, Colombia, Dominican Republic,* El Salvador, Jamaica, Peru
- *Middle East and North Africa:* Egypt, Jordan, Lebanon,* Occupied Palestinian Territory, Tunisia
- *Sub-Saharan Africa:* Benin, Liberia, Madagascar, Malawi, the Republic of Congo,* Sierra Leone,* South Africa,* Togo, Uganda, United Republic of Tanzania, Zambia

* New surveys in 2015 with one round only.

¹⁷ Work in informal enterprises, casual day labour, own-account work and household production activities remain the norm in developing economies (Cazes and Verick, 2013). In stark contrast, employment in most developed economies is usually based on a written contract, regular pay and entitlements in a private enterprise, although the recent ILO report *World Employment and Social Outlook* (ILO, 2015b) and section 3.5 below suggest a decline in numbers of workers gaining permanent and full-time work also in developed economies. See also ILO (2015f).

3.1 Working too much, too young in low-income countries

Regardless of improvements in educational enrolment (see section 2.1), millions of youth in low-income countries are still taking up employment at early ages. Early labour participation goes hand in hand with early school leaving and low levels of educational attainment. Summarizing the education trends from the SWTS, Sparreboom and Staneva (2014) draw attention to the extremely low shares of youth in low-income countries who manage to complete even the lowest (primary) level of education. Based on SWTS data, 31 per cent of youth in low-income countries had no education qualifications at all.¹⁸ This compares to 6 per cent in lower middle-income countries and to less than 2 per cent in upper middle-income countries.¹⁹ The report concludes that in low-income countries, it is only attainment of a tertiary education that serves as a “guarantee” of paid (non-vulnerable) employment for youth (compared to the “vulnerable” employment categories of own-account and contributing family work; see section 3.5.2). Three in four tertiary graduates (75 per cent) managed to find a paid job compared to only four in ten young secondary-school graduates (40 per cent). Access to education thus becomes a further element in labour market segmentation and inequality.

The series of charts in figure 3.1 reflects the mixed results across regions in terms of access to education and labour market participation. In the Eastern European and Central Asian countries (of the SWTS data collection; see Annex B), 15–17-year-olds were mostly in school (only 2.2 per cent were out of school and working and another 4.8 per cent were NEETs).²⁰ The SWTS countries in Latin America and the Caribbean and the Middle East and North Africa also demonstrated their relative success at keeping youth in school, but still nearly one in five adolescents were out of school and working or NEETs, with numbers significantly higher in rural areas.²¹

In contrast, results from the countries surveyed in Asia and the Pacific and sub-Saharan Africa – the two regions housing all ten of the low-income countries among the 28 countries surveyed – show that many young people are already working at very young ages. Fifteen (15.0) per cent and 16.7 per cent of young adolescents were out of school and working in Asia and the Pacific and sub-Saharan Africa, respectively. Another 11.4 and 10.0 per cent, respectively, were NEETs. The poverty connection goes without saying. Poverty significantly shortens the innocence of childhood and early labour market entry remains an all too prevalent reality (see box 7). The long-term impacts on those involved can be devastating (ILO, 2015d).

¹⁸ Unless otherwise specified, figures in this section refer to youth aged 15–29. The extension of the upper age bound from the usual definition of 15–24 (as applied in the global and regional estimates) is made in recognition of the fact that an increasing number of young people stay in education in their early 20s and even beyond the age of 24 years. In order to analyze issues of labour market transition there is sense in expanding beyond the typical years of schooling.

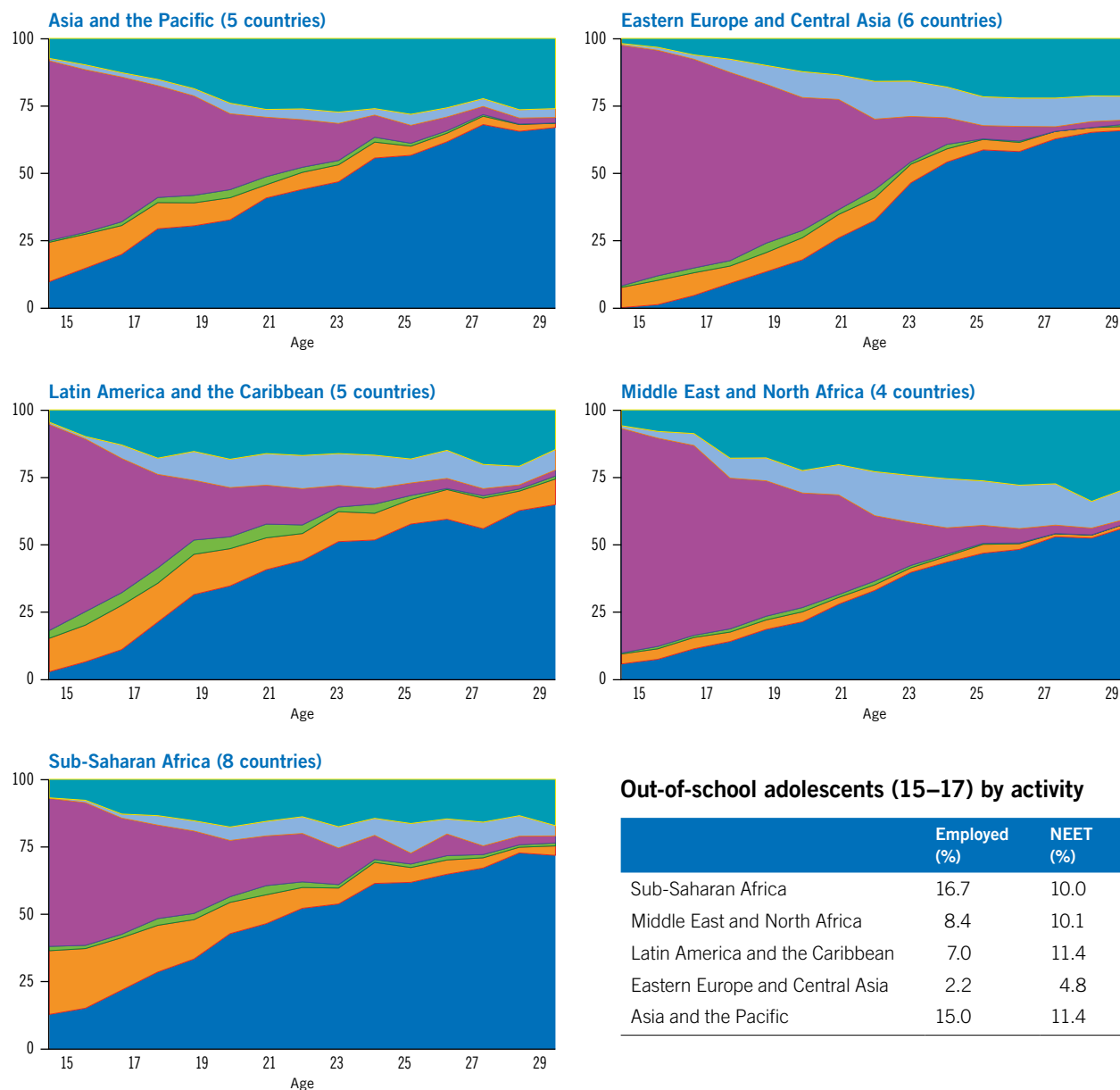
¹⁹ Income levels are according to World Bank income classification, July 2014.

²⁰ The regional and income-based figures based on the SWTS in this chapter and the next are based on simple averages of the small number of countries with available data. Regional and income-based references in the report should therefore be interpreted with care.

²¹ In all countries, youth in rural areas are more likely to engage in economic activity at early ages than youth in urban areas. In the Latin America and the Caribbean region, for example, 13.1 per cent of 15-year-olds in rural areas were already out of school and working compared to 5.9 per cent in urban areas (see Elder, de Haas et al., 2015, figure 3.1).

Economic activity starts too early in low-income countries of Asia and the Pacific and sub-Saharan Africa.

Figure 3.1 Activity status of youth by age, SWTS countries by regional grouping, 2012/13 (% of youth population)



Inactive, not in school **Unemployed, not in school** **Employed, not in school**
Inactive, in school **Unemployed, in school** **Employed, in school**

Source: Authors' calculations using SWTS data in 28 countries. For meta-information on reference period, coverage and sample size of SWTS data, see Annex B.

Box 7. Activities of adolescents (aged 15–17)

Youth in the age range 15–17 are of interest in terms of both child labour and youth employment, since working youth within this age band qualify as “child labourers” if engaging in hazardous work, according to the ILO Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No.182). Ideally, these adolescents would remain in school; however, they fall beyond the minimum working age in most countries and are therefore legally authorized to work.

The ILO *World Report on Child Labour* estimates that the majority of young workers in the age group 15–17 are engaged in some

form of hazardous work (ILO, 2015d). While the SWTS datasets do not allow us to calculate hazardous work for all countries – due to the lack of detailed sectoral distribution data – the countries with available data are presented in box table 1 as a share of the youth population (15–17). Results are worrying in Bangladesh, Brazil, Togo, Uganda and Viet Nam. As hazardous work translates in most countries into higher incidence of work-related illness and injury, there are significant economic reasons to strengthen global action to promote prevention of injury and better protection of vulnerable young workers.

Box table 1. Share in hazardous employment in the youth population aged 15–17

Bangladesh	Brazil	Jamaica	Kyrgyzstan	Moldova, Rep. of	Russian Fed.	Togo	Uganda	Viet Nam
16.7	12.5	1.8	4.6	2.6	6.3	14.6	11.9	24.3

Source: Elder, de Haas et al. (2015), box 2.

Figure 3.1 also reveals information relating to the combination of school and work. Overall, 24.2 per cent of current students in the SWTS countries were working while in school, with the highest likelihood of combining activities in Latin America and the Caribbean and sub-Saharan Africa. This corresponds closely to the average share combining school and work in European countries (22 per cent based on a 2009 module to the EU Labour Force Survey; see also Eurofound, 2014). See section 4.3 for a discussion on the link from school and work combinations to subsequent labour market transitions.

3.2 Developments in the sectoral distribution of youth employment

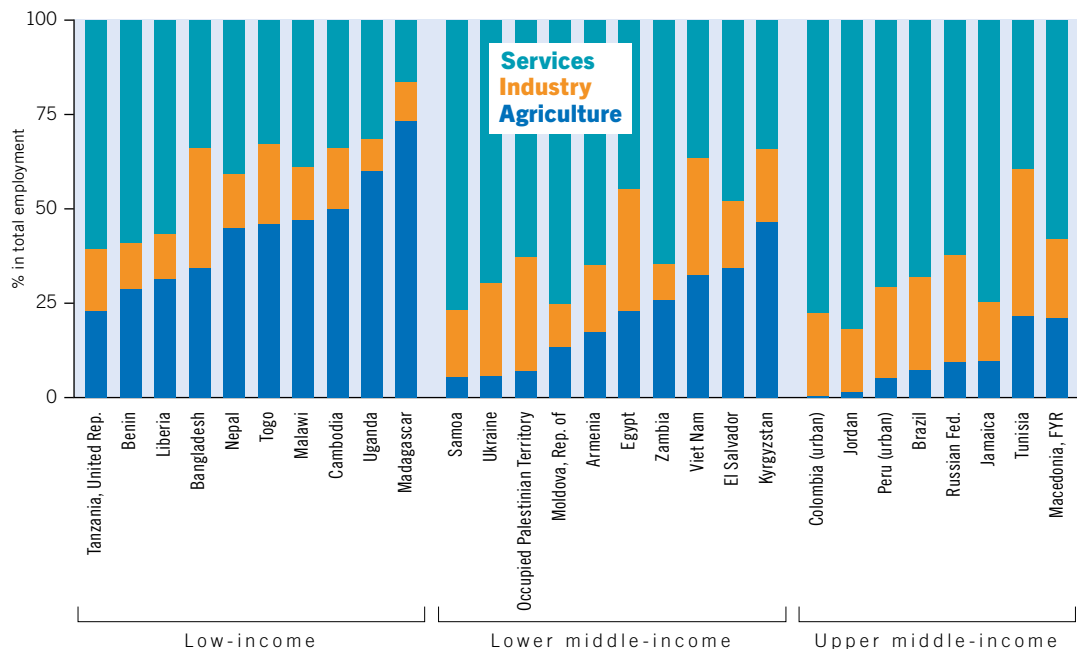
GDP growth over the past fifty years is positively correlated to a shrinking agricultural sector and an increase in the relative sizes of the industrial and services sectors. This relationship has been interpreted in the literature as a signal of industrializing economies involved in a “catching up” process (Cazes and Verick, 2013, Chapter 2). However, the linearity of structural developments has rarely occurred as expected (beyond the East Asian “miracle”) or the structural transformation has not resulted in the expected gains in increased productive employment and equitable growth. Part of the explanation has to do with the employment intensities of growing sectors, together with neglect of the agricultural sector (Tregenna, 2015; ILO, 2005; Islam and Kucera, 2013).

If viewed at the aggregate sectoral level, for the SWTS countries in figure 3.2 it appears that the move away from the agricultural sector continues. It is only in Cambodia, Madagascar and Uganda among the low-income countries where 50 per cent or more of young workers were still engaged in the agricultural sector. In three of the low-income countries, Benin, Liberia and the United Republic of Tanzania, services has taken over as the dominant sector, while industry continues to play an important role in Bangladesh largely due to the garments sector. Elder, de Haas et al. (2015) demonstrate that despite the diversification away from agriculture in the SWTS countries, there have been little gains in generating “better”

opportunities for young people. More generally, when youth move out of vulnerable work in agriculture directly into vulnerable work in services or industry, structural transformation is not reaping the expected results. To maximize the gains from structural changes will require placing emphasis on a multi-faceted strategy promoting agricultural diversification and expansion of the productive segments of the services sector (Islam and Islam, 2015).

The services sector is the largest employer of youth in most countries.

Figure 3.2 Youth employment by sector, SWTS countries by income grouping, 2012/13



Source: Authors' calculations using SWTS data in 28 countries. For meta-information on reference period, coverage and sample size of SWTS data, see Annex B.

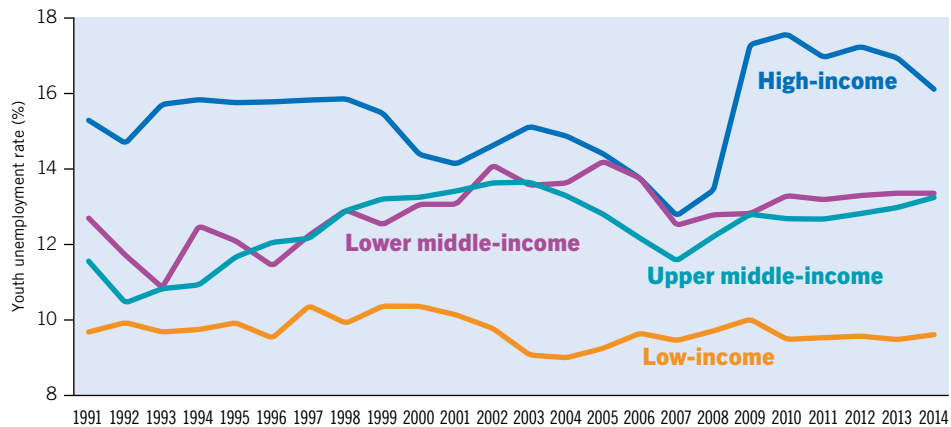
3.3 Interpreting youth unemployment

With decreasing levels of absolute poverty and increasing levels of education (UN, 2014b), young people are less motivated to accept certain unattractive jobs at the bottom end of increasingly segmented labour markets. In other words, it could be said that as middle classes grow and more countries approach the middle-income ranking, more young people can afford not to work, at least for a limited period of time. Rather than accept any job, higher education graduates from middle-income backgrounds can show a certain degree of selectivity.²² This is one of the reasons why youth unemployment rates, defined according to the standard “strict” definition (see box 8), are higher in middle-income than low-income countries. As seen in figure 3.3, the aggregate youth unemployment rate of high-income countries in 2014 was 6.5 percentage points higher than that of low-income countries (16.1 and 9.6 per cent, respectively). The income effect is evident throughout the period from 1991 forward. While there is a slight convergence among high- and middle-income countries prior to 2007, the size of the gap at the upper and lower ends increased significantly during the period of the Great Recession. This demonstrates again that the unemployment rate is sensitive to the business cycle in the higher-income countries only and also that the strict unemployment rate has less meaning in lower-income countries.

²² In some cases, it is the parents of young graduates who are selective on behalf of the youth, disallowing their children to do jobs which may be seen as demeaning, dangerous or culturally unacceptable. The ideology of female-appropriate jobs is particularly strong in some countries and is one reason behind higher female than male unemployment rates in most regions.

Youth unemployment rates increase with income levels.

Figure 3.3 Youth unemployment rates, global estimates by income grouping, 1991–2014



Source: ILO, *Trends Econometric Models*, April 2015.

Unemployment exists in lower-income countries as well, especially when measured according to the relaxed definition (see box 8), but it remains a phenomenon associated primarily with youth from higher income strata holding out for the few available jobs in a small formal sector.²³ The dualistic economic structure means that the employment problem manifests itself not in high unemployment but in high incidence of underemployment hidden in self-employment and casual wage employment outside the formal segment. The incidence of long-term unemployment can also be high in a dualistic economy, as the more privileged unemployed hold out for a good job match. The poor, rather, are typically those who remain outside the formal segment and work as self-employed and casual wage labourers especially in rural areas. Section 3.5 looks in detail at the dominance of irregular and informal employment among youth in developing economies, where unemployment is not an option.

Relaxing the active job search criterion from the unemployment definition can have a significant impact on results, as seen in figure 3.4. While the phenomenon of youth unemployment is lower in low-income countries than upper middle-income countries by both definitions, the gap between the two groups lessens when the relaxed definition is applied, while the youth unemployment rate nearly doubles in the low-income grouping (18.4 per cent, relaxed rate compared to 10.3 per cent, strict rate).

²³ The finding is confirmed in many, but not all, SWTS country datasets. Among six low-income countries with sufficient observations on household income levels (Bangladesh, Cambodia, Liberia, Malawi, Nepal and Uganda), the unemployment rate among youth living in households perceived to be well off or fairly well off was 14.0 per cent compared to 10.4 per cent in households perceived as poor or fairly poor.

Box 8. Strict versus relaxed unemployment

Unemployment as defined according to the international standards requires that a person meet three criteria for inclusion: they (a) did not work in the reference period; (b) were available to take up a job had one been offered in the week prior to the reference period; and (c) actively sought work within the past 30 days (for example, by registering at an employment centre or answering a job advertisement). The difference between the “relaxed” definition of unemployment (also known as “broad unemployment”) and the “strict” definition is in the relaxation of the “seeking work” criterion (c), so that “relaxed” unemployment is defined as the number of youth who did not work in the reference week but are available to work. According to the international standards, the seeking work criterion may be relaxed “in situations where

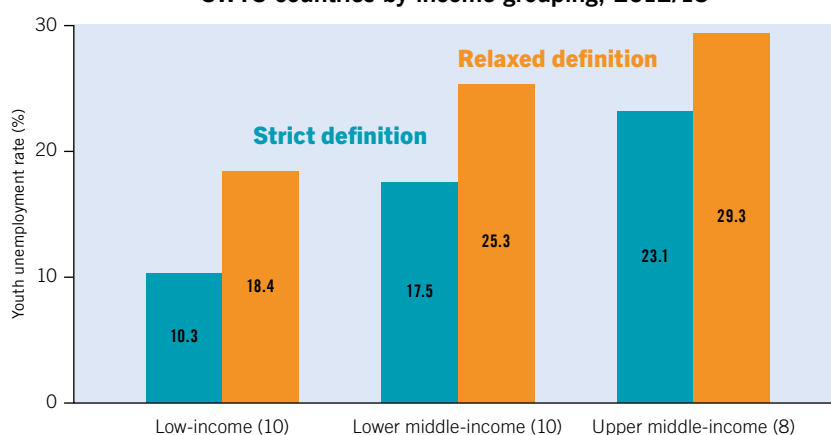
the conventional means of seeking work are of limited relevance, where the labour market is largely unorganized or of limited scope, where labour absorption is, at the time, inadequate or where the labour force is largely self-employed”.¹

In most developed economies, a young person has to prove that they have actively sought work – by registering at an employment centre or applying for job vacancies, for example – to qualify for unemployment benefits. Very few developing economies offer unemployment benefits to their populations. Young people, therefore, have little motivation to actively seek work when they feel there is none available and where labour markets are highly informal. A person without work is more likely to wait for word-of-mouth informal connections to lead to occasional work than to engage in an active job search.

¹ Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13th International Conference of Labour Statisticians, October 1982.

Joblessness among young people is also a significant issue in low-income economies, even more so given the lack of available social protection.

Figure 3.4 Youth unemployment rate by strict and relaxed definitions, SWTS countries by income grouping, 2012/13



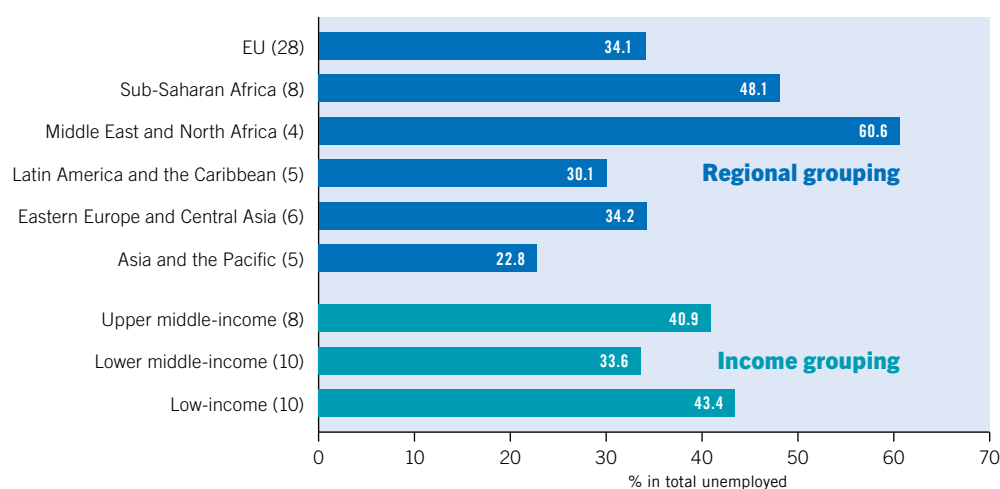
Notes: The age group is 15–29. Number of countries covered is shown in parentheses. Country data are shown in Annex table A.8.

Source: Authors' calculations using SWTS data. For meta-information on SWTS reference period, etc., see Annex B.

Is long-term unemployment an issue in developing regions? It is. In fact, in low-income regions such as sub-Saharan Africa, where youth unemployment rates are lowest, for the few who are unemployed their unemployment tends to be of long duration, as figure 3.5 demonstrates. The incidence of long-term unemployment (of duration of 12 months or longer) among youth in sub-Saharan Africa was 48.1 per cent, behind only the share in the Middle East and North Africa (60.6 per cent). Viewed by income level, there is a slightly higher incidence of long-term unemployment in low-income than in upper middle-income countries (43.4 and 40.9 per cent, respectively).

The young unemployed are equally likely to face long-term unemployment in low- and high-income countries.

Figure 3.5 Youth incidence of long-term unemployment, SWTS countries, by income and regional grouping and European Union, 2012/13



Notes: The incidence of long-term unemployment is the share of persons unemployed for 12 months or longer in total unemployment. The age groups are 15–29 for SWTS countries and 15–24 for the EU average. Number of countries covered is shown in parentheses.
Sources: Authors' calculations using SWTS data and Eurostat, the database of the European Union Labour Force Survey (EU-28). For meta-information on SWTS reference period, etc., see Annex B. EU-28 data is 2013.

3.4 More on skills mismatch: Exploring supply-side constraints

To what degree are the current high rates of youth unemployment in some countries the result of an insufficient supply of qualified labour? Numerous reports picked up by the media²⁴ follow the claim of employers who state their inability to fill posts because they cannot find candidates with the “right” skills. The emphasis on the “right” skills is put forth as a reminder to policy-makers that it is not simply a matter of keeping young people in school so as to enter the labour market as “degreed” and ready to be snapped up by employers. Rather, reports such as McKinsey (2014) based on a survey of over 2,000 employers in eight European countries emphasize that even tertiary degrees are no guarantee of employment when the area of specialization does not correspond to market needs and when the education system does not embed youth with important soft skills including a work ethic (see box 9).

Regardless of the causes of skills shortages – the structure of economic growth, the education system, the youth themselves and let us not forget the employers who show an increasing reluctance to “train up” young labour market entrants²⁵ – the end result is that an increasing number of young people in developed economies are taking up work for which they are over-qualified. This brings a loss of valuable skills for the young person and a forfeit of higher productivity on the part of the economy. Yet another consequence is when the overeducated young person takes jobs away from the lesser-educated youth. Sparreboom (2014) provides an

²⁴ For example, “U.S. manufacturing sees shortage of skilled factory workers”, in *Washington Post* (19 Feb. 2012); “Alarm over skills shortage in Europe”, in *Financial Times* (26 May 2013); “Skills gap ‘damaging young and employers across Europe’”, in *BBC News* (13 Jan. 2014).

²⁵ Matsumoto, Henge and Islam (2012) note that “During contractionary periods, on the other hand, there may be a tendency to seek out ‘perfectly matching’ job applicants, as employers are hard-pressed to make ends meet.”

Box 9. Is too much burden put on students to make good career choices?

While young people serve as an easy scapegoat for the current skills shortage for not pursuing a “good” field of study, it should be acknowledged that most students are not able to make logical forward-looking choices regarding their area of specialization given the information available to them.

A student making education choices on market considerations (as opposed to following their heart) can look at three things: (i) job attachment rates of recent graduates; (ii) salary scales by occupation; and (iii) official national statistics of growth occupations. This already puts a burden on an adolescent and it is unrealistic to imagine that most adolescents will bother to do the research. There is also the issue where information gathered on past results are quickly out of date. In 2008, for example, it was still logical for many American students to study law, given that 91 per cent of law graduates in 2007

had received job offers with soaring wage scales. The young aspiring lawyer could not know that the job market would collapse and that by 2013 only 64 per cent of young law graduates would find work that required a law degree.

And while the young American student might be curious enough to review the latest report by the Bureau of Labor Statistics on the fastest growing occupations, would she/he be convinced to leave the higher education track to pursue one of these career options? Probably not, when more often than not in 2013, the fastest growing occupations did not require a tertiary degree and promised a salary scale below the national median (home carers or fitness trainers are two examples).¹ Unless wages increase in the lesser-skilled “care” occupations to offset unmet demand, it is unlikely that many young people will be tempted toward such work.

¹ The latest available *Occupation Outlook Handbook* of the Bureau of Labor Statistics is available at: <http://www.bls.gov/ooh/fastest-growing.htm>.

overview of the impact of overeducation in terms of wages and satisfaction, while also showing the latest results for the indicators of overeducation and undereducation in Europe.²⁶

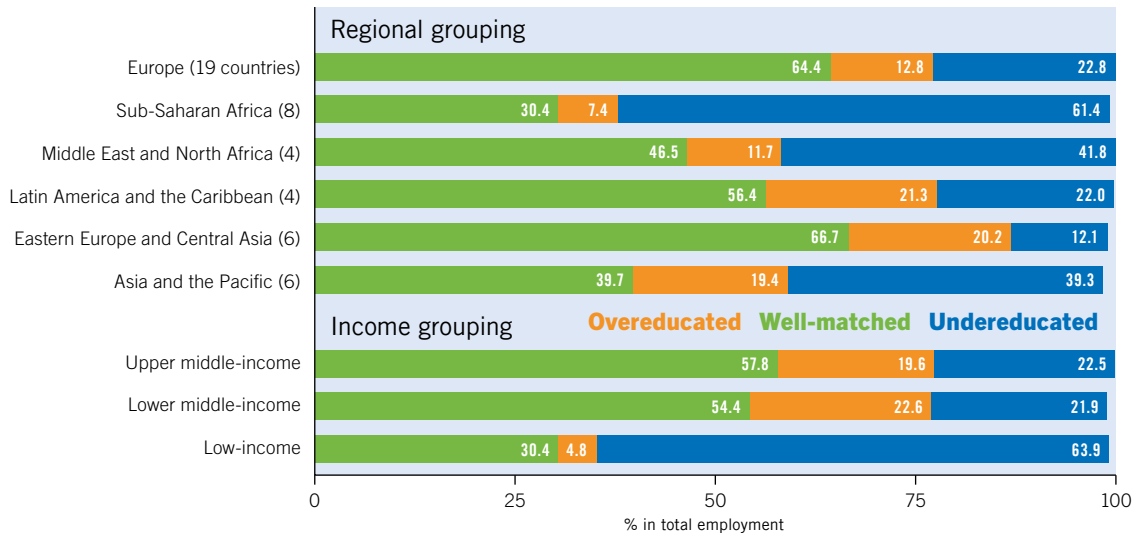
Based on data from the European Social Survey, 17 of 19 countries with data available in 2010 or 2012 showed an increasing trend in the share of overeducated youth from 2002 (Annex table A.10), but it was only in four countries (Denmark, Ireland, Spain and United Kingdom) where the share of youth overeducated for their job reached a proportion of one in six. Undereducation showed a decreasing trend for 14 of the 19 countries yet was still a more likely occurrence than overeducation in all countries but Ireland. In 11 of the 19 countries, at least one in five youth were undereducated for the job they were doing. The data, therefore, should help counter the assumption that qualifications mismatch in the most advanced economies is primarily a concern of overeducation, whereby stunted economic growth results in a scarcity of jobs to absorb the higher skilled youth. In almost all cases, the undereducation of young workers continues to be more prevalent.

In low-income economies, the undereducation of young workers remains a significant concern and an important hindrance to transformative growth. As shown in figure 3.6, the share of undereducated young workers in the group of low-income countries is triple that of the upper middle-income grouping at 63.9 and 22.5 per cent, respectively. Results are particularly disheartening in sub-Saharan Africa where three in five young workers (61.4 per cent) do not have the level of education expected to make them productive on the job. Undereducation can have a severe impact not only on labour productivity but also on the wages of the young workers.

²⁶ Overeducation and undereducation are measured here according to the normative approach based on the International Classification of Occupations (ISCO) as described in ILO (2013a, Chapter 3; see also Sparreboom and Staneva, 2014). This normative measure starts from the division of major occupational groups (first-digit ISCO levels) into three groups and assigns a level of education to each group in accordance with the International Standard Classification of Education (ISCED-97). Workers in a particular group who have the assigned level of education are considered well-matched. Those who have a higher (lower) level of education are considered overeducated (undereducated). For instance, a university graduate working as a clerk (a low-skilled non-manual occupation) is overeducated, while a secondary school graduate working as an engineer (a high-skilled non-manual occupation) is undereducated.

More young workers are undereducated for the work they do than overeducated, in all regions and income groups.

Figure 3.6 Qualifications mismatch of youth, SWTS countries, by income and regional grouping and European Union, 2012/13



Notes: The number of countries is shown in parentheses. Youth are defined as age group 15–29.
Source: Authors' calculations using SWTS data and Sparreboom (2014) for European countries.
For meta-information on reference period, etc., see Annex B. EU data is 2012.

Breaking the cycle of low access to quality education and low earning prospects with renewed concentration of efforts towards investment in quality education, from pre-primary through tertiary levels, must therefore remain a primary focus in the 2030 development agenda.²⁷

Another means of looking at the topic of mismatch in the supply and demand of labour by broad skills level is through the indicator of youth unemployment rate by level of education (see ILO, 2013a, Chapter 3). The indicator offers interesting information on how long-term macro-level changes in an economy (with skill-based technological change, increased trade openness or shifts in the sectoral structure of the economy) alter the experience of high- and low-skilled workers in the labour market. To the extent that persons with low education levels are at a higher risk of becoming unemployed, the policy response may be either to seek to increase their education level or to create more low-skilled occupations within the country. Alternatively, a higher share of unemployment among persons with higher education could indicate a lack of sufficient professional and high-level technical jobs.

In three of the regions shown in figure 3.7, the youth unemployment rate increases consistently with the level of education attained. In fact, in the regional aggregates for Asia and the Pacific, the Middle East and North Africa and sub-Saharan Africa, the youth who completed their tertiary education are between two and three times more likely to be unemployed than the youth with primary education or less. Reasons are two-fold: first, as stated above, there is an income bias of the tertiary educated as those whose households can most likely support them through a lengthy job search. So, at least part of the unemployment of the educated is “voluntary” (they wait for jobs they would like to have). Second, the economies are probably at a stage of development where demand for high-skilled workers remains limited. For the Middle East and North Africa, we must also add as a reason the socio-cultural barriers faced by young female jobseekers.

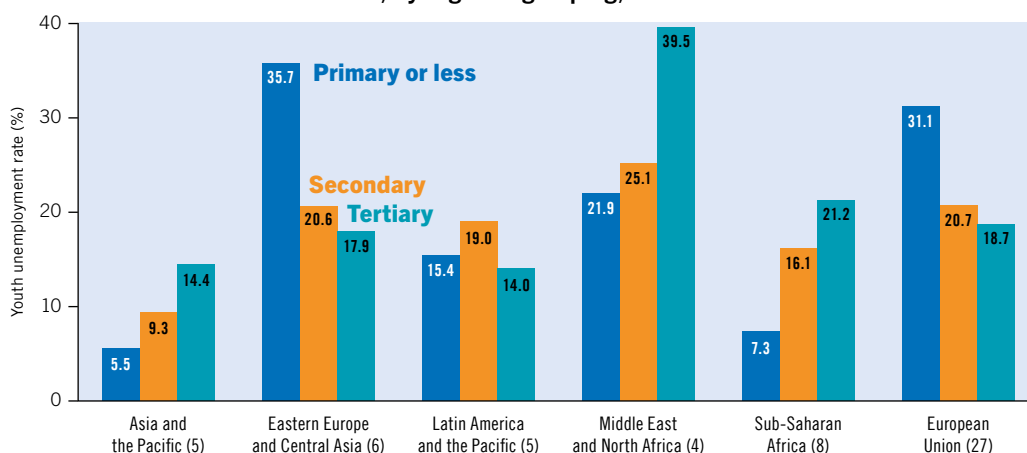
The countries in Eastern Europe and Central Asia show contrary results; here it is the least educated youth who face the greatest challenge in finding work. Such results are in line with

²⁷ Indeed, the aim to ensure relevant skills for youth is reflected in Goal 4. “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” of the proposed SDG framework.

those of the OECD (ILO, 2013a; Scarpetta and Sonnet, 2012). In figure 3.7, the European Union average looks very close to that of the SWTS countries of the Eastern Europe and Central Asia region (with primarily middle-income countries). The unemployment rate of youth with primary education in the European Union was 31.1 per cent in 2013 compared to 18.7 per cent among youth with tertiary education.²⁸ Common explanations put forth for the collapse in demand for unskilled labour tend to look at the influence of technical change on the skills requirements of production.²⁹

In most developing regions, youth with higher education find it more difficult to find work that matches their expectations.

Figure 3.7 Youth unemployment rate (strict definition) by level of completed education, SWTS countries, by regional grouping, 2012/13



Notes: The number of countries is shown in parentheses. Country level data for SWTS are available in Annex table A.9. The age group is 15–29 except for the European Union which is 15–24.

Source: Authors' calculations using SWTS data and Eurostat, the database of the European Union Labour Force Survey. For meta-information on reference period, etc., see Annex B. EU data is 2013.

3.5 Deficiencies in job quality affect youth in both developed and developing regions

With higher youth unemployment in developed economies at the onset of the economic crisis came a growing scarcity in the number of decent jobs. Yet even with economic recovery and declining youth unemployment rates, the scarcity continues, thus hinting at longer-term developments in how young people are engaged. At the same time, decent jobs can look very different, depending on the geography and socio-cultural background of the youth. While a young person raised in Europe can still reasonably aim to find a job with a written contract of duration greater than one year, paid annual leave and possibly even health care and unemployment protection in case of job loss, a young person in a low-income country is unlikely to aim so high. For this reason, this sub-section will take a development perspective when addressing how to discuss the issue of job quality for youth.

²⁸ Maselli (2012) reminds us that the picture of skills demand is more nuanced in many European countries. Some countries show sufficient demand at the “poles” – for the least skilled and the most skilled – while demand decreases for the “medium-skilled”. See also ILO (2015b).

²⁹ There is an extensive literature on the Skill-Biased Technical Change (SBTC) hypothesis, especially in relation to growing wage inequality. See, for example, Card and DiNardo (2002) and more recently the blog “Does skill-based technical change explain growing wage inequality?” at: http://marginalrevolution.com/marginalrevolution/2006/12/does_skillbased.html. See also Nickell and Bell (1995) for a discussion on determinants of unemployment rate by skill.

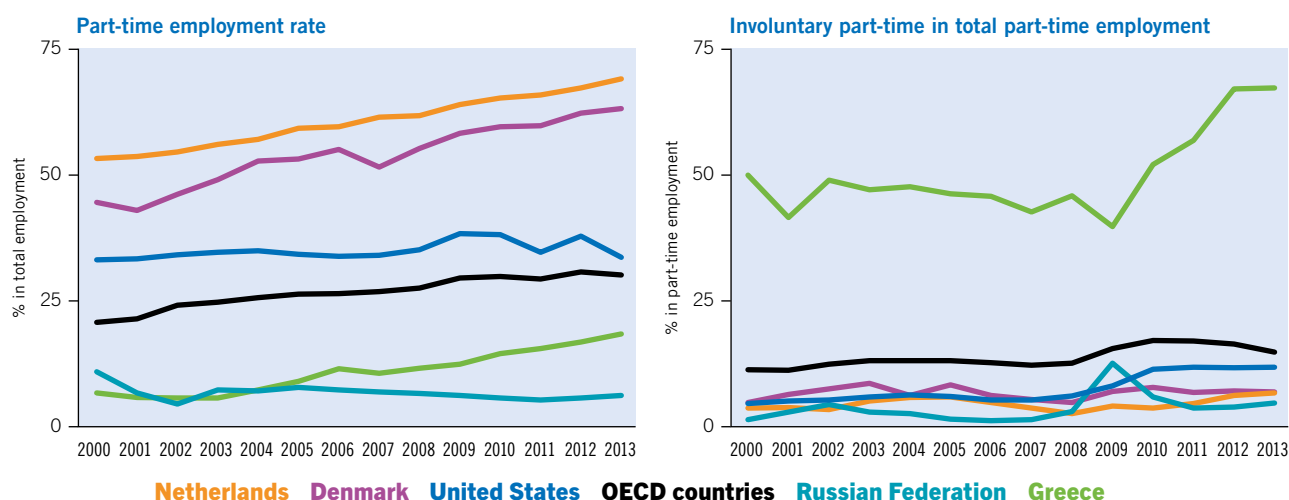
3.5.1 Increasing instability of employment among youth in developed economies

This section investigates claims that youth in developed economies are increasingly finding only part-time and/or temporary jobs available to them. In the 2013 report reviewing data in the years spanning the economic crisis and Great Recession, the conclusion was drawn that the growth of non-standard employment³⁰ among youth in OECD countries suggested that such work was often the only option available to young workers. Has the situation changed two years on?

First, it is important to point out that among OECD countries there has been a long-term trend toward more part-time employment among youth: 20.7 per cent of employed youth worked less than 30 hours per week in 2000 compared to 30.1 per cent in 2013 (figure 3.8). Yet there is no clear evidence of an increased incidence of part-time work among youth over the crisis period. In fact, the average annual change in the part-time employment rate during the crisis period (2007–12) was no different than over the longer-term period 2003–13 (annual increase of 1 per cent) for the OECD as a whole. In the United States, where part-time work among youth is consistently higher than most OECD counterparts, there was a faster than usual gain in part-time shares between 2008 and 2009 but also greater volatility in general over the longer period, both upwards and downwards.

Increasing part-time employment among youth is a long-term trend while involuntary part-time is more sensitive to the business cycle.

Figure 3.8 Youth part-time employment rate and involuntary part-time among young part-time workers, selected OECD countries, 2000–13



Note: The age group is 15–24. Part-time is defined as persons working below 30-usual weekly hours of work in the main job. Involuntary part-time workers are persons working less than 30-usual hours per week because they could not find a full-time job. Source: OECD, StatExtracts.

Second, there is a wide variation among OECD countries in part-time employment for youth, which reflects the various attitudes regarding adolescents working while in school and the institutional frameworks in support of the activity combination. In Denmark and the Netherlands, part-time employment rates among youth are more than double the OECD average (63.1 and 69.0 per cent, respectively, in 2013). Despite what could have been interpreted as growing precariousness among youth in the two countries, the literature rather tends to

³⁰ While no official definition of non-standard employment exists, the concept covers in broad terms work that falls outside the scope of a standard employment relationship. Forms of non-standard employment can include: (i) temporary employment, (ii) temporary agency work and other contractual arrangements involving multiple parties, (iii) ambiguous employment relationships, and (iv) part-time employment (ILO, 2015f).

suggest them as good examples of where part-time work is supported in the educational system and embraced by youth as a stepping stone to future gains in the career path, all while keeping youth unemployment at bay (see Salverada et al., 2008; Crowley et al., 2013). In the United States as well, while the debate regarding the pros and cons of paid work among adolescents continues, there is a tendency to favour the work–school combination as a means for students to build human capital and gain work-readiness skills such as the capacity to take responsibility, to manage their time and handle money.³¹

At the other extreme, figure 3.8 shows the data for the Russian Federation, where youth part-time employment shares remain below 10 per cent. The Eastern European countries within the OECD (Czech Republic, Estonia, Hungary, Latvia, Poland, Slovakia) all show very low rates of part-time work among youth, reflecting a tradition of full-time education of youth (Krillo and Masso, 2010). Greece as well has little tradition of part-time work among youth; however, the share had steadily increased to 18.4 per cent by 2013.

A much better indicator for capturing the involuntary nature of part-time work is the aptly named “involuntary part-time workers”. These are part-time workers (working less than 30 hours per week) who state they would prefer to work full-time, taken here as a share of total part-time employment (figure 3.8, right side). For involuntary part-time work the impact of the economic crisis is made clear as a cyclical effect; the share increased from 12.2 per cent in 2007 to 17.1 per cent in 2010 before falling back to 14.8 per cent in 2013. Taking the OECD dataset as a whole, there is an inverse relationship between the share of youth in part-time employment and the share of part-timers viewing it as a less than ideal circumstance. Greece and the Netherlands are two extremes in this regard: while as many as seven in ten young workers in the Netherlands (69.0 per cent) were working less than 30 hours per week in 2013, very few of them stated a desire to work more hours (6.7 per cent). In stark contrast, in Greece among the 18.4 per cent of youth working part-time, two-thirds of these (67.2 per cent) would have preferred to find full-time work.

To summarize the discussion around part-time employment of youth so far, among developed economies the data show a long-term trend toward increasing incidence of part-time work among youth although the degree of openness towards part-time work depends on the socio-cultural attitudes in the country. And given that most youth in the age span remain in school and are thus not taking up part-time employment as a sole activity, one should not equate increasing part-time work with a negative trend. Still, there was a cyclical increase in the number of youth involuntarily working part-time during the height of the Great Recession and studies have shown that there is lingering harm accruing to the cohorts forced to take up less-than-ideal jobs during times of low labour demand.³²

Fortunately, with economic recovery in many advanced economies, shares are now coming down. The share of young workers in involuntary part-time work in 2013 was no more than 4.5 per cent (OECD average).³³ That said, there are certain developed economies where the youth population is now suffering massive discomfort from the economic crisis and the political reforms put in place in reaction (see box 10). In these countries, finding work, let alone full-time work, as a youth with no work experience, is a drawn-out uphill struggle. Youth unfortunate enough to attempt labour market entry now in these countries will continue to feel the “scars” for years to come.

³¹ For a general discussion of the literature and evidence from a long-term longitudinal study of working adolescents in the United States, see Mortimer (2010). ILO (2015f), table 2, offers a broad inventory of empirical studies on labour market transitions of workers in non-standard employment.

³² Taylor (2013), for example, found that young males involuntarily taking up part-time or temporary work on entry during times of recessions were penalized in terms of lifetime wage growth by the different (lower) opportunities for accumulating human capital or on-the-job training. Thus these workers either develop less, or the wrong kind of, human capital, and/or are exposed to unemployment which incurs a lasting scar and which contributes to a less stable future employment trajectory. See also Kahn (2010) and Altonji, Kahn, and Speer (2014).

³³ Not to be confused with the share of involuntary part-time workers in total part-time employment, as shown in figure 3.8.

Box 10. Youth employment outcomes in austerity

In response to the global financial crisis and the European sovereign debt crisis, five eurozone countries – Greece, Ireland, Italy, Portugal and Spain – adopted special measures to reduce government deficits and levels of public debt. Austerity and reform programmes were negotiated for Greece, Ireland and Spain with the International Monetary Fund, the European Commission and the European Central Bank, while Italy adopted its own reform programme (Euro-move, 2012). While understandably unpopular among those affected, the hope was that the structural reforms would bring long-term improvements in economic performance in exchange for the financial assistance offered by the three institutions. With an emphasis on fiscal consolidation and labour market reforms that entail large-scale cuts in public spending, wage cuts, privatization of public enterprises and reductions in termination and unemployment benefits, there can be no doubt that the reforms have had a severe impact on aspiring labour market entrants in these countries.

Young people in the five countries have been deeply affected by the economic crisis and subsequent programmes, although more recently some of the countries

are seeing an easing of previous pressures (most notably in Ireland). In the austerity years (most programmes starting in 2010 or 2011), the youth unemployment rates in the countries increased in all but Ireland. Greece, Italy, Portugal and Spain experienced increases in the youth unemployment rate of between 10 and 20 percentage points between 2010 and 2014, well above the EU-28 average of less than 1 point (0.9). The youth unemployment rates in the five countries remained well above the EU-28 average of 21.9 per cent in 2014, yet it is important to note that the rates started to decline between 2013 and 2014 in all but Italy (see figure 2.8). Likewise, the share of youth who are NEETs also increased to a much greater degree than the EU average, but this time in only three of the countries, Greece, Italy and Portugal. The same can be said for temporary and involuntary part-time employment among youth as well as the risk for youth of poverty or social exclusion. Beyond direct labour market costs, economists are also taking note of the impact of austerity on health and well-being (see Stuckler and Basu, 2013) and also to gender equality in the face of public sector cuts (UN Women, 2015).

Box table 2. Trends in youth unemployment rate, NEET rate, temporary employment rate, involuntary part-time rate and risk of poverty or social exclusion, selected countries and EU average, 2010–14

	Growth in unemployment rate	Growth in NEET rate	Growth in temporary employment rate	Growth in involuntary part-time employment rate	Growth in share of persons at risk of poverty or social exclusion
	Change between 2010 and 2014 (percentage points)				
Greece	19.4	4.3	–0.8	15.2	14.3
Ireland	–3.7	–4.0	3.8	2.4	15.3
Italy	14.8	3.1	9.2	13.3	5.5
Portugal	12.0	0.9	6.6	–8.8	5.6
Spain	11.7	–0.7	10.7	10.3	9.0
EU-28	0.9	–0.3	0.9	1.0	3.1

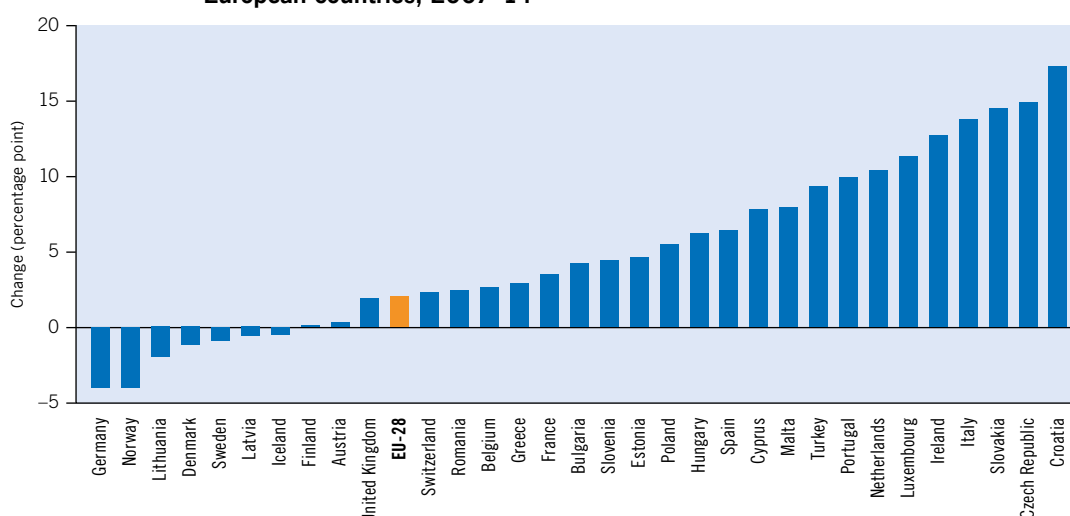
Notes: The temporary employment rate is the share of employees in temporary jobs in total paid (dependent) employment. Involuntary part-time employment is the share of youth working less than 30 hours who want to work full-time in total employment. “Youth at risk of poverty or social exclusion” is among the EU Social Indicators. It is defined as persons with an equivalized disposable income below 60 per cent of the national equivalized median income or living in households with very low work intensity as a share of the total population. The period measured is 2010–14 except for involuntary part-time employment and risk of poverty and social exclusion, which are 2010–13. The age group is 15–24, except for risk of poverty or social exclusion which measures youth as 16–24.

Source: Eurostat, database of the European Union Labour Force Survey, except for involuntary part-time which is OECD data.

O’Higgins (2010) noted the contrasting findings on the usefulness of temporary employment in preventing long-term unemployment and concluded that success in transiting from temporary to permanent employment was largely dependent upon the socio-economic structures of the respective countries. Initial predictions were that the incidence of temporary employment would rise as a consequence of the crisis. Looking at results in figure 3.9 for EU countries, we see that the majority are witnessing an increasing trend in temporary work among youth, but to a much smaller degree than for part-time work. The EU-28 average, for example, showed a slight increase from 40.0 per cent in 2005 to 43.3 per cent in 2014, with the largest annual increase of 1.9 percentage points between 2009 and 2010 and minor changes since then.

Temporary employment among youth has increased in most European countries, although most temporary employment is taken up voluntarily.

Figure 3.9 Growth in incidence of temporary employment among youth, European countries, 2007–14



Notes: The incidence of temporary employment is the share of employees in temporary jobs in total paid (dependent) employment. The age group is 15–24.

Source: Eurostat, database of the European Union Labour Force Survey.

In 2014, 11 of the European countries³⁴ showed temporary employment shares among youth of greater than 50 per cent, but it is important to note that a majority of young workers were already engaged in temporary work in eight of the same countries in 2007. In fact, many of these countries – most notably Germany, the Netherlands, Sweden and Switzerland – have demonstrated good success among youth in making the transition from temporary to permanent jobs. Indeed, many temporary employees have “good” reasons to work on temporary contracts, for example because they are still studying, or in the case of Germany and Switzerland are engaged in an apprenticeship programme. It is also worth pointing out that the proportion of workers with temporary contracts drops to around 20 per cent for youth aged 25 to 29 in all countries except France, Italy, Portugal and Spain (Berlingieri et al., 2014). Shares fall significantly again for the age group above 29. So, to a certain degree, temporary employment among youth can be viewed as an increasingly standard phenomenon in the career path. Whether or not it is a negative development remains to be seen and should be judged with care.³⁵

Whether or not temporary work is viewed as an option of last resort can only be tested with an indicator of its involuntary nature. Unfortunately, however, unlike for part-time employment, the indicator of involuntary temporary work is not available with the possibility of age disaggregation. At the aggregate level (aged 15–64) involuntary temporary employment did not demonstrate a significant increase in the face of the crisis, despite messages to the contrary (although, again, youth trends could be slightly different). Spain, which showed the highest share of involuntary temporary workers at 22.0 per cent in 2014, saw the share decline from 26.7 per cent in 2007.³⁶ The EU-28 aggregate also showed a slight decline from 8.8 per cent in 2007 to 8.7 per cent in 2014. It is also worth noting that among the countries with the highest youth temporary employment rates (noted above), only Poland, Portugal, Slovenia and Spain reported more than one in six temporary workers who wanted permanent work. Shares of involuntary temporary work were less than one in ten in the remaining countries (among those with more than half of youth in temporary work).

³⁴ Croatia, France, Germany, Italy, the Netherlands, Poland, Portugal, Slovenia, Spain, Sweden and Switzerland.

³⁵ More worrisome than temporary work among youth perhaps would be if temporary employment were also a growing issue among prime-age adults. Trends presented in ILO (2015f), figure 2, do not seem to support the presumption.

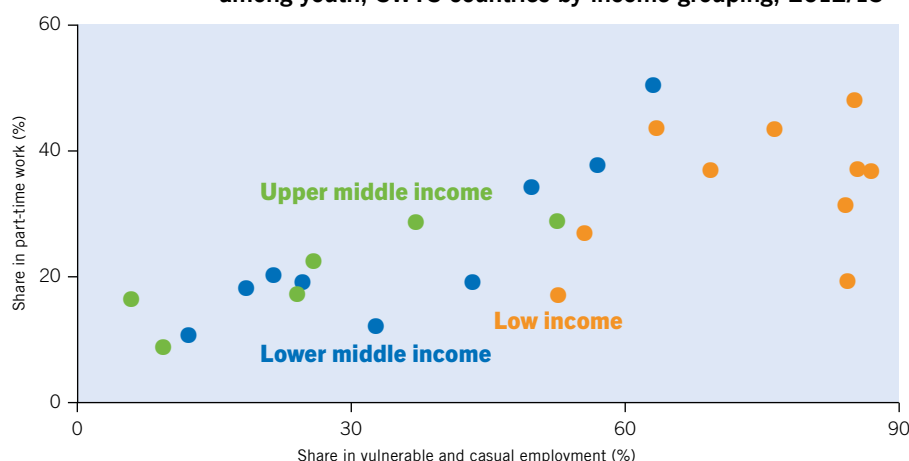
³⁶ Data are from the European Union Open Data Portal at <http://ec.europa.eu/eurostat/web/products-datasets/-/tesem190>.

3.5.2 Job quality in developing countries

The typical indicators proposed for measuring the increase in non-standard jobs for youth in developed economies – part-time employment and temporary employment – have limited relevance to many developing countries. Or rather, the indicators should be interpreted differently. In low-income countries where informality is omnipresent, where the labour market institutions for promoting formal employment and labour standards are weak, where self-employment is the dominant employment category and few young persons are reaching even secondary school levels, it remains a small minority who will ever benefit from a standard employment relationship. Part-time work in this context can be interpreted primarily in the irregularity of hours of the most vulnerable young workers (own-account and contributing family workers) as well as casual paid labourers. The relationship between short hours of work with the less protected statuses of employment is clearly confirmed in figure 3.10.

In developing countries with widespread informality, vulnerability and short working hours go hand in hand.

Figure 3.10 Vulnerable and casual employment and part-time employment among youth, SWTS countries by income grouping, 2012/13



Note: Vulnerable employment is the sum of own-account workers and contributing family workers. Casual labourers are defined as paid employees with contract/agreement durations of less than 12 months who give as the reason for the limited duration of the contract or agreement seasonal work, occasional work or work based on a fixed task. A further check was made to exclude those who stated that their payment period was greater than one month. Part-time employment is the share working less than 30 hours per week. The age group is 15–29.

Source: Authors' calculations using SWTS data. For meta-information on reference period, etc., see Annex B.

A strong positive correlation between the variables is evident in figure 3.10, as is the concentration of the most vulnerable categories of workers among youth in lower-income countries. Table 3.1 goes further to show that part-time work is more a concern of self-employed workers – those in own-account work and contributing family work – than of wage and salaried workers. In all regions and income groups, the share of youth working part-time is consistently lower for paid employees than own-account or contributing family workers. Among the ten low-income countries surveyed, for example, while 23.6 per cent of young paid employees worked part-time (similar to the 20.7 per cent share in OECD countries), the share was 35.9 per cent among own-account workers. The gaps in scale of part-time work between the two groups were particularly strong in the regions of Latin America and the Caribbean, Middle East and North Africa and sub-Saharan Africa. In all regions, young contributing family workers were the most likely to work less than 30 hours per week.

Table 3.1 Part-time employment rates of youth, by status in employment, SWTS countries by income and regional groupings, 2012/13

	Total	Wage and salaried workers	Own- account workers	Contributing family workers
Income grouping				
Low-income (10)	30.0	23.6	35.9	45.0
Lower middle-income (10)	26.6	14.7	37.1	54.4
Upper middle-income (7)	18.9	11.9	34.0	41.3
Regional grouping				
Asia and the Pacific (5)	16.3	11.4	18.0	35.8
Eastern Europe and Central Asia (6)	32.3	31.2	41.4	44.3
Latin America and the Caribbean (4)	27.9	9.3	34.7	51.4
Middle East and North Africa (4)	20.9	8.8	39.5	53.9
Sub-Saharan Africa (8)	24.9	16.8	37.8	49.5

Notes: The age group 15–24 is applied for comparability to OECD countries in figure 3.8. The number of countries covered is shown in parentheses.

Source: Authors' calculations using SWTS data (excluding Colombia). For meta-information on reference period, etc., see Annex B.

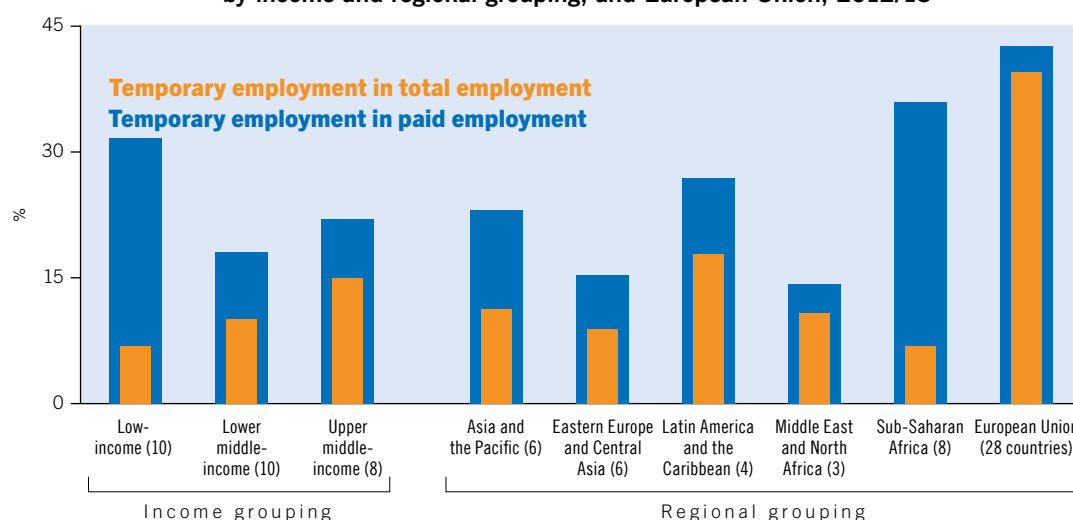
If part-time employment requires a different interpretation in developing countries, what about temporary employment? Indeed, the concept of temporary employment also becomes seemingly insignificant when put in the context of how few young workers in lower-income countries are engaged in paid employment. The insignificance becomes evident not in the typical indicator of temporary employment used in advanced economies – the share of temporary employees in paid employment – but rather when temporary employment is shown as a share of total employment. For the European Union the change of denominator brings little difference in the overall results (39.5 per cent of all young workers in the European Union (28 countries) worked in temporary employment in 2013 compared to 42.6 per cent of paid employees; see figure 3.11). But the choice of denominator completely changes the picture in the other regions. In the eight sub-Saharan African countries surveyed, for example, only 6.9 per cent of all young workers were in temporary employment. Yet among the few who do work in paid employment, a significant proportion (35.9 per cent) was in a temporary job.

As part-time employment and temporary employment are not ideal indicators to highlight the full array of vulnerabilities among young workers in developing economies, an alternative framework is required. But we do not want to recommend ignoring the “developed country” model of the standard employment relationship and its related indicators entirely.³⁷ Knowing that a core element of development relates to building (and strengthening) the labour market institutions that promote a functioning employer–employee relationship and guarantee the basic rights of workers, then the indicators based on the employment relationship (embedded in the contract) are perfectly justified as something to aim for.

³⁷ The employment relationship is a legal notion widely used in countries around the world to refer to the relationship between a person called an employee and an employer for whom the employee performs work under certain conditions in return for remuneration. A growing grey area between dependent work and self-employment has made it increasingly difficult to establish whether or not an employment relationship exists and the trend is increasingly toward development of measures to capture areas of non-standard employment. See ILO (2015f) and the following ILO website for more information: <http://www.ilo.org/global/topics/employment-security/non-standard-employment/lang-en/index.htm>.

Temporary employment is a minimal concern in lower-income countries given the wider scope of employment vulnerabilities.

Figure 3.11 Temporary employment of youth as a percentage of paid employment and total employment, SWTS countries, by income and regional grouping, and European Union, 2012/13



Notes: The age group 15–24 is applied for comparability to EU countries. The number of countries covered is shown in parentheses.
Source: Authors' calculations using SWTS data and Eurostat, database of the European Union Labour Force Survey (EU-28).
For meta-information on SWTS reference period, etc., see Annex B. EU-28 data is 2013.

Expanding the number of young workers in formal employment remains therefore a lofty goal. Unfortunately, recent data from the SWTS show that tackling the transition to formality will not be an easy fight. Among the ten low-income SWTS countries as many as nine in ten young workers is informally employed.³⁸ The incidence improves for middle-income countries (ten lower middle-income and eight upper middle-income) yet still two in three young workers is informally employed.³⁹ It is in some middle-income countries where the political focus on informality is the most visible. In Latin America, in particular, the fight for a more universal guarantee of formal contracts and transformation from the informal to the formal economy are at the forefront of the political agenda. As national incomes grow and self-employment shrinks in favour of paid employment, more workers are exerting political pressure to ensure their protection through a standard employment contract.

In the meantime, as countries remain in the process of development, there are indicators that complement informal employment as a means to better capture the (in)stability of work in the absence of strong labour market institutions. When put together, the following indicators place the spotlight on the weak foundations for productive employment and quality jobs in the majority of the world's countries, which continue to affect the ability of youth to meet their aspirations for a better future.

³⁸ Informal employment is measured according to the guidelines recommended by the 17th International Conference of Labour Statisticians. The calculation applied here includes the following sub-categories of workers: (a) paid employees in "informal jobs", i.e. jobs without a social security entitlement, paid annual leave and paid sick leave; (b) paid employees in an unregistered enterprise with size classification below five employees; (c) own-account workers in an unregistered enterprise with size classification below five employees; (d) employers in an unregistered enterprise with size classification below five employees; and (e) contributing family workers. Sub-categories (b) to (d) are used in the calculation of "employment in the informal sector", sub-category (a) applies to "informal job in the formal sector" and sub-category (e) can fall within either grouping, dependent on the registration status of the enterprise that engages the contributing family worker.

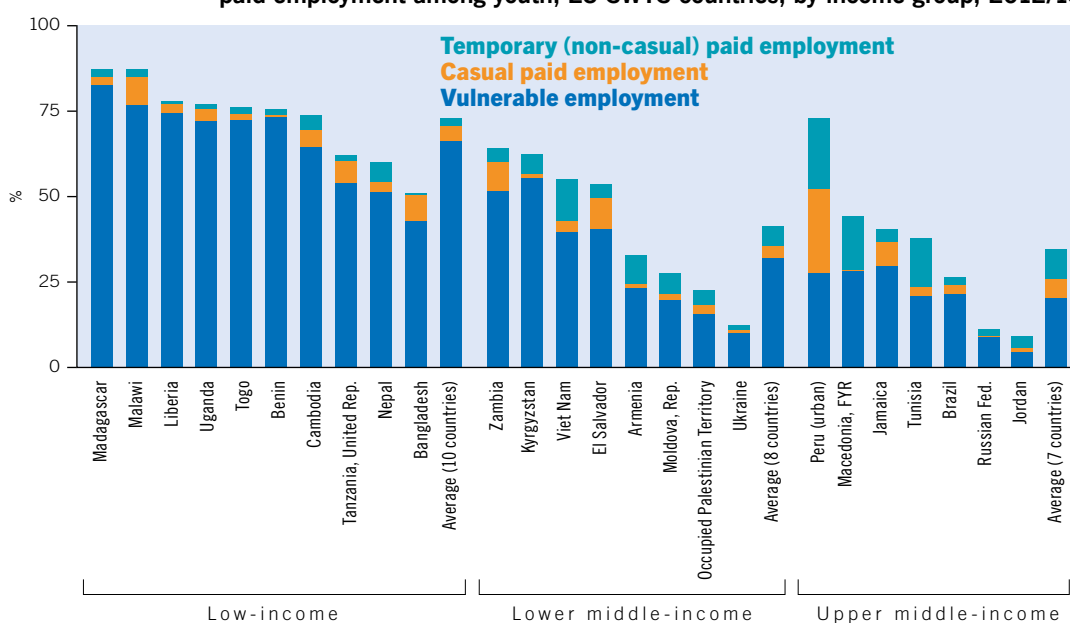
³⁹ Shehu and Nilsson (2014) provides an in-depth analysis of informal employment in the SWTS countries. The International Labour Conference (ILC) introduced a general discussion toward development of an international standard for "facilitating transitions from the informal to the formal economy" in 2014 and continuing also in 2015. The resulting Recommendation – the first ever international labour standard specifically aimed at tackling the informal economy – was passed by the ILO's tripartite constituents in June 2015 (ILO, 2015e).

- *Vulnerable employment* is the sum of two status groups, own-account workers and contributing family workers. Workers in the two groups are often characterized by inadequate earnings, difficult conditions of work that undermine their fundamental rights, or other characteristics of decent work deficits (Sparreboom and Albee, 2011).
- *Casual wage labourers* are paid employees who are engaged on a “casual” basis, either due to participation in seasonal or occasional jobs or because the work is considered task-based. The assumption here is that large shares of casual labourers signal surplus labour and widespread underemployment in the economy and that the precarious nature of employment and lack of access to social protection is similar to the situation of vulnerable workers. Elder, de Haas et al. (2015) show the concentration of casual wage labourers among young workers in the agricultural sector (and hence in rural areas).
- *Temporary workers (non-casual)* are paid employees engaged on a contract (oral or written) with a duration of less than 12 months. Casual labourers are excluded from the group to avoid double counting.
- *Irregular employment* is the sum of the three preceding categories: vulnerable employment, casual wage employment and temporary (non-casual) employment.

The results shown in figure 3.12 hold few surprises. In most low-income countries, at least three in four young workers fall in the category of irregular employment. As an average of the ten low-income countries, two in three (66.3 per cent) young workers were in vulnerable employment as either own-account workers or contributing (unpaid) family workers. Another 4.3 per cent were in casual paid labour and 2.1 per cent in temporary (non-casual) labour, for a total of 72.5 per cent in irregular employment. This compares to an average of 34.5 per cent in irregular employment in seven upper middle-income countries and 41.2 per cent in eight lower middle-income countries.

Employment offers little hope of stability for youth in low-income countries.

Figure 3.12 Vulnerable employment, casual paid employment and temporary (non-casual) paid employment among youth, 25 SWTS countries, by income group, 2012/13



Notes: The age group is 15–29. Vulnerable employment is the sum of own-account workers and contributing family workers. Casual labourers are defined as paid employees with contract/agreement durations of less than 12 months who give as the reason for the limited duration of the contract or agreement seasonal work, occasional work or work based on a fixed task. A further check was made to exclude those who stated that their payment period was greater than one month. Temporary (non-casual) employment is paid employment with a duration less than 12 months minus casual workers. Colombia, Egypt and Samoa are excluded due to missing variables for the calculation of casual labour. Russian Federation is a high-income country.

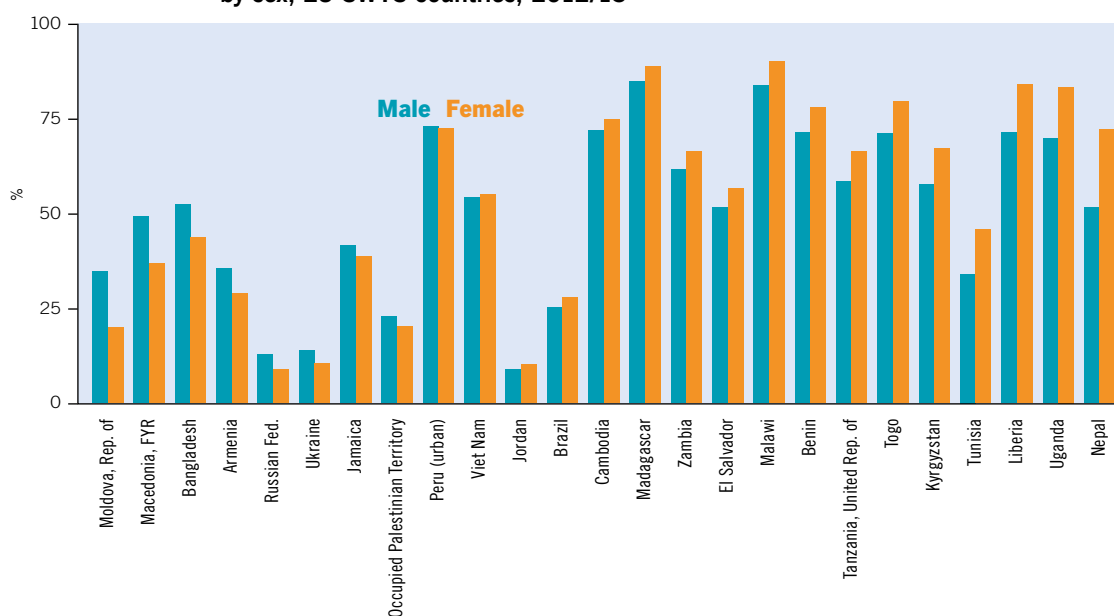
Source: Authors' calculations using SWTS data in 25 countries (excluding Colombia, Egypt and Samoa). For meta-information on reference period, etc., see Annex B.

In the majority of countries surveyed, young women are the most disadvantaged in the struggle for decent jobs. The few countries with higher male shares in irregular employment are primarily located in Eastern Europe and Central Asia (exceptions are Bangladesh, Jamaica, Occupied Palestinian Territory and Peru). Among the other countries in figure 3.13, the gender gap in irregular employment shows the particular disadvantages of young women. Positive gaps (higher female-to-male) range from less than 1 percentage point in Viet Nam to 21 points in Nepal. The country-level data are available in Annex table A.11.

Not surprisingly, the irregular nature of employment leaves many youth in developing countries feeling insecure and wishing for something better. Figure 3.14 shows the positive correlation among the variables. Among the SWTS countries in the top quintile of the youth irregular employment rate (more than 3 in 4), 20.1 per cent of young workers felt it was unlikely that they would be able to keep their job over the next 12 months and 52.5 per cent expressed a desire to change their job. For the countries in the lowest quintile for irregular employment among youth (less than 1 in 4), 14.7 per cent of young workers felt unlikely to keep their job and 34.1 per cent expressed a desire to change their job.

In most countries, young women are more likely than men to work in irregular employment.

Figure 3.13 Youth in irregular employment (vulnerable employment, casual paid employment plus temporary (non-casual) paid employment), by sex, 25 SWTS countries, 2012/13

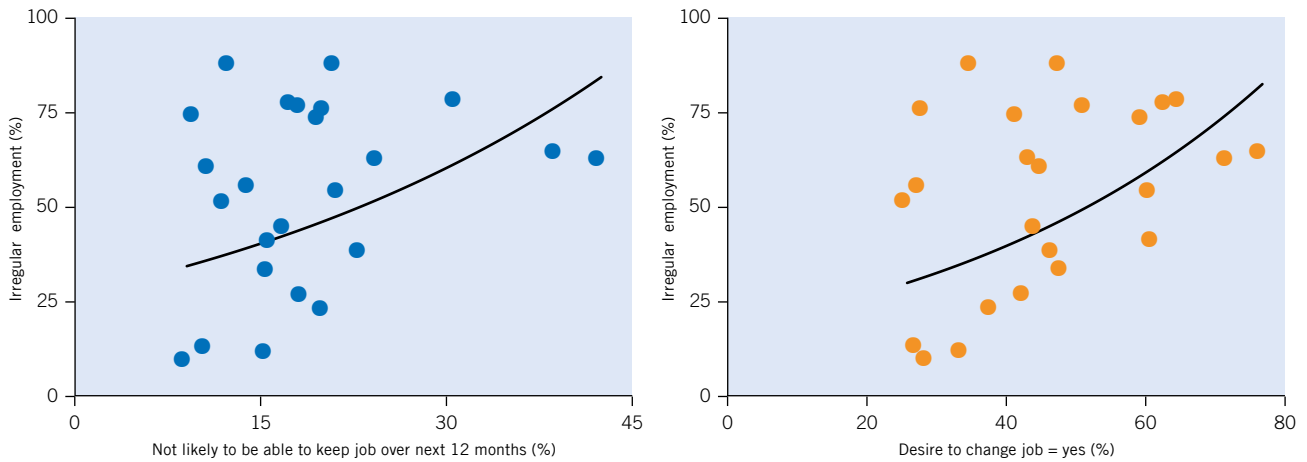


Notes: See figure 3.12. Country data are available in Annex table A.11.

Source: Authors' calculations using SWTS data in 25 countries (excluding Colombia, Egypt and Samoa). For meta-information on reference period, etc., see Annex B.

There is a positive correlation between job (in)security, desire to change job and the irregular nature of work.

Figure 3.14 Youth in irregular employment, by likelihood of keeping job and desire to change job, 25 SWTS countries, 2012/13



Source: Authors' calculations using SWTS data in 25 countries (excluding Colombia, Egypt and Samoa). For meta-information on reference period, etc., see Annex B.

The most frequently cited reason for wanting to change the job – and the same can be said regardless of income level – was to find a higher wage. The second “top” reason was because of the temporary nature of the job, followed by “to find better working conditions” and “to make better use of one’s qualifications”. These questions provide important hints as to what young people qualify as decent work. There is no doubt about it: today’s youth (like adults) aspire to productive employment that provides them with a decent wage, security and good conditions of work. Unfortunately far too few youth are able to match their aspirations to reality. One of the more obvious reactions of youth facing unmet aspirations is migration (see box 11).

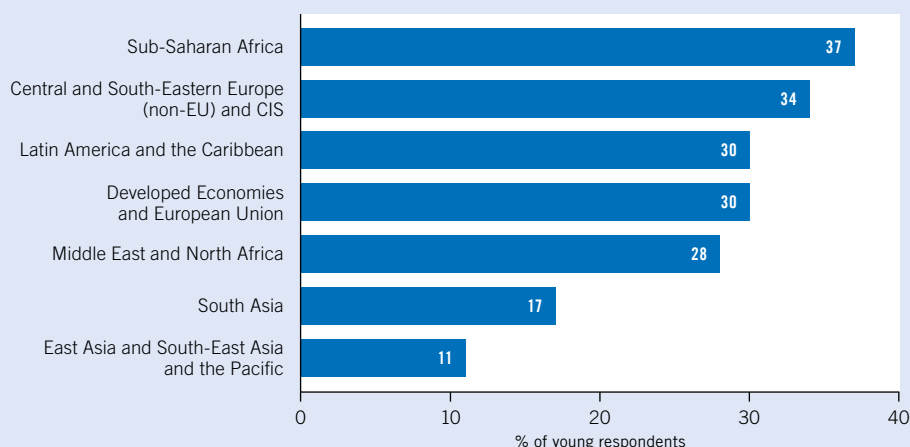
Box 11. Youth and willingness to migrate

The predilection to move abroad is closely linked to local economic opportunities weighed against the perceived opportunities to be gained abroad. When youth migration takes place in conditions of freedom, dignity, equity and security, it can boost economic and social development in both countries of origin and destination. However, young migrants can also get trapped in precarious jobs with reduced or no protection – or worse, become victims of exploitative and abusive employment practices, including human trafficking and forced labour. According to the UN *World Youth Report* on youth and migration in 2013 (UN, 2013), by mid-2010 the global number of international migrants aged 15 to 24 was estimated at 27 million, constituting about one-eighth of the global migrant stock of 214 million. Young people represent a major proportion of those migrating annually and there are no

hints that this trend will abate in the near future. Looking at recent data from the Gallup World Poll data, we find that more than one in three youth in sub-Saharan Africa and Central and South-Eastern Europe and CIS (37 and 34 per cent, respectively) said they would like to move permanently to another country in 2014 (box figure 3).

In the other regions, apart from Asia, the share of youth predisposed toward migration is also high (around 30 per cent). Among the countries in Europe most severely affected by the economic crisis, the share of youth that would like to move permanently to another country is still very high: Slovenia (57 per cent), Italy (55 per cent), Cyprus (49 per cent), Portugal (40 per cent) and Greece (38 per cent). On the other hand, shares remain low in other European countries such as Austria and Finland (both 16 per cent) and Switzerland (13 per cent).

Box figure 3. Willingness to migrate, by region
(% of young respondents), 2014



Notes: The question asked was, "Ideally, if you had the opportunity, would you like to move permanently to another country, or would you prefer to continue living in this country?" The graph includes the percentage of respondents who answered "like to move to another country". The age group is 15–29.

Source: World Gallup Poll, 2014.

3.5.3 Working poverty remains far too prevalent among youth

In 2013, more than one-third (37.8 per cent) of employed youth (aged 15-24) in the developing world were poor (17.7 per cent in extreme poverty at less than US\$1.25 per day and 20.1 per cent in moderate poverty at less than US\$2 per day, see table 3.2). Another 26.3 per cent of employed youth were estimated to be in the near poor group (17 per cent living between US\$2 and US\$3, and 9.2 per cent between US\$3 and US\$4). This means that in 2013 as many as 169 million youth are working but living on less than US\$2 per day. The number grows to 286 million if the near poor are included, thus measuring working poverty below US\$4 per day.

Table 3.2 Distribution of youth and adult employment, by economic class, developing countries, 1993 and 2013

Share in total employment (%)	Youth (15–24)			Adult (25+)		
	1993	2013	Change (percentage points) 2013–1993	1993	2013	Change (percentage points): 2013–1993
Extremely poor	49.6	17.7	–31.9	43.5	11.6	–31.8
Moderately poor	21.6	20.1	–1.5	19.8	16.2	–3.6
Near poor	14.8	26.3	11.4	16.4	27.3	10.9
Developing middle class	12.0	31.0	19.0	16.6	37.0	20.4
Developed middle class and above	2.0	4.9	3.0	3.8	7.8	4.0

Note: The ILO income classes of the employed in developing economies are defined according to the following PPP-adjusted daily per-capita household consumption levels: (i) working poor in extreme poverty: less than US\$1.25 per day; (ii) working poor in moderate poverty: between US\$1.25 and US\$2 per day; (iii) working “near poor”: between US\$2 and US\$4 per day; (iv) working lower middle class: between US\$4 and US\$13 per day; (v) working middle class and above: more than US\$13 per day. The age group for youth is 15–24 and for adults 25+.

Source: Bourmpoula and Kapsos (2015).

The working poverty distribution represents a major improvement over the 20-year period between 1993 and 2013; the shares of working youth and adults living in extreme poverty both declined by 32 percentage points. Some workers also made the leap from moderate poverty although the decline here was more modest, yet the vulnerability of millions of workers remains.

Comparing the distribution for youth in 2013 with the adult distribution, employed youth were 1.5 times more likely to be found in the extreme poverty class, 1.2 times more likely to be in the moderately poor class. The shares for youth and adults in the near poor class were equal. Adults were more likely to be found in the developing middle class and above groups.

With nearly two in three (64.1 per cent) working youth remaining in a state of extreme, moderate or near poverty (compared to 55.1 per cent of adults), it is clear that the fight against poverty has not yet been won. The continued persistence of working poverty among youth does not bode well for the much-lauded gains to be had from the “demographic dividends” of the developing world (see box 12). Or rather, to state it in the positive sense, there remains massive potential to boost economic growth in countries that can manage to bring the large shares of young labour market entrants into productive employment rather than working poverty.

Box 12. What is the demographic dividend and who should benefit?

Despite increasing attention paid to the topic of population ageing, the world's population remain disproportionately youthful. In fact, those countries facing ageing population issues are only a handful of advanced economies in Europe, North America and East Asia. The rest of the world's mostly young countries out-weigh these few exceptions by far. As a result, not only is the majority of today's human population below 30 years of age, but today's share of individuals between 10 and 29 is the largest ever seen (UNFPA, 2014).

Typically, a country's population increases its share of youth when lack of family planning, high mortality rates (including child mortality) and widespread poverty keep fertility rates at high levels. From an economic perspective, parents in these contexts tend to have many children in order to secure sufficient contribution to the family's subsistence in the event that some of their offspring should not survive. However, as soon as health care and sanitation

improve and family planning options become available, mortality rates fall and fertility rates follow. This is usually triggered by improved living standards and higher educational attainment of women, who become better equipped to make and assert their reproductive choices. In the medium term, the age structure of the population begins to change: the younger share starts to shrink, the older share remains relatively small and the largest share of the population is in their working age.

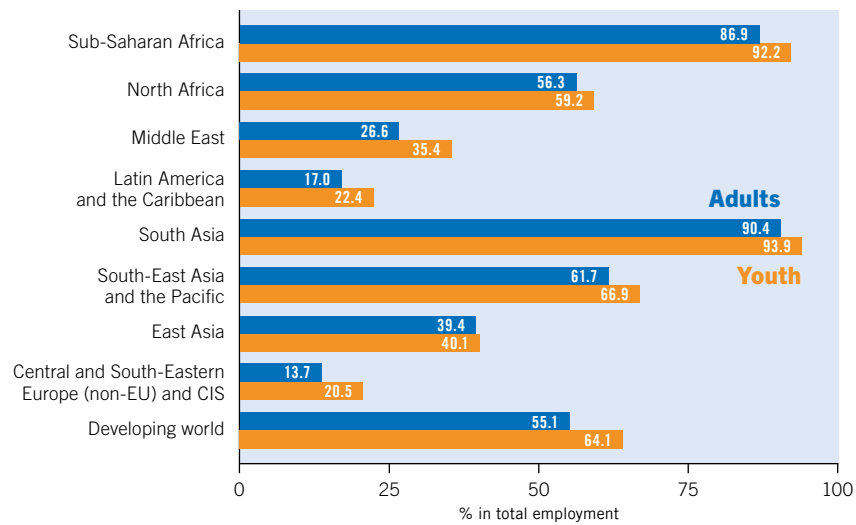
Such demographic transition has both economic and social implications and potentially, countries can reap enormous benefits from lower dependency ratios. It is in such circumstances that countries have the potential to enjoy a "demographic dividend". Notably, the impressive economic advancements made during the second half of the 1900s by the Asian "Tigers" (Hong Kong (China), Republic of Korea, Singapore and Taiwan (China)) began as a demographic bonus.

The largest gaps in youth and adult shares in the extremely poor class in 2013 were found in sub-Saharan Africa, where the share for youth was higher by 5.1 percentage points than the corresponding share for adults; and in South Asia, where the youth rate was 4 percentage points higher than the rate for adults (figure 3.15). For South Asia and North Africa, the share of youth in the moderately poor class was higher than the share of adults by 2.9 and 3.1 percentage points, respectively. Similarly, the regions that showed the largest absolute gaps in youth and adult shares for the near poor class (with higher rates among youth in this category) were Central and South-Eastern Europe (non-EU) and CIS (5.4 points) and the Middle East (5.7 points). In South Asia and Sub-Saharan Africa, adults were around 1.5 times more likely than youth to be in the developing middle class. Only in East Asia (0.3 percentage point gap) and Latin America and the Caribbean (4.6 percentage point gap), were youth more likely to be in this group. The gap between the share of youth and adults in the developed middle class and above in Latin America and the Caribbean and the Middle East was 10 and 7.8 percentage points, respectively.

The working-age population of least-developed economies is expected to more than double over the next 35 years (UNFPA, 2014). If they are given the chance to progress from a situation of working poverty to the middle class or above, the potential for an economic boom is huge. Yet with so many youth continuing in a state of working poverty, the prospects of capitalizing on the so-called demographic dividend in certain regions are quickly slipping away.

At the global level nearly two-thirds of youth and more than one-half of adults remain in working poverty; in South Asia and sub-Saharan Africa, nine in ten workers remain poor.

Figure 3.15 Distribution of working poor (poor or near poor), developing countries by region, youth and adults, 2013



Note: See table 3.2. Rates for 1993 are shown in Annex table A.7.
Source: Bourmpoula and Kapsos (2015).

4. Youth and labour market transitions

4.1 Defining transitions

Assaad and Krafft (2014) demonstrate that multiple dimensions beyond the scope of a young person's realm of choice or action significantly influence that person's ability to successfully transition into adulthood. These authors argue that moving from adolescence to adulthood can be disaggregated into three main stages: education, employment and family formation. These stages are intertwined, and success in one facilitates a prosperous transition to the next. However, the paths available at each point in time for any young person are different depending on their family background, social standing, national institutions and gender.⁴⁰ Not only do a person's aspirations vary according to their surroundings and socio-economic background, but so too does their likelihood of achieving those life goals.

The labour market transition of young people concerns not only the length of time between their exit from education (either upon graduation or early exit without completion) to their first entry into any job, but also qualitative elements, such as whether this job is stable, thus allowing for other transition processes such as starting a family. By starting from the premise that a person has not “transited” until settled in a job that meets very basic criteria of stability, as defined by the duration of the employment contract (for those who benefit from one), the SWTS analytical framework introduces a new quality element to the standard definition of labour market transitions.

Recall, however, the discussion in the previous chapter regarding the irregularity of work in developing countries. The results show a vast majority of today's youth remaining without access to a stable job that could bring them a secure prosperity from which to base the next stage of transition, which is adulthood and family-building. Rather, in the lower-income countries adulthood and family formation arrive without having attained the stage of productive employment. In high-income countries where the expectation of productive employment and belief in the linearity of transition stages is stronger, there is an increasing trend to postpone family formation well into adulthood when the productive jobs prove to be non-forthcoming (see Lutz, Skirbekk and Testa, 2006; Jacobsen and Mather, 2011).

While increased development should bring gains in the shares of youth in paid employment that is neither casual nor temporary in nature, the fact that we are not there yet has consequences to measurements of youth transitions. In the 2013 report (ILO, 2013a, Chapter 5) and subsequent research on the SWTS countries,⁴¹ it was demonstrated that the transition paths of the most disadvantaged youth are often the smoothest; that is, they move directly from school – if they even go to school – into the irregular work that they are likely to continue doing for a lifetime. Is a short and direct transition path an indicator of success in this

⁴⁰ The finding is consistent with the notion of Punch (2002) that youth transitions are an interdependent process. Punch observed that young people in rural Bolivia negotiated their interdependence with their parents and siblings, rather than becoming fully independent adults. The persistence of these ties between young people and their families as they enter the labour market is a useful mechanism for helping youth to withstand the vulnerable and uncertain employment conditions that they are prone to face.

⁴¹ SWTS national reports are available at: www.ilo.org/w4y.

case? Even in developed economies, a short transition period to first job should not be overly praised if the job does not offer a good foundation for the broader transition to adulthood.

The point here is that the interpretation of transition data is far from simple. In some cases it makes sense to look at the overall transition period, from entry to the labour market through to current decent job; in other cases, especially where unemployment rates are very high, looking at time to first job can offer meaningful information. That said, the remainder of this section aims to highlight some of the analysis on youth transitions coming from the SWTS so far.

4.2 Lessons learned in measuring youth labour market transitions

A lesson learned from SWTS analysis to date has to do with the definition of transition. In the 2013 report (ILO, 2013a) and in the SWTS publications of first round results, a nuanced definition of transition was followed. More specifically, the labour market transition⁴² was defined as the passage of a young person (aged 15–29) from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Stable employment was defined in terms of the employment (written or oral) contract and the duration of the contract (greater than 12 months). The opposite of stable employment is temporary employment, or wage and salaried employment of limited duration. Because the inclusion of the contract among the criteria automatically excluded the employment status of the self-employed, where the employment relationship is not defined by a contract, the subjective element of satisfactory employment was added. A “satisfied” jobholder response was meant to measure how well the respondent considered the job to be a good “fit” with their desired employment path at that moment in time. The opposite is termed non-satisfactory employment, implying a sense of dissatisfaction with the job.

The criterion of job satisfaction based on the self-assessment of the respondent⁴³ has proven to be problematic. The concept proved to be too vague and susceptible to socio-cultural influences. In Cambodia, for example, 90 per cent of young workers expressed satisfaction with their job. Since most young workers in the country are self-employed, the high share of satisfactorily self-employed thus pushed up the resulting share of “transited” youth, which came to 68.6 per cent in the applied definition (50.0 per cent of the youth (non-student) population having completed their labour market transition to satisfactory self-employment or temporary employment).⁴⁴ Yet, tested further, we found that despite the professed satisfaction with the job, many youth still expressed a desire to change jobs and many others felt they would be unlikely to keep the job over the next 12 months. The conclusion: the initial definition of labour market transition was too broad. Rather than job satisfaction, the new classification now looks at employment status by various combinations of the desire to change job and the likelihood of keeping one’s job over the next 12 months.

A further adjustment to the definition has to do with the exclusion of working students from the category of transited, whereas prior to this, working students had been treated with non-student workers and assessed according to their employment characteristics. Finally, the revised definition now applies different criteria for working youth engaged on a written contract or oral agreement based on the assumption that the implication for job stability varies

⁴² The avoidance of the term “school-to-work” transition is purposive. Looking only at youth who transit from school to the labour market would exclude the share of youth with no schooling, which in some countries is still sizable. The ILO includes this sub-set within transition indicators by taking as the starting point the young person’s first experience in economic activity. In order to avoid confusion on the terminology, our preference is to talk about labour market transitions of youth, rather than school-to-work transitions, which make up only a subset.

⁴³ Youth are asked to assess their level of satisfaction with the job with options of “very satisfied”, “somewhat satisfied”, “somewhat unsatisfied” or “very unsatisfied”.

⁴⁴ See Kanol, Khemarin and Elder (2013).

Box 13. ILO stages of labour market transition for youth

I. Transited – A young person who has “transited” is one who is currently employed and not in school in:

- (a) a stable job
 - (i) based on a written contract of duration at least 12 months, or
 - (ii) based on an oral agreement and likely to keep the job over the next 12 months;
- (b) a satisfactory temporary job
 - (i) based on a written contract of duration less than 12 months and does not want to change the job, or
 - (ii) based on an oral agreement; not certain to keep the job over the next 12 months and does not want to change the job; or
- (c) satisfactory self-employment (in self-employed status and does not want to change the job).

II. In transition – A young person still “in transition” is one who is currently:

- (a) an active student (employed or unemployed);

- (b) unemployed (non-student, relaxed definition);

- (c) employed in a temporary and non-satisfactory job

- (i) based on a written contract of duration less than 12 months and wants to change the job, or
 - (ii) based on an oral agreement; not certain to keep the job over the next 12 months and wants to change the job;

- (d) in non-satisfactory self-employment (in self-employed status and wants to change the job); or

- (e) inactive and not in education or training, with the aim of looking for work later.

III. Transition not yet started – A young person whose “transition has not yet started” is one who is currently:

- (a) still in school and inactive (inactive student); or

- (b) inactive and not in education or training (inactive non-student), with no intention of looking for work.

among the two groups. Based on the revised definition, the share of “transited” youth in Cambodia falls to a more reasonable 38.6 per cent (10.5 per cent in stable employment and 28.0 per cent in satisfactory self-employment or temporary employment). The new definition for stages of transition is described in box 13.

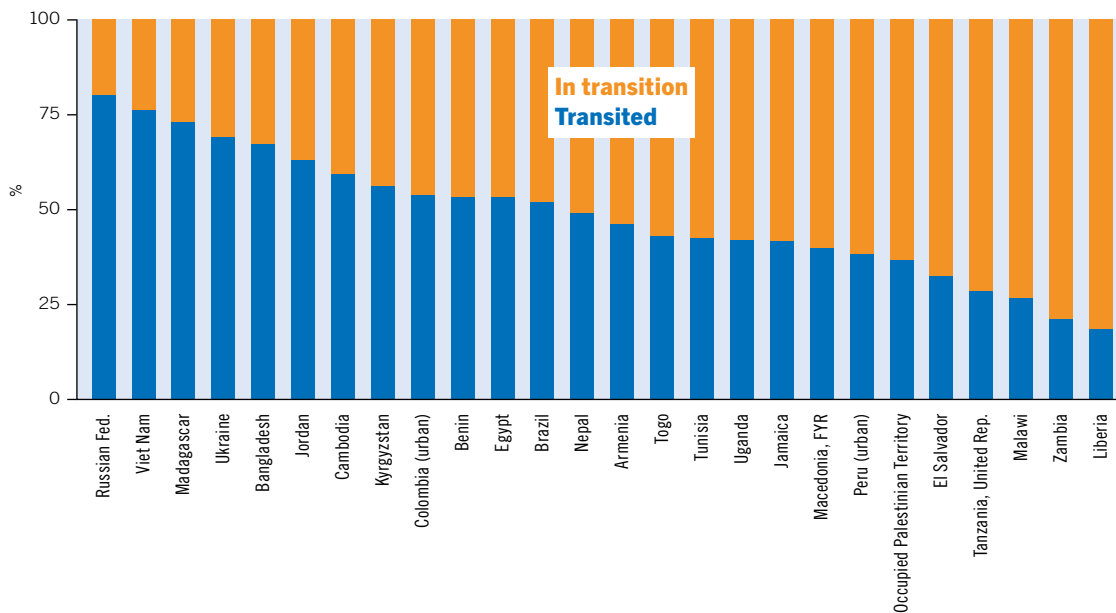
4.3 Transitions to stable or satisfactory employment

Figure 4.1 shows mixed results regarding whether or not a young adult has managed to complete their labour market transition to a stable or satisfactory job among 26 SWTS countries.⁴⁵ There are 14 countries where more young adults (aged 25–29) remained in transition, having not yet reached their decent job, compared to 12 countries where the majority were among those who completed the transition. The chance of completing the transition proved to be slightly better for middle-income countries compared to low-income countries. Youth in sub-Saharan Africa were the most likely to remain in transition as young adults. In descending order, the regional averages (not shown) for young adults remaining in their labour market transition was 61.8 per cent in sub-Saharan Africa (8 countries), 56.4 per cent in Latin America and the Caribbean (5 countries), 51.2 per cent in the Middle East and North Africa (4 countries), 41.8 per cent in Eastern Europe and Central Asia (5 countries) and 37.1 per cent in Asia and the Pacific (4 countries).

⁴⁵ In the 26 countries analysed, from 2 to 37 per cent of the population aged 25–29 had not yet started the transition, almost all due to inactivity (primarily for women). These youth are excluded from the denominator in order to assess only transitions of youth who have started (or completed) the process. We also focus only on the upper age group 25–29 as that in which the process of transition would most likely be already completed.

In the majority of countries surveyed more than half of young adults had still not completed the transition to stable or satisfactory work.

Figure 4.1 Young adults (25–29) by stage in the transition, 26 SWTS countries, 2012/13



Note: The denominator is the youth population minus those who have not yet started the transition.
Source: Authors' calculations using SWTS data in 26 countries (excluding Republic of Moldova and Samoa).
For meta-information on reference period, etc., see Annex B.

Looking at specific categories of transited youth, we can see more clearly the quality of jobs in which youth end up. In the upper middle-income countries, most of the young adults have completed their transition to a stable job (40.4 per cent; figure 4.2). In the low-income countries, rather, a young person is much more likely to settle in self-employment (without desire to change) than to find a stable job. Regarding the reasons for remaining in transition, again, income levels matter. A young adult is twice as likely to remain in transition due to dissatisfaction with a temporary or self-employed job in the grouping of low-income countries than in upper middle-income countries (29.2 and 13.9 per cent of total young adults, respectively). In contrast, larger shares remain in transition due to unemployment or remaining in school (in combination with working or looking for work) in the upper middle-income group. Latin America and the Caribbean stands out regarding the complexity of the transition process; here we see fairly equal distribution across the “in transition” sub-categories.

Fewer than one in six youth in low-income countries will make the transition to stable employment.

Figure 4.2 Transition sub-categories for young adults (25–29), 26 SWTS countries, by region and income groupings, 2012/13



Note: The denominator is the youth population minus those who have not yet started the transition.

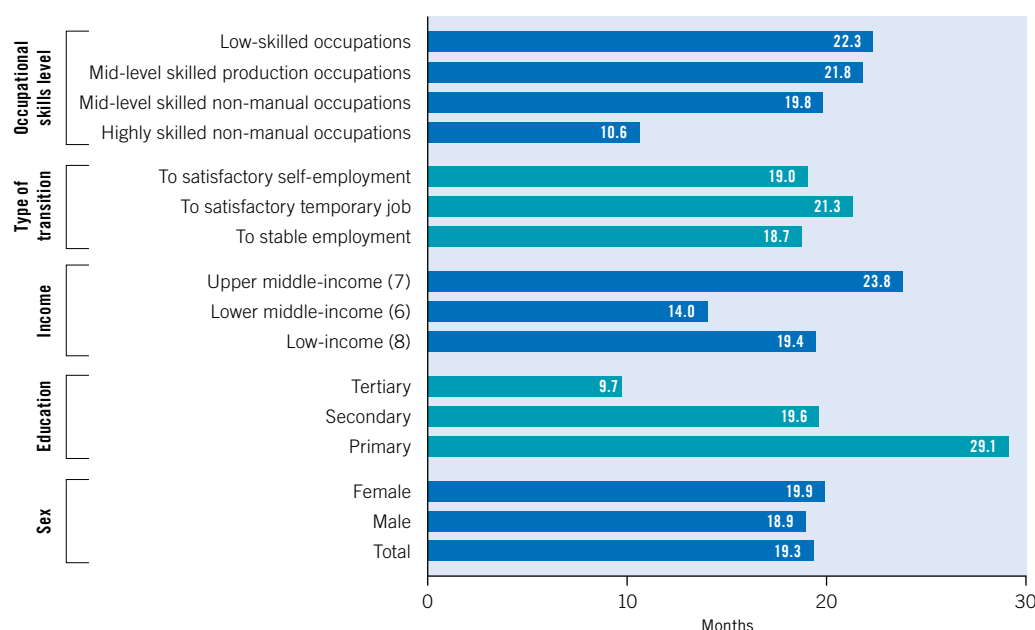
Source: Authors' calculations using SWTS data in 26 countries (excluding Republic of Moldova and Samoa). For meta-information on reference period, etc., see Annex B.

While one might say it is “good” that a young adult has completed the labour market transition, even to a non-stable job, it is questionable whether the same can be said for an adolescent (age 15–19). In the low-income group, 13.1 per cent of young adolescents (not shown) were counted as having already completed their transition (26.3 per cent to stable work and 73.7 per cent to satisfactory temporary or self-employment). The results reflect again the discussion in section 3.1: youth in poorer countries continue to work too much, too early. The corresponding share among the upper middle-income countries was 4.8 per cent.

Regarding the length of the labour market transition, figure 4.3 shows results by some general characteristics (sex, education and income level) plus characteristics related to the type of job to which the transition occurred. Overall, for the 21 countries with reliable data, it took an average of 19.3 months to complete the labour market transition to a stable job or a satisfactory temporary or self-employment job. Young men were able to complete the transition earlier than young women (18.9 and 19.9 months, respectively). A more striking finding comes with the youth's level of education. A young person who stays in education through the tertiary level has the potential to complete the transition in one-third of the time needed for the youth with only primary education (9.7 and 29.1 months, respectively). The relatively shorter average transition length of those who complete the transition to a stable job can be explained by the higher tendency of youth within the group to be those who have attained higher levels of education.

Young males and youth with higher levels of education will complete their labour market transitions in shorter periods of time.

Figure 4.3 Length of time to completed labour market transition, by selected characteristics, 21 SWTS countries, 2012/13 (months)



Note: Occupations (based on the International Standard Classification of Occupations (ISCO-08)) are grouped as follows: highly skilled non-manual occupations include legislators, senior officials and managers and professionals; mid-level skilled non-manual occupations include technicians and associate professionals, clerks and service workers, shop and market sales workers; mid-level skilled production occupations include skilled agricultural and fishery workers, crafts and related trades workers and plant and machine operators and assemblers; and low-skilled occupations include elementary occupations.

Source: Authors' calculations using SWTS data in 21 countries (excluding Bangladesh, Colombia, Egypt, Malawi, Republic of Moldova, Samoa and Ukraine). For meta-information on reference period, etc., see Annex B.

The occupation and its expected skills composition are also inseparable from the characteristics of the youth. It is the higher-educated youth who will make the transition to the highly skilled non-manual occupation and the transition period proves to be relatively short (10.6 months). At the other extreme, the youth who transits to a low-skilled occupation, most likely in self-employment, will tend to be the lesser-educated for whom transition lengths are longer.

The picture of transition length is more complicated when viewed by income levels. The comparatively longer average lengths of transition among low-income and upper middle-income countries (19.4 and 23.8 months, respectively) reflect the balance of short transitions to first jobs that are also the “transited” job and the much longer transition spells of the fewer who did not transit with their first job. The complexities of transition paths are further explained in the following sub-sections.

Further investigations can be made on the transition data to determine, for example, whether or not the combination of work during education matters to subsequent transition paths and lengths. A forthcoming investigation of the topic using SWTS data shows some tentative results indicating that having worked while in school leads to higher rates of transition and lower rates of unemployment (Nilsson, forthcoming). The topic of transitioning too young as a child labourer has also been investigated through the SWTS datasets. The recent World Report on Child Labour (ILO, 2015d) concludes that prior involvement in child labour is associated with lower educational attainment, and later in life with jobs that fail to meet basic decent work criteria. The report also notes that early school leavers are less likely to secure stable jobs and are at greater risk of remaining outside the world of work altogether.

4.4 Transitions to first job

This section looks at the concept of transition to first job and tests the hypothesis that durations become longer where the level of economic development in the country is higher. Among the SWTS countries where data could be calculated,⁴⁶ the average length to first job from exiting formal education ranged from less than one month in low-income countries Benin, Cambodia and Madagascar to 22.9 months in FYR Macedonia (table 4.1). The SWTS-19 country average was 7.2 months. It was in only four of the SWTS-19 countries where it took 10 months or longer for the average youth to acquire the first job: in two Eastern European/Central Asian countries where youth unemployment rates are among the world's highest – Armenia and FYR Macedonia; in conflict-rife Occupied Palestinian Territory; and perhaps more surprisingly in Viet Nam.

Does level of development matter? It does, to the extent that the majority of youth in low-income countries “create” their own work through own-account or contributing family work and do not need much time in doing so. The average transition length to first job for seven low-income SWTS countries was 2.8 months compared to 9.2 months in six lower middle-income countries and 10.2 months in six higher middle-income countries.

Typically the transition lengths were longer for young females than males. The average length to first job was 7.7 months for young females compared to 6.9 months for young males. In 10 of the 19 SWTS countries, the average length for young females exceeded the male

Table 4.1 Average length of transition from school to first job and first to current “transited” job, 19 SWTS countries, 2012/13 (months)

	Total		Male		Female	
	First job	First to current transited job	First job	First to current transited job	First job	First to current transited job
Average, SWTS-19	7.2	36.4	6.9	37.3	7.8	34.9
Armenia	10.4	33.5	12.6	34.4	7.9	29.7
Benin	0.5	65.4	0.6	65.9	0.3	65.0
Cambodia	0.2	47.9	0.2	49.2	0.2	46.8
El Salvador	3.2	38.9	2.2	36.0	4.7	43.6
Jamaica	9.1	41.2	7.6	44.5	11.0	35.7
Jordan	9.6	31.6	8.8	31.7	12.1	30.3
Kyrgyzstan	9.3	32.1	8.3	32.6	10.5	31.4
Macedonia, FYR	22.9	25.5	23.9	31.5	21.5	19.9
Madagascar	0.3	52.9	0.4	53.8	0.3	51.8
Nepal	2.4	22.8	2.4	22.4	2.5	24.2
Occupied Palestinian Territory	10.7	25.3	10.0	26.1	13.2	19.9
Peru (urban)	1.9	34.7	1.4	39.8	2.5	28.1
Russian Fed.	7.9	42.6	8.7	43.6	7.0	41.3
Tanzania, United Rep. of	6.8	32.7	6.7	32.9	6.9	31.7
Togo	5.2	39.6	4.9	39.5	5.4	39.7
Tunisia	9.5	40.3	8.1	40.2	12.3	40.7
Uganda	4.4	33.0	3.3	34.7	5.4	31.0
Viet Nam	13.6	45.7	12.7	44.7	14.7	47.0
Zambia	8.3	5.9	7.8	6.0	8.9	5.5

Notes: Youth with no education are included in the length between first job and current transited job. In the transition to first job, however, youth with no formal education are not included.

Source: Author's calculations using SWTS data in 19 countries (excluding Bangladesh, Brazil, Colombia, Egypt, Liberia, Malawi, Republic of Moldova, Samoa and Ukraine). For meta-information on reference period, etc., see Annex B.

⁴⁶ Excluding Bangladesh, Brazil, Colombia, Egypt, Liberia, Malawi, Republic of Moldova, Samoa and Ukraine.

transition period by at least one month (up to four months). It was only in the three Eastern European or Central Asian SWTS countries where durations proved to be significantly longer for young males (Armenia, FYR Macedonia and Russian Federation).

Regarding the influence of education levels on the transition periods, higher levels of education result in shorter lengths of transition to the first job. For the 19 SWTS countries, on average the length of transition for youth with primary education was 8.3 months compared to 4.7 months for youth with tertiary education. The conclusion here is that investing in education is advantageous to the transition paths of young people.

4.5 Transitions beyond first job

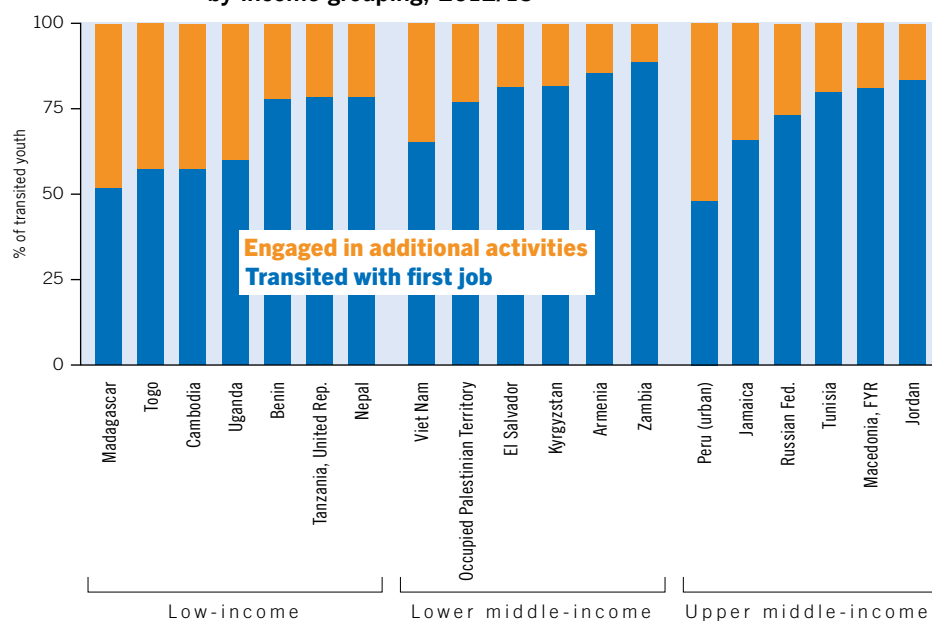
For many youth, the first job is not the only job they will hold over the course of the age span. Some youth will have experienced numerous employment spells prior to “settling” in their current state of completed transition or will have moved between spells of unemployment or inactivity before moving back into employment. Limiting the analysis to first job thus misses out on the greater complexity of how young people respond to dynamic labour markets. The length of transition for those youth who do not complete the transition with the first job can be extremely long. Table 4.1 showed the overall average for 19 SWTS countries at 36.4 months. In other words, if you do not have the luck of getting it right in your first job – finding the stable, temporary or self-employment position that gives you the satisfaction and security that you desire – you will need to wait another three years to complete the transition.

To demonstrate the degree to which the transition continues beyond the first job and the volume of those who will face the very long transition lengths, figure 4.4 shows the shares of transited youth who finished (having attained their current stable or satisfactory job) with the first job compared to those who changed between their first job and current transited job. In all SWTS countries but Peru (urban areas only), there was a higher tendency for the young person to complete the transition with the first job compared to those who engaged in multiple activities within the path. There is a slightly higher tendency shown for youth in the low-income countries, particularly Cambodia, Madagascar, Togo and Uganda, to engage in multiple activities in their path to the transited job, which can potentially be interpreted as a reflection of the relative instability of principally self-employed jobs in these countries.

Although not shown here, the SWTS data also reveal a higher completion rate at the first job for youth with tertiary education compared to youth with primary education (average shares were 80.4 and 65.9 per cent, respectively). In other words, university-educated youth are more likely to attain their desired job on their first try.

In some cases, especially in low-income countries, the transition toward the desired job continues beyond the first job.

Figure 4.4 Completed transitions with first job or beyond, 19 SWTS countries, by income grouping, 2012/13



Note: First job transited includes those whose first activity was the job which fell under the categorization for transited (direct transition), those with only spells of stable jobs and those who had periods of unemployment or inactivity but whose first job was the transited job.

Source: Authors' calculations using SWTS data in 19 countries (excluding Bangladesh, Brazil, Colombia, Egypt, Liberia, Malawi, Republic of Moldova, Samoa and Ukraine). For meta-information on reference period, etc., see Annex B.

5. Policies for youth employment

5.1 Overview

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. As mentioned in previous editions of the *Global Employment Trends for Youth*, it is not only the quantity but also the quality of jobs that matters. 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.

The *Global Employment Trends for Youth 2013* (ILO, 2013a) provided a comprehensive analysis of the main policy areas to address youth employment. This analysis was based on the global framework “The youth employment crisis: A call for action” that was adopted by representatives of governments, employer organizations and trade unions of the 185 member States of the ILO at the International Labour Conference (ILC) in June 2012 (ILO, 2012).⁴⁷

The “Call for Action” contains guiding principles and a comprehensive set of conclusions describing policy measures that can guide constituents in shaping national strategies on youth employment. It 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 five policy areas to shape action on youth employment are: (1) employment and economic policies to boost job creation and improve access to finance; (2) education and training to ease the school-to-work transition and to prevent skills mismatches; (3) labour market policies to target employment of disadvantaged youth; (4) entrepreneurship and self-employment to assist potential young entrepreneurs; and (5) labour rights that are based on international labour standards to ensure that young people receive equal treatment and are afforded rights at work.

Over the past few years, youth employment has acquired growing prominence on the policy agendas of many countries across the globe and many initiatives have been set in motion to address this challenge. Based on latest recent review available, in 2014, 122 of 198 countries had a national youth policy, an increase from 99 in 2013 (youthpolicy.org, 2014). The ILO’s Youth Employment Programme has developed an inventory of policies and legislations for youth employment.⁴⁸ To date, 54 countries are covered in the database with the number expected to grow to 60 by the end of 2015. An initial review of the policy frameworks concluded that the majority of the existing measures focused on skills development and, to a lesser degree, on labour market policies.⁴⁹ These two policy areas include labour market

⁴⁷ 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.

⁴⁸ The database of youth employment policies, “YouthPOL”, can be accessed at www.ilo.org/youthpol.

⁴⁹ See Divald (2015) for a comparative analysis of policies for youth employment in the Asian and Pacific region. See also Matsumoto, Henge and Islam (2012).

training, apprenticeships and other work-experience programmes, job-search assistance and employment services, as well as incentives for employers to recruit disadvantaged young people (e.g. wage subsidies or social security exemptions for a limited period) or measures to support young people who want to establish their own economic activity. These findings are consistent with those of the global analysis of youth employment interventions included in the Youth Employment Inventory.⁵⁰

As discussed in other editions of this report, a mix of policies that tackle both structural and cyclical issues are required to address the current youth employment challenges. Decent work for young people cannot be achieved and sustained through fragmented and isolated interventions. Rather, it requires long-term, determined and concerted action spanning a wide range of policies and programmes; on the one hand, an integrated strategy will aim for growth and job creation including, on the other hand, targeted interventions to help young people overcome the specific barriers and disadvantages they face in entering and remaining in the labour market.

Another key message revolves around the establishment of broad-based partnerships with a view to scaling up investments and improving coherence in the design and implementation of youth employment policy. These efforts are required to avoid the risk of not achieving the desired outcomes. In an effort to enhance the integration of different policies, several countries have revised the targeting and sequencing of youth employment policies by offering a comprehensive package of interventions that respond to the diverse needs of young workers.

Finally, and in view of the need for developing and implementing policies that are effective in providing decent jobs for youth, it is of high importance to base policy choices on evidence. Over the last years, the ILO and other organizations have placed emphasis on identifying “what works in youth employment”. This has led to a growing portfolio of studies and rigorous impact evaluations looking into innovative solutions to improve labour market outcomes of youth, particularly in Africa and the Middle East.⁵¹

Single evaluation studies are now being complemented by a “Systematic Review” that puts together and analyses empirical research on the labour market impacts of youth employment interventions, including skills training, entrepreneurship promotion, employment services, and subsidized employment.⁵² The results of the review will be available by the end of 2015. A number of preliminary findings stemming from this review and from other research are highlighted in the remainder of the chapter

5.2 Assigning priority to policies for job creation

Policies that promote employment-centred and inclusive growth are vital if young people are to be given a fair chance at a decent job. Youth labour market outcomes are closely related to overall employment trends but are also more sensitive to the business cycle as demonstrated in earlier chapters of this report. A boost in aggregate demand is key to addressing the youth employment crisis as this will create more job opportunities for young people.

⁵⁰ The online database is available at www.youthemployment-inventory.org.

⁵¹ One recent evaluation study focuses on the topic of key soft skills for youth (Lippman et al., 2015). See also an initiative to generate an evidence gap map on the topic of transferable skills programming for youth led by the International Initiative for Impact Evaluation (3ie) and The MasterCard Foundation at <http://gapmaps.3ieimpact.org/node/4166/about>.

⁵² The Systematic Review is a collaborative effort carried out by the ILO, the World Bank and Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI). The review assesses a set of 114 impact evaluations on labour market outcomes of young people. The studies measure changes in employment, earnings and business performance outcomes derived from interventions in (i) training and skills development, (ii) entrepreneurship promotion, (iii) subsidized employment, and (iv) employment services. The paper (Kluve et al., forthcoming) will be published in late 2015.

Keeping youth employment strategies anchored to macroeconomic and sectoral policies is therefore critical. Far too often, however, interventions that aim to increase labour demand remain underutilized. It is quite uncommon to find a comprehensive set of policy priorities, targets and outcomes for youth employment, let alone with sufficient funds and resource allocations.

Macroeconomic and growth policies can support youth employment if investments are sufficient and well placed. Job growth can be spurred by *encouraging economic diversification and structural transformation*. Rural non-farm economic activities are currently the source of 40 to 70 per cent of rural households' income in Africa, Asia and Latin America. A recent analysis of the results of the SWTS concluded that many countries – especially the low-income countries in sub-Saharan Africa – need to move beyond low-productive agriculture and petty trades in rural areas (Elder, de Haas et al., 2015). In these countries the promise of rural diversification and structural transformation has not yet resulted in better jobs for significant shares of young people living in rural areas.

Strategies to promote agricultural diversification and expand the productive segments of the industrial and services sector are required to harness gains from structural changes and boost labour demand for youth in developing countries. There are multiple and diverse pathways to structural transformation as highlighted in Islam and Islam (2015). 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.

Positive employment outcomes can be encouraged 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 credit, particularly by granting credits to priority sectors with high potential to create quality employment (Islam and Kucera, 2013). The impact of expansionary fiscal policy on employment outcomes has been the subject of research and analysis over the last decade, and, more particularly, during the economic and financial crisis. In the realm of youth employment, a recent ILO analysis (Ebell and O'Higgins, forthcoming) argues that counter-cyclical fiscal policy can help to curb youth unemployment. This instrument is more effective if preceded by a relatively conservative fiscal policy in non-recessionary periods, i.e. by increasing expenditure and reducing taxes during recessions and doing the opposite during economic expansion (see box 14).

Beyond the employment effects of active labour market policies (see section 5.3.2), there is also increasing evidence from a wide range of advanced and emerging 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 the United States show that an infrastructure investment package of \$250 billion could increase Gross Domestic Product by as much as \$400 billion and generate approximately three million new jobs (Bivens, 2014). In the European Union, the Investment Plan launched by the European Commission and the European Investment Bank (known as Junker Plan) has the potential to add Euro 330-410 billion to Europe gross domestic product (one percentage point each year) and create approximately 1.3 million new jobs in three years.⁵³

A major macroeconomic issue facing all countries – but especially the low- and middle-income ones – revolves around reducing the incidence of recessions, which disproportionately affect young people. In this respect, the improvement of the institutional and funding capacity of countries to support counter-cyclical policies remains a key challenge.

⁵³ European Commission Fact Sheet, “The Investment Plan for Europe: Questions and Answers”; 20 July 2015; http://europa.eu/rapid/press-release_MEMO-15-5419_en.htm. Other regional studies forecasting the job growth potential of infrastructure development include Estache et al. (2013) for the Middle East and North Africa and Zhang et al. (2012) for China.

Box 14. Expansionary fiscal policy and youth employment outcomes: Lessons from the 2008–09 crisis

In response to the financial and economic crisis of 2008–09, many countries embarked on stimulus packages to contrast the decline of GDP and limit job losses. The size of the packages was particularly large in Asia and the Pacific (9.1 per cent of GDP), while in Africa and the Middle East it was approximately 5.9 per cent of GDP. In Central and South-East Europe and the countries of the Commonwealth of Independent States (CIS) the package totalled around 4.3 per cent of GDP, in advanced economies, 3.4 per cent, and in Latin America and the Caribbean, 2.6 per cent.

Although the composition was defined according to specific country needs, most of the fiscal packages included: (i) labour market measures; (ii) transfers to low-income individuals and households; (iii) spending in infrastructure; (iv) tax breaks; and (v) other measures to boost the aggregate demand.

Advanced G20 economies focused mostly on tax cuts and labour market measures, while developing and emerging economies invested more in infrastructure. The evaluation of these measures showed that countries that managed relatively better in terms of employment outcomes had implemented bigger stimulus packages as a percentage of GDP, although the relative success also relates to how quickly these countries were able to respond and to the mix of stimulus measures used. In terms of the effectiveness of expansionary policies, it

is generally recognized that in the absence of fiscal stimulus the loss of global output would have been much higher.

Fiscal tightening, in contrast, has been shown to bring deleterious effects to youth employment prospects. Empirical research showed that the increase in youth unemployment rates between 2009 and 2011 were higher in the countries that tightened significantly fiscal measures. The results of this research showed that a one percentage point increase in the structural fiscal balance increased the youth unemployment rate by 1.5 percentage points.

From 2010, the strategy in several countries has shifted its focus away from job creation with the policy objective of reducing fiscal deficit and the size of government debt. However, in many countries, weak economic growth, increased volatility and a worsening of banks' balance sheets has led to a further contraction of credit, lower investment and, consequently, job losses (see also box 10). This, in turn, adversely affected government budgets, thus increasing the demand for further austerity. In order to compensate for weaker prospects for exporting to advanced economies, many emerging and developing economies pursued a strategy of boosting domestic demand. Even in these countries, labour markets and investment have been affected by the global contraction of the economy thus undermining job creation.

Sources: EC and ILO (2011); Matsumoto, Henge and Islam (2012); Ball, Leigh and Loungani (2011).

In conclusion, strategies to promote youth employment should articulate the mix and interaction of macroeconomic policies, labour and employment policies and interventions specifically targeting young people, particularly the most disadvantaged ones (e.g. low-skilled, workers in subsistence and low productive jobs in the informal economy). At the same time, to ensure sustained demand for labour, employment policies – particularly in low-income countries – need to give greater attention to the interaction between economic and sectoral growth, enterprise size and technology to ensure sustained demand for labour. These policies should also improve legal and administrative requirements for own-account activity with a view to boosting the quality of youth employment, ensuring better working conditions, and access to social protection and rights at work.

5.3 Targeting specific disadvantages of young people through skills and labour market policies

5.3.1 Training and skills for employability

The findings discussed in the previous chapters of this report 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. Education and training are critical to create greater opportunities for young women and men to obtain decent and productive work. There is a recognized virtuous circle between education and training and higher productivity, more and better quality employment and economic growth.

Skills development is increasingly viewed in the context of enabling job growth and as a tool to address inequality (Islam and Islam, 2015; Salazar-Xirinachs et al., 2014). At the macro level, there is robust evidence that higher educational attainment increases productivity and thus produces higher levels of national growth. Empirical results show that a one per cent increase in school enrolment rates leads to an increase in GDP per capita from between one to three per cent (Sianesi and Van Reenen, 2003).

A large number of recent policies focus on reforms to improve education, training and skills development with direct participation of employer organizations and trade unions. Such reforms address skills mismatches by increasing the responsiveness of training outcomes to labour market requirements and introducing work-experience components in technical vocational education and training. Since 2012, a number of countries (e.g. Austria, Brazil, Greece, Italy, Mexico and the United States) have adopted policies to reform their apprenticeship system. Reforms have also focussed on streamlining content of training and on introducing portable and job-specific skills. The improvement of students' learning outcomes requires teachers that: (i) are well-versed in the subject they teach; (ii) are familiar with different teaching strategies and have the ability to combine a number of learning approaches; (iii) have a deep understanding of how learning happens, in general, and of students' motivations, specifically; and (iv) are able to use technology as a teaching tool and information-management systems to track student learning. All of this implies extensive and continuous teacher training (Schleicher, 2012).

The acknowledgement that early school leaving affects in a significant way both society and individuals, has induced policy-makers to design policies that address this problem.⁵⁴ These policies can either target the entire school system or, more specifically, disadvantaged students. Interventions that affect the school system as a whole typically aim at increasing the number of compulsory years of schooling and reforming the organization and content of teaching and training activities. Policies that target students at risk include conditional cash transfers, early warning systems that track students' performance and provide additional support when needed, second chance programmes, but also the provision of additional resources to schools with a prevalence of students with a disadvantaged background.

The extent to which skills match labour demand is a major factor shaping economic and labour market outcomes. A strategic and systematic process through which labour market actors identify and prepare for future skill needs is required to avoid the potential gaps between demand and supply.⁵⁵ Skills anticipation is not straightforward and a lack of relevant labour market information is a big part of the problem. Tools such as the ILO's Skills for Trade and Economic Diversification (STED) can help conduct occupational assessments that are required for determining the most effective skills training strategy for growth sectors.⁵⁶

⁵⁴ A review of the literature on the cost of early school leaving is provided in Brunello and De Paola (2013).

⁵⁵ ILO (forthcoming), *Anticipating skills needs: A key measure to improve the match between skills supply and demand*, Skills for Employment Policy Brief (Geneva).

⁵⁶ For more on STED, see website: http://www.ilo.org/employment/Whatwedo/Projects/WCMS_151399/lang-en/index.htm.

Box 15. The building blocks of quality apprenticeships

Although there is no-one-size-fits all, the apprenticeships systems that work best are based on the following main features:

1. Collaboration and coordination among government, training providers and the social partners throughout the design, implementation and monitoring of apprenticeships;

2. Shared and clear roles and responsibilities involving training institutions, enterprises, trade unions and other actors (e.g. labour market intermediation agents);

3. Laws and regulations on conditions for enterprises and apprentices, including contractual

arrangements, must be defined to ensure that apprenticeships constitute a “true learning experience” and that the rights and entitlements of young people are applied. The practice of social dialogue, including the definition of the said conditions through collective agreements, ensures the buy-in of the main actors representing the world of work.

4. Implementation costs shared by firms, the State and apprentices: firms shoulder the costs of in-company training and the apprentices’ salaries, the State runs vocational schools and covers the teachers’ salaries, and apprentices invest their time and engage in the production of the enterprises.

Source: OECD-ILO (2014).

Apprenticeship and internship provide young people with opportunities to gain work experience and the skills required by enterprises. Quality formal apprenticeships entail broader access to high quality learning programmes; action to render them more valuable to young people and employers alike; and the involvement of key stakeholders in governance arrangements (see box 15). In the case of apprenticeships, internships and other work-experience programmes, it is important that they provide a good learning experience and a gateway to good quality jobs (OECD-ILO, 2014). They should not be used as a screening tool for recruitment or to replace the work done by core employees. For this reason, the 2012 “Call for action” noted that governments should regulate and monitor “apprenticeship, internship and other work-experience schemes, including through certification, to ensure they allow for a real learning experience and not replace regular workers”.

In countries with a sizeable informal economy, the predominant source of vocational education and training is traditional or informal apprenticeship. Upgrading informal apprenticeship can be done by: (i) improving the quality of training (e.g. enhancing the access of the master craftsperson and the apprentice to new skills, monitoring and quality assurance of training provision); (ii) addressing decent work deficits (strengthening gender equality in apprenticeship, extending the use of apprenticeship contracts that detail duration, working time and other conditions of work); (iii) improving the linkages with the formal system (e.g. including informal apprenticeship in national training system, recognition of skills acquired) (ILO, 2011a).

5.3.2 Labour market policies and other targeted interventions to reduce inequalities and promote employment of disadvantaged youth

This report and other recent reports of the ILO (e.g. ILO, 2015c) have highlighted the changing nature of work with increased job insecurity among young people. 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. Around the world, young people earn, on average, lower wages than other workers. This fits with the conventional economic theory that age, educational attainment and firm- and

sector-specific experience is positively correlated with productivity and, therefore, earnings. In the last few years however, 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 education levels (Grimshaw, 2014).

The persistence of this wage gap (also known as wage discount) is mainly due to the over-representation of young workers in part-time and temporary work, in certain types of occupations and/or economic sectors and in the informal economy. In Europe, for example, OECD (2006) measured the risk of low pay among youth as more than twice as high as the risk for prime-age workers, with the proportion of young people in low-paid employment ranging from one in five young workers in Portugal to two-thirds in the Netherlands.

In response to the deterioration of labour market conditions of young workers in certain advanced and emerging economies, a number of countries have introduced reforms promoting youth transition to open-ended and full-time jobs. Many countries have also increased the protection of certain non-standard forms of employment. This is the case with respect to laws that require equal treatment of part-time workers with full-time workers, and for fixed-term and agency workers with permanent and regular workers (e.g. Argentina, China, Norway, the Republic of Korea and a number of countries of the European Union) (ILO, 2015c).

Several countries have adopted 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 as interventions to cushion the negative impact of the global economic and financial crisis on youth employment outcomes. They include 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 countries have 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 (see box 16).

Another important youth employment policy reform relates to the introduction of the youth guarantee in the countries of the European Union. The youth guarantee implies an entitlement to a job, training or education for a defined group of young people and an obligation for public authorities to provide an offer within four months from becoming unemployed or leaving school. The adoption of the Council's Recommendation on Establishing a Youth

Box 16. Extending the coverage of unemployment benefit to workers in non-standard employment

Globally, little more than 30 per cent of the economically active population was legally entitled to unemployment benefits in 2013. In some regions the coverage reached most of the labour force (84.2 per cent in Central and South-Eastern Europe (non-EU) and CIS; 76.4 per cent in Developed Economies and the European Union). Latin America and the Caribbean provided benefits to almost 30 per cent of their labour force. In Asia and the Pacific, Middle East and North Africa the legal coverage was less than 20 per cent. In Sub-Saharan Africa it was slightly higher than 3 per cent.

In most countries workers need to contribute for a period of six to 12 months before they qualify for unemployment benefits. This requirement may play at the disadvantage of young people, who are often found in irregular employment. France is an example of inclusive model, since it reduced the contribution period from six to four months in 2009. This was followed by additional measures in 2013 to

reinforce unemployment insurance efficiency and reduce the appeal of short-term contracts: the shorter the contract, the higher the contribution for the employer.

Another strategy has been to make specific provisions for temporary or seasonal workers, such as shorter periods of contributions required to qualify for unemployment benefits. In Argentina for example, temporary workers need to have worked 90 days (13 weeks) in the 12 months before qualifying, compared with six months in the previous three years for workers with permanent contracts. In Chile, six months of contributions are required for temporary workers, compared with 12 months for permanent workers. In order to cover the needs of workers in non-standard forms of contract, Italy reformed both eligibility conditions (relaxed to 13 weeks of contributions in the previous 12 months) and benefits (the replacement rate was increased to 75 per cent of the wage for a maximum duration of half the number of weeks of contributions).

Source: ILO (2015c).

Guarantee in April 2013 is the first example of concerted commitment across the 28 countries of the European Union to implement youth employment policies and measures according to a common European framework.⁵⁷ It is a concrete plan that connects the political will and commitment, with funding facilities and implementation plans.

The youth guarantee exemplifies the national and regional solidarity to provide an innovative response to an exceptional youth employment situation. The youth employment guarantee allows flexibility in combining different types of measures that work best in different contexts, while keeping with an overarching objective of “guaranteed” access to employment services, training and/or employment that unites all countries of the European Union. Youth guarantees can play a significant role in reducing the “scars” of long-term unemployment and are particularly suitable to address discouragement and labour market withdrawal (ILO, 2013b).

A recent ILO exercise to generate lessons from “what works” in employment services for youth concluded that the provision of individualized and intensive services (job counselling and guidance, job search assistance and individual employment planning) can have positive net effects on job entry probabilities of young unemployed.⁵⁸ The effectiveness of employment services, however, requires well-developed individualized counselling and placement services grounded on up-to-date and reliable labour market information; the availability of multiple approaches to reach out to diverse groups of young people (i.e. multi-channelling through face-to-face and other services); and screening and profiling approaches to target service provision to those most in need of assistance. The same mutual learning exercise highlighted the need for establishing innovative strategies and broad-based partnerships to reach out to young people who do not register with the employment offices (e.g. young people who are detached from the labour market) or to those living in areas that are not covered by the network of employment offices (e.g. rural areas).

Labour market training is a widely used labour market intervention for young people and is increasingly delivered together with other labour market measures. These programmes include second chance schemes, on- and off-the-job training, apprenticeship and internship, and are often geared to provide young people not only with job-specific technical skills, but also portable core skills (e.g. self-management, teamwork and communication).⁵⁹ Research on the effectiveness of labour market training programmes indicates the following as key success features: (i) combines theoretical training with periods of work experience that lead to recognised qualification; (ii) designed on a market-based approach (i.e. by identifying first the skills employers require); and (iii) targets youth with low qualifications, who have spent some time out of work and/or lack work experience.

Wage subsidies and other financial incentives (e.g. tax or social security exemptions for a limited period of time) for employers to recruit young people can help improve the transition from school to work, especially during an economic downturn. They can serve as a useful tool to offset the cost of the initial training of young workers or compensate for the limited work experience and initial lower productivity of youth. If well targeted, wage subsidies can be particularly effective in improving the employment rates of young workers facing labour market disadvantages (Almeida et al., 2012). It is well documented (e.g. ILO, 2012) that sharing the initial cost of hiring between employers and government has a positive effect on the demand

⁵⁷ *Official Journal of the European Union*, Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, 2013/C 120/01. Available at: <http://eur-lex.europa.eu/>.

⁵⁸ The results of this work will be presented in the forthcoming publication “Public Employment Services for youth”. The ILO knowledge sharing events on “what works” for youth employment are organized with the aim to facilitate learning and dialogue through evidence and good practices. The following six topics are covered: public employment services, transitioning to formality, public employment programmes, boosting labour demand through structural transformation, green jobs for youth, and quality apprenticeships and work experience measures to improve the school to work transition. Background documents and workshop reports will be hosted on an interactive website – “What Works for Youth Employment” – from December 2015 (see www.wwinye.org).

⁵⁹ For examples of measured impact on various active labour market programmes, see Kluve et al. (forthcoming).

Box 17. Protecting youth in vulnerable employment

The share of workers in vulnerable employment (and in working poverty) decrease as the per capita incomes of countries increase (ILO, 2014a). Yet, as demonstrated in Chapter 3, only a handful of youth will ever escape from the reality of vulnerable employment, casual wage labour and temporary jobs. Offering the millions of youth in the low-income countries trapped in precarious employment a chance at a productive livelihood must remain at the forefront of 2030 Development Agenda.

ILO (2015c) provides evidence on how some emerging economies such as Argentina, Brazil, China and South Africa are investing in innovative forms of social protection to improve income security for workers in vulnerable employment situations. Even some low-income countries are doing more to extend social protection services, although typically as a temporary measure. The ILO's Social Protection Report 2014/15 (ILO, 2014b) calls the social protection services a "right unfulfilled" for the majority of the world's most vulnerable population. If we are serious about improving the prospects of young people to boost their productivity and facilitate the structural transformation of national economies, then addressing social protection is a crucial piece of the puzzle (see also Behrendt, 2013).

Specific categories of workers require particular attention. Labour inclusion for disabled youth can be facilitated through compulsory mechanisms such as quota systems or hiring incentives. Amongst the most vulnerable workers are domestic workers and those at the bottom of global supply chains, for example in the garment sector. The regional reports of the SWTS countries focus particular attention on identifying good practices toward protection of the most vulnerable groups; for example, the report on Asian countries (Elder, 2014) discusses the "good" practice in the Philippines to promote the rights of domestic workers and a measure to improve working conditions of young workers in the garment industry in seven developing countries through the Better Work Programme, a partnership between the ILO and the International Finance Corporation (IFC).¹

Young migrants are also especially vulnerable to exploitation and subject to poor working conditions and exclusion from social protection. A forthcoming ILO report highlights areas of policy action to ensure protection of young migrants firstly from the originating country (through pre-departure services, for example) and second, in the receiving countries (through extension of social services, for example).²

¹ See www.betterwork.org/global/. ² ILO (forthcoming): *Trends in youth labour migration*.

for young labour. However, misuse of wage subsidies can lead to market distortions, such as substitution effects where a subsidized worker is preferred over another who would better fit a job vacancy.

Subsidized employment in the form of public employment programmes (e.g. public work programmes and community services) can increase the demand for labour in times of crisis or in contexts where markets are unable to create as many jobs as required. At a recent ILO mutual learning event on "what works" in public employment programmes for youth, it was noted that while public employment programmes have been often recommended as a measure in times of crises (e.g. seasonal shocks or economic recession), they are increasingly used as a regular component of youth employment policy. This is particularly the case for youth service programmes (e.g. works in the social sector, environmental services and multi-sectoral, community driven initiatives) where engagement of disadvantaged youth can help to mitigate human capital depreciation and facilitate labour market attachment. Evidence of the effectiveness of these programmes on labour market outcomes of youth is limited and points to the need for (i) improved targeting mechanisms and a clear definition of the policy objective, (ii) comprehensive programmes that deliver skills training to boost employability of youth, and (iii) linkages to other activation strategies to facilitate transition to stable employment (Lieuw-Kie-Song et al., forthcoming).

The potential of entrepreneurship as a pathway to decent work for young people is well acknowledged. It is especially relevant to countries where growth in labour demand lags behind their new labour market entrants and current unemployed, creating a gap between shares of labour market entrants and available wage employment opportunities. However, too often micro-scale, low-productive self-employment – as opposed to opportunity-driven and sustainable entrepreneurship – remains widespread with young people being engaged in vulnerable employment and in need of social protection (see box 17).

Governments, the social partners and development agencies have invested enormous efforts in the promotion of youth entrepreneurship. More than half of the 54 countries included in the youth employment policy database of the ILO (see section 5.1) have established provisions supporting youth enterprise development. This includes advanced economies

as well as developing ones. According to recent reviews (Kluve et al., forthcoming; Eurofound, 2015), policies to ensure that self-employment becomes a viable career opportunity for young people rather than a survival strategy have tended to focus on: (i) the introduction of entrepreneurship programmes in the curricula of secondary and tertiary education to make students aware of entrepreneurship as a career choice and equip them with entrepreneurial skills that serve for both wage and self-employment); and (ii) the offering of a comprehensive package of services, including training, business advisory services, mentoring/coaching and financial support as part of active labour market policies.

5.4 Forging partnerships for scaling up investments in decent jobs for youth

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 involving many actors and institutions from the public and private sectors has, in some cases, led to excessive fragmentation and limited impact of interventions, with little coordination among implementing partners.⁶⁰

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. An ILO study on youth employment coordination mechanisms in East Africa (Phororo, 2013) highlighted 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) clear indication of roles and responsibilities of different implementation partners in employment policies and action plans on youth employment; (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 national budgets; and (v) setting up of monitoring and evaluation mechanisms, not just for the programmes but also for the budget allocations toward youth employment.

Employer and worker organizations are important partners for policy and programme development. They can, for example, contribute by strengthening the links between business and education and promoting rights at work of young people.⁶¹ 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.

⁶⁰ 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.

⁶¹ For a recent review of the role that trade unions can play to promote decent work for youth, see OIT (2015). A detailed guide on the role of employers' organizations is available in ILO (2011b).

Box 18. Youth employment: A priority of the 2030 development agenda

The outcome document of the United Nations Summit for the adoption of the 2030 development agenda titled “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 implement the Global Jobs Pact of the International Labour Organization”.

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

Achieving decent and productive work for young people is a global 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 18).

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. In 2010 the United Nations Inter-agency Network on Youth Development (IANYD) was established as a means to strengthen collaboration and coordination across the United Nations System in support of broad-based youth employment partnerships within and between countries. An important output of the IANYD is the Youth-SWAP (System-wide Action Plan for Youth) that has youth employment as one of its five priorities.

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 recent “Addis Ababa Action Agenda” of the Third International Conference on Financing for Development. The Agenda 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”.⁶² The document goes further to set a new global framework for financing sustainable development that is well aligned to the ILO’s Decent Work Agenda.

In September 2014, the High-level Committee on Programmes of the United Nations set the groundwork for an umbrella initiative, “The Global Initiative on Decent Jobs for Youth”, that aims to enhance policy coherence, including through stronger coordination and multi-stakeholder partnerships, with a view to supporting member States in the achievement of the Sustainable Development Goals. More specifically, the Initiative, led by the ILO and involving

⁶² 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.

another 18 UN entities⁶³ in its initial phase, envisages to: (i) engage stakeholders and world leaders in high-level policy action on youth employment; (ii) expand and scale up context-specific interventions at the national and regional levels for systematic and coherent policies and interventions on youth employment; (iii) pool existing expertise and enhance knowledge development and dissemination on what works for youth employment, including through the development of tools and capacity building; and (iv) leverage resources from existing facilities and mobilizing additional resources. The Global Initiative will provide an important platform to support countries in the implementation and monitoring of the 2030 Development Agenda.

Another recent global initiative is Solutions for Youth Employment (S4YE), launched in October 2014 and led by the World Bank Group.⁶⁴ The coalition brings together public, private and civil society to leverage action toward improving youth employment outcomes by 2030.⁶⁵

5.5. Summary of main implications for policies and strategies for decent jobs for youth

The main implications for policies and programmes to promote decent jobs for youth that have been highlighted in this report can be summarized as follows:

- Strategies to promote youth employment should articulate the mix and interaction of macroeconomic policies, labour and employment policies and other interventions specifically targeting young people, particularly the most disadvantaged.
- Policies that offer fiscal incentives, support the development of infrastructure and develop enabling regulations for enterprises operating in sectors with high employment potential can help improve youth employment outcomes.
- The positive effect of public investment on youth employment can be maximized by ensuring that young workers have the right skills and are supported in the job matching. In this sense, linking investment in infrastructure with labour market policies would boost both quantity and quality of jobs for youth.
- Comprehensive packages of active labour market policies that target disadvantaged youth can help in the school-to-work transition.
- An increase in public investment, social benefits and active labour market policies (ALMPs) has an impact on youth employment, particularly in terms of labour market participation. Evidence shows that public spending on labour market policies is associated with significantly higher youth employment-to-population ratios.
- Specific policies and targeted interventions to support the transition of young workers to the formal economy yield better results if designed as part of macroeconomic policies and include interventions to improve legal and administrative requirements for entrepreneurial activity, reforms to advance the quality of youth employment through access to rights at work, better working conditions and social protection.
- Coordinated responses and partnerships are required to scale up policies and strategies that have had an impact on the quantity and quality of jobs for young people.

⁶³ The inter-Agency Task Team set to develop and launch the Global Initiative is comprised by FAO, ILO, ITC, ITU, UNCTAD, UNDESA, UNDP, UNEP, UNESCO, UNFPA, UN-Habitat, UNICEF, UNIDO, UNRWA, UN-WOMEN, UNWTO, WIPO, the World Bank Group and (ex officio) the Office of the Secretary-General's Envoy on Youth.

⁶⁴ Co-founding members include the ILO, Accenture, International Youth Foundation, Plan International, RAND Corporation and Youth Business International.

⁶⁵ More information on Solutions for Youth Employment (S4YE) is available at www.s4ye.org.

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Annexes

Annex A. Additional tables

Table A.1 Global unemployment and unemployment rates, youth (15–24), adult (25+) and total (15+), 2007–15

	2007	2008	2009	2010	2011	2012	2013	2014e	2015p
Youth unemployment (millions)	70.5	72.9	76.6	75.6	74.4	74.3	73.9	73.3	73.4
Adult unemployment (millions)	100.5	106.1	121.5	120.8	120.9	123.0	125.7	126.2	128.2
Total unemployment (millions)	171.0	179.0	198.1	196.4	195.3	197.3	199.6	199.4	201.6
Youth unemployment rate (%)	11.7	12.2	12.9	13.0	12.9	13.0	13.0	13.0	13.1
Adult unemployment rate (%)	4.0	4.2	4.7	4.6	4.5	4.5	4.5	4.5	4.5
Total unemployment rate (%)	5.5	5.7	6.2	6.1	6.0	6.0	6.0	5.9	5.9
Ratio of youth–to–adult unemployment rates	2.9	2.9	2.8	2.8	2.8	2.9	2.9	2.9	2.9

e = estimate; p = projection.

Source: ILO, *Trends Econometric Models*, April 2015.

Table A.2 Global and regional youth unemployment rates, 2007–19 (%)

	2007	2008	2009	2010	2011	2012	2013	2014e	2015p	2016p	2017p	2018p	2019p
WORLD	11.7	12.2	12.9	13.0	12.9	13.0	13.0	13.0	13.1	13.1	13.1	13.2	13.2
Male	11.3	11.8	12.6	12.5	12.4	12.5	12.6	12.6	12.6	12.7	12.7	12.7	12.7
Female	12.3	12.7	13.4	13.7	13.5	13.6	13.5	13.6	13.7	13.8	13.9	13.9	14.0
Developed Economies and European Union	12.5	13.3	17.4	18.1	17.6	18.0	17.7	16.6	16.2	15.7	15.4	15.2	15.1
Male	12.9	14.0	19.1	19.5	18.6	19.1	18.8	17.6	17.0	16.5	16.1	15.9	15.8
Female	12.1	12.5	15.5	16.4	16.5	16.8	16.5	15.5	15.2	14.8	14.6	14.4	14.4
Central and South-Eastern Europe (non-EU) and CIS	17.4	16.8	20.0	18.9	17.9	17.4	16.8	17.2	17.6	17.9	18.0	18.1	18.1
Male	17.4	16.6	20.1	18.7	17.5	17.0	16.4	16.9	17.2	17.6	17.7	17.8	17.9
Female	17.4	17.2	19.8	19.1	18.5	18.0	17.5	17.8	18.1	18.4	18.5	18.5	18.5
East Asia	8.2	9.5	9.4	9.3	9.7	10.1	10.4	10.6	10.9	11.2	11.4	11.7	11.9
Male	9.0	10.4	10.3	10.2	10.6	11.0	11.4	11.6	11.9	12.3	12.6	12.9	13.1
Female	7.3	8.4	8.4	8.3	8.6	9.0	9.2	9.4	9.6	9.8	10.0	10.2	10.3
South-East Asia and the Pacific	14.8	14.1	14.0	14.7	13.1	12.7	13.5	13.6	13.6	13.6	13.6	13.6	13.6
Male	14.5	13.7	13.9	14.2	12.8	12.6	13.3	13.3	13.4	13.4	13.4	13.3	13.2
Female	15.3	14.7	14.1	15.4	13.3	12.9	13.8	13.9	13.9	14.0	14.1	14.1	14.2
South Asia	8.9	9.8	9.8	9.7	9.7	9.9	9.9	9.9	10.0	10.0	10.1	10.1	10.1
Male	8.8	9.5	9.5	9.3	9.4	9.7	9.6	9.7	9.7	9.8	9.8	9.8	9.9
Female	9.2	10.4	10.5	10.6	10.6	10.6	10.6	10.6	10.7	10.7	10.7	10.7	10.8
Latin America and the Caribbean	14.1	13.6	15.5	15.0	14.3	13.5	13.4	13.4	13.9	13.9	13.8	13.8	13.8
Male	11.5	11.0	12.9	12.4	11.8	11.1	11.2	11.1	11.5	11.5	11.5	11.5	11.5
Female	18.2	17.5	19.5	19.0	17.9	17.1	16.6	16.8	17.4	17.3	17.2	17.3	17.3
Middle East	23.8	23.9	23.6	26.1	27.6	27.6	27.9	28.2	28.7	29.0	29.1	29.2	29.1
Male	20.1	20.0	20.0	21.8	23.0	22.9	23.1	23.5	24.0	24.3	24.5	24.5	24.5
Female	37.3	39.1	37.6	42.9	45.2	45.7	46.1	45.9	46.2	46.5	46.5	46.5	46.5
North Africa	25.2	24.4	24.5	24.2	27.8	29.7	30.2	30.5	30.6	30.7	30.7	30.7	30.7
Male	20.7	19.7	18.2	17.9	22.1	24.6	25.2	25.1	24.9	24.7	24.5	24.3	24.2
Female	36.9	36.6	40.9	40.3	42.2	42.7	42.8	44.1	44.8	45.4	45.9	46.2	46.3
Sub-Saharan Africa	12.3	12.3	12.5	12.2	12.1	12.1	11.6	11.6	11.6	11.6	11.6	11.6	11.6
Male	11.3	11.5	11.7	11.4	11.1	11.0	10.8	10.8	10.7	10.7	10.7	10.7	10.7
Female	13.3	13.2	13.3	13.1	13.3	13.4	12.5	12.6	12.6	12.7	12.7	12.7	12.7

e = estimate; p = projection.

Source: ILO, *Trends Econometric Models*, April 2015.

Table A.3 Global and regional youth labour force participation rates, 2000, 2005–15 (%)

	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014e	2015p
WORLD	53.2	51.2	50.5	49.8	49.2	48.5	47.7	47.6	47.3	47.4	47.3	47.3
Male	61.8	59.4	58.7	57.9	57.3	56.5	55.7	55.5	55.2	55.2	55.2	55.2
Female	44.2	42.6	41.9	41.2	40.7	40.0	39.3	39.2	39.0	39.0	38.9	38.9
Developed Economies and European Union	52.6	49.9	50.3	49.9	49.8	48.6	47.4	47.0	47.0	47.2	47.4	47.6
Male	55.3	52.2	52.7	52.3	52.1	50.6	49.3	48.8	48.9	48.9	49.1	49.3
Female	49.7	47.5	47.8	47.5	47.4	46.5	45.4	45.0	45.1	45.3	45.5	45.7
Central and South-Eastern Europe (non-EU) and CIS	43.3	40.2	40.1	40.3	41.3	41.4	40.9	41.1	40.3	40.5	40.6	40.6
Male	50.1	47.0	46.9	47.1	48.5	48.4	47.9	48.2	47.3	47.7	47.9	48.0
Female	36.4	33.3	33.2	33.2	33.8	34.2	33.6	33.7	32.9	33.0	33.0	32.9
East Asia	66.3	58.2	57.3	56.6	55.9	55.2	54.2	54.7	55.1	55.1	55.0	54.9
Male	66.5	59.2	58.5	58.0	57.5	57.0	56.2	56.7	57.0	57.0	57.0	56.8
Female	66.1	57.2	56.0	55.0	54.1	53.2	52.1	52.6	52.9	53.0	52.9	52.8
South-East Asia and the Pacific	56.4	55.1	54.0	53.2	52.7	52.6	52.3	52.4	52.4	52.4	52.4	52.3
Male	63.5	61.8	60.9	59.9	59.6	59.6	59.2	59.4	59.4	59.4	59.4	59.3
Female	49.2	48.2	47.1	46.4	45.8	45.6	45.3	45.3	45.3	45.3	45.2	45.1
South Asia	47.8	48.6	47.2	45.6	44.1	42.7	41.4	40.5	39.6	39.6	39.5	39.5
Male	66.1	66.2	64.7	62.8	61.0	59.4	57.7	56.6	55.4	55.3	55.2	55.0
Female	28.2	29.7	28.5	27.1	25.9	24.9	23.8	23.2	22.6	22.6	22.6	22.6
Latin America and the Caribbean	54.6	54.2	53.7	53.4	53.3	52.5	52.6	52.4	52.5	52.5	52.5	52.5
Male	67.0	65.0	64.4	63.9	63.7	62.7	62.8	62.3	62.3	62.2	62.1	62.1
Female	42.1	43.3	42.8	42.8	42.8	42.2	42.2	42.2	42.5	42.5	42.6	42.8
Middle East	32.6	33.3	32.5	31.7	30.8	30.7	30.9	31.1	31.1	31.3	31.3	31.2
Male	51.0	50.8	49.6	48.6	47.5	47.3	47.4	47.5	47.4	47.4	47.2	46.9
Female	13.4	15.2	14.5	13.9	13.1	13.0	13.2	13.3	13.4	13.7	13.8	13.8
North Africa	36.1	36.6	34.6	34.1	34.0	33.6	33.4	33.5	33.6	33.6	33.7	33.7
Male	50.9	52.1	49.1	48.7	48.4	47.9	47.3	47.4	47.4	47.3	47.2	47.2
Female	20.8	20.7	19.8	19.2	19.1	18.9	19.1	19.2	19.4	19.5	19.7	19.8
Sub-Saharan Africa	54.3	54.4	54.3	54.2	54.3	54.2	54.1	54.1	54.2	54.3	54.3	54.4
Male	57.0	56.6	56.5	56.4	56.5	56.4	56.3	56.3	56.4	56.5	56.6	56.6
Female	51.5	52.1	52.2	52.0	52.1	52.0	51.9	51.9	51.9	52.0	52.1	52.1

e = estimate; p = projection.

Source: ILO, *Trends Econometric Models*, April 2015.

Table A.4 Global and regional ratios of youth-to-adult unemployment rates, 2000, 2005–15 (%)

	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014e	2015p
WORLD	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.9	2.9	2.9	2.9
Male	2.9	3.0	3.0	3.0	3.0	2.8	2.9	2.9	3.0	3.0	3.0	3.0
Female	2.7	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.8	2.8
Developed Economies and European Union	2.4	2.5	2.5	2.6	2.6	2.4	2.4	2.4	2.4	2.4	2.5	2.5
Male	2.7	2.7	2.7	2.8	2.9	2.6	2.5	2.6	2.6	2.6	2.7	2.7
Female	2.1	2.2	2.3	2.3	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Central and South-Eastern Europe (non-EU) and CIS	2.3	2.5	2.6	2.6	2.6	2.4	2.5	2.5	2.7	2.6	2.6	2.6
Male	2.2	2.4	2.4	2.5	2.4	2.3	2.4	2.4	2.5	2.5	2.5	2.5
Female	2.4	2.7	2.8	2.8	2.8	2.6	2.7	2.7	2.9	2.8	2.8	2.8
East Asia	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	3.0
Male	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9
Female	3.2	3.2	3.2	3.2	3.2	3.1	3.2	3.2	3.2	3.2	3.2	3.2
South-East Asia and the Pacific	5.1	5.3	5.4	4.8	4.6	4.6	6.0	5.4	5.7	5.9	5.9	5.8
Male	5.1	5.2	5.6	4.8	4.5	4.5	6.2	5.7	6.1	6.3	6.2	6.2
Female	5.2	5.4	5.1	4.6	4.7	4.7	5.7	5.1	5.3	5.5	5.5	5.5
South Asia	4.0	3.3	3.3	3.5	3.5	3.6	4.1	4.1	4.1	4.0	4.0	3.9
Male	4.0	3.8	3.7	3.8	3.7	3.7	4.7	4.7	4.5	4.4	4.4	4.3
Female	3.9	2.7	2.7	3.0	3.0	3.3	3.1	3.2	3.3	3.3	3.3	3.2
Latin America and the Caribbean	2.5	2.9	2.9	2.9	3.0	2.8	2.8	2.9	3.0	2.9	2.8	2.9
Male	2.5	3.0	3.0	3.0	3.1	2.9	2.9	3.0	3.0	3.0	2.9	2.9
Female	2.5	2.8	2.9	2.8	2.9	2.8	2.8	2.9	3.0	2.9	2.9	2.9
Middle East	3.7	3.6	3.7	3.7	3.7	3.4	3.5	3.7	3.7	3.8	3.8	3.8
Male	3.9	3.8	3.9	4.0	4.0	3.6	3.8	4.0	4.0	4.1	4.1	4.1
Female	2.9	2.9	2.9	2.8	3.0	2.8	2.8	2.9	2.9	2.9	3.0	3.0
North Africa	2.9	3.5	3.4	3.3	3.4	3.3	3.3	3.4	3.6	3.7	3.6	3.6
Male	3.1	3.5	3.4	3.3	3.4	3.2	3.2	3.5	3.9	4.1	4.0	3.9
Female	2.3	3.2	3.1	3.1	3.0	3.2	3.1	2.8	2.9	2.9	2.9	2.9
Sub-Saharan Africa	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9
Male	2.0	2.1	2.2	2.1	2.1	2.2	2.1	2.1	2.0	2.0	2.0	2.0
Female	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8

e = estimate; p = projection.

Source: ILO, *Trends Econometric Models*, April 2015.

Table A.5 Global and regional youth employment-to-population ratios, 2000, 2005–15 (%)

	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014e	2015p
WORLD	46.3	44.6	44.2	43.9	43.2	42.2	41.5	41.4	41.2	41.2	41.2	41.1
Male	54.0	52.0	51.6	51.3	50.5	49.4	48.7	48.6	48.3	48.3	48.3	48.2
Female	38.3	36.8	36.4	36.2	35.5	34.7	33.9	33.9	33.7	33.7	33.7	33.6
Developed Economies and European Union	45.5	42.8	43.6	43.7	43.2	40.2	38.8	38.7	38.6	38.8	39.5	39.9
Male	47.8	44.4	45.5	45.5	44.8	41.0	39.6	39.7	39.6	39.7	40.5	40.9
Female	43.0	41.1	41.6	41.8	41.5	39.3	37.9	37.6	37.5	37.8	38.5	38.8
Central and South-Eastern Europe (non-EU) and CIS	34.7	32.9	32.8	33.3	34.3	33.1	33.1	33.7	33.2	33.7	33.6	33.5
Male	40.5	38.7	38.6	38.9	40.5	38.7	38.9	39.8	39.3	39.9	39.8	39.7
Female	28.8	27.0	26.9	27.5	28.0	27.4	27.2	27.5	27.0	27.2	27.1	27.0
East Asia	59.9	53.0	52.3	51.9	50.6	50.0	49.2	49.4	49.5	49.4	49.2	49.0
Male	59.4	53.3	52.9	52.8	51.5	51.1	50.4	50.7	50.7	50.5	50.3	50.0
Female	60.4	52.6	51.6	51.0	49.6	48.7	47.8	48.1	48.2	48.1	47.9	47.7
South-East Asia and the Pacific	49.0	45.4	44.9	45.3	45.3	45.2	44.6	45.6	45.8	45.3	45.3	45.2
Male	55.0	51.7	51.0	51.2	51.4	51.3	50.8	51.8	51.9	51.5	51.5	51.3
Female	42.8	39.1	38.6	39.3	39.1	39.1	38.3	39.3	39.5	39.0	38.9	38.8
South Asia	42.9	43.7	42.6	41.5	39.8	38.6	37.4	36.6	35.7	35.7	35.6	35.5
Male	59.4	59.7	58.5	57.3	55.2	53.7	52.4	51.3	50.0	50.0	49.8	49.7
Female	25.1	26.5	25.6	24.6	23.2	22.3	21.3	20.7	20.2	20.2	20.2	20.2
Latin America and the Caribbean	45.8	45.3	45.5	45.8	46.1	44.3	44.7	44.9	45.4	45.5	45.5	45.2
Male	58.1	56.3	56.6	56.5	56.7	54.6	55.0	55.0	55.4	55.3	55.2	54.9
Female	33.5	34.2	34.4	35.0	35.3	34.0	34.2	34.7	35.2	35.5	35.5	35.3
Middle East	24.8	24.9	24.3	24.2	23.4	23.5	22.9	22.5	22.6	22.6	22.5	22.3
Male	40.4	39.9	39.1	38.9	38.0	37.8	37.1	36.5	36.5	36.5	36.1	35.7
Female	8.4	9.2	8.9	8.7	8.0	8.1	7.5	7.3	7.3	7.4	7.4	7.4
North Africa	25.2	26.2	25.6	25.5	25.7	25.4	25.3	24.2	23.6	23.5	23.4	23.4
Male	37.2	40.2	38.8	38.6	38.8	39.2	38.9	36.9	35.7	35.4	35.4	35.4
Female	12.7	11.9	12.1	12.1	12.1	11.1	11.4	11.1	11.1	11.2	11.0	10.9
Sub-Saharan Africa	46.9	47.8	47.6	47.6	47.6	47.4	47.5	47.6	47.6	48.0	48.0	48.0
Male	49.9	50.3	50.0	50.0	50.0	49.8	49.9	50.1	50.2	50.4	50.5	50.5
Female	43.8	45.2	45.1	45.1	45.2	45.0	45.1	45.0	45.0	45.5	45.5	45.5

e = estimate; p = projection.

Source: ILO, *Trends Econometric Models*, April 2015.

**Table A.6 Share of youth neither in employment nor education or training (NEET)
in the youth population, European countries, selected years (%)**

	2005	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	12.7	10.9	12.4	12.7	12.9	13.1	13.0	12.4
Austria	8.6	7.4	8.2	7.4	7.3	6.8	7.3	7.7
Belgium	13.0	10.1	11.1	10.9	11.8	12.3	12.7	12.0
Bulgaria	25.1	17.4	19.5	21.8	21.8	21.5	21.6	20.2
Croatia	16.7	11.6	13.4	15.7	16.2	16.6	19.6	19.3
Cyprus	19.5	9.7	9.9	11.7	14.6	16.0	18.7	17.0
Czech Republic	13.3	6.7	8.5	8.8	8.3	8.9	9.1	8.1
Denmark	4.3	4.3	5.4	6.0	6.3	6.6	6.0	5.8
Estonia	10.6	8.7	14.5	14.0	11.6	12.2	11.3	11.7
Finland	7.8	7.8	9.9	9.0	8.4	8.6	9.3	10.2
France	10.9	10.2	12.4	12.3	11.9	12.1	11.2	10.7
Germany	10.9	8.4	8.8	8.3	7.5	7.1	6.3	6.4
Greece	15.9	11.4	12.4	14.8	17.4	20.2	20.4	19.1
Hungary	12.9	11.5	13.6	12.6	13.2	14.8	15.5	13.6
Iceland	4.6	4.5	7.7	7.4	6.7	5.9	5.5	5.9
Ireland	10.9	15.0	18.6	19.2	18.8	18.7	16.1	15.2
Italy	17.1	16.6	17.6	19.0	19.7	21.0	22.2	22.1
Latvia	10.6	11.8	17.5	17.8	16.0	14.9	13.0	12.0
Lithuania	8.8	8.8	12.1	13.2	11.8	11.2	11.1	9.9
Luxembourg	5.5	6.2	5.8	5.1	4.7	5.9	5.0	6.3
Malta	11.9	8.3	9.9	9.5	10.2	10.6	9.9	11.5
Netherlands	5.3	3.4	4.1	4.3	3.8	4.3	5.1	5.0
Norway	8.3	4.1	5.0	4.9	5.0	5.2	5.6	5.5
Poland	13.9	9.0	10.1	10.8	11.5	11.8	12.2	12.0
Portugal	11.1	10.2	11.2	11.4	12.6	13.9	14.1	12.3
Romania	16.8	11.6	13.9	16.6	17.5	16.8	17.0	17.0
Slovenia	8.9	6.5	7.5	7.1	7.1	9.3	9.2	9.4
Slovakia	15.8	11.1	12.5	14.1	13.8	13.8	13.7	12.8
Spain	13.0	14.3	18.1	17.8	18.2	18.6	18.6	17.1
Sweden	10.5	7.8	9.6	7.7	7.5	7.8	7.5	7.2
Switzerland	7.2	6.3	8.1	6.7	6.7	6.9	7.1	7.3
United Kingdom	8.4	12.1	13.2	13.6	14.2	13.9	13.2	11.9

Note: The age group is 15–24.

Source: Eurostat, database of the European Union Labour Force Survey.

Table A.7 Distribution of poor and middle class employment by age and region, 1993 and 2013 (%)

Region	Year	Youth (15-24)		Adult (25+)	
		Poor or near poor	Developing middle class and above	Poor or near poor	Developing middle class and above
Central and South-Eastern Europe (non-EU) and CIS	1993	39.7	60.3	26.8	73.2
	2013	20.5	79.5	13.7	86.3
East Asia	1993	94.7	5.3	90.4	9.6
	2013	40.1	59.9	39.4	60.6
South-East Asia and the Pacific	1993	88.3	11.7	85.6	14.4
	2013	66.9	33.1	61.7	38.3
South Asia	1993	97.8	2.2	96.1	3.9
	2013	93.9	6.1	90.5	9.5
Latin America and the Caribbean	1993	44.7	55.3	37.5	62.5
	2013	22.4	77.6	17.0	83.0
Middle East	1993	47.9	52.1	36.9	63.1
	2013	35.5	64.5	26.6	73.4
North Africa	1993	77.0	23.0	72.0	28.0
	2013	59.2	40.8	56.3	43.7
Sub-Saharan Africa	1993	94.5	5.5	90.2	9.8
	2013	92.2	7.8	86.9	13.1
Developing world	1993	86.0	14.0	79.6	20.4
	2013	64.0	36.0	55.2	44.8

Note: For definition of income classes, see table 3.2.

Source: Bourmpoula and Kapsos (2015).

Table A.8 Youth unemployment rates by strict and relaxed definition, SWTS countries (%)

Country	Unemployment rate (relaxed)	Unemployment rate (strict)
Armenia	35.4	30.2
Bangladesh	10.9	10.3
Benin	14.3	9.1
Brazil	26.6	17.9
Cambodia	3.8	2.1
Colombia (urban areas)	13.7	12.5
Egypt	22.8	15.7
El Salvador	38.3	19.9
Jamaica	44.9	33.0
Jordan	30.0	24.1
Kyrgyzstan	6.9	4.0
Liberia	37.0	19.8
Macedonia, FYR	46.7	43.3
Madagascar	2.2	1.3
Malawi	18.9	7.8
Moldova, Rep. of	15.4	14.1
Nepal	28.9	19.2
Occupied Palestinian Territory	49.1	37.0
Peru (urban areas)	18.8	10.6
Russian Federation	15.9	11.7
Samoa	20.7	16.7
Tanzania, United Rep. of	38.3	21.1
Togo	16.8	7.5
Tunisia	37.4	31.8
Uganda	13.3	5.0
Ukraine	21.4	16.8
Viet Nam	4.9	2.8
Zambia	38.0	17.7

Source: Authors' calculations using SWTS data in 28 countries. For meta-information on reference period, etc., see Annex B.

Table A.9 Youth unemployment rate by level of completed educational attainment, SWTS countries, 2012/13 (%)

Country	Primary or less	Secondary	Tertiary
Armenia	–	27.6	29.5
Bangladesh	5.3	12.3	26.1
Benin	4.7	22.7	39.3
Brazil	15.2	14.8	8.3
Cambodia	2.0	1.4	3.8
Colombia (urban areas)	9.4	11.2	13.0
Egypt	3.6	17.1	34.0
El Salvador	13.4	26.0	18.4
Jamaica	34.9	34.2	21.8
Jordan	22.8	20.3	29.5
Kyrgyzstan	1.1	3.3	9.3
Liberia	13.1	26.3	21.4
Macedonia, FYR	52.9	45.6	42.0
Madagascar	0.9	1.7	10.8
Malawi	8.0	11.5	9.4
Moldova, Rep. of	39.7	19.3	7.8
Nepal	9.8	9.7	22.9
Occupied Palestinian Territory	35.4	32.9	45.1
Peru (urban areas)	4.2	8.8	8.3
Russian Federation	17.1	9.9	9.4
Samoa	9.1	20.0	11.6
Tanzania, United Rep. of	10.8	28.5	30.8
Togo	4.0	7.9	29.5
Tunisia	25.9	30.2	49.4
Uganda	4.9	7.1	8.6
Ukraine	67.7	18.1	9.3
Viet Nam	1.3	2.9	7.6
Zambia	11.6	23.1	19.7

– = Insignificant.

Source: Authors' calculations using SWTS data in 28 countries. For meta-information on reference period, etc., see Annex B.

Table A.10 Incidence of overeducation and undereducation for youth, European countries, selected years (ISCO-based, %)

	Overeducation						Undereducation					
	2002	2004	2006	2008	2010	2012	2002	2004	2006	2008	2010	2012
Austria	3.4	4.0	3.7	8.7	...	...	38.1	43.0	40.2	31.1	...	...
Belgium	8.2	15.5	9.7	11.8	18.5	10.2	24.7	19.8	29.2	18.0	24.0	21.6
Bulgaria	5.5	5.7	14.7	10.1	...	...	21.2	21.0	18.1	16.6	...	...
Croatia	16.6	13.3	...	...	...	...	13.6	6.3	...	...	...	...
Cyprus	22.6	21.3	33.2	36.1	...	...	11.6	8.9	10.8	0.0	...	...
Czech Republic	6.0	6.4	5.4	6.8	10.9	...	25.8	23.9	28.8	18.2	18.5	...
Denmark	15.1	12.9	6.5	7.7	8.9	15.8	28.3	25.0	31.8	33.1	38.6	31.6
Estonia	8.0	8.9	9.8	16.5	12.3	...	25.9	30.5	32.9	23.7	22.7	...
Finland	14.1	14.9	11.9	10.4	10.6	12.8	16.5	21.3	19.4	16.4	18.4	18.8
France	24.0	19.0	15.9	12.1	14.6	...	9.6	15.4	11.4	22.8	16.6	...
Germany	7.3	8.5	6.1	10.3	4.7	11.7	34.4	33.0	33.4	29.9	44.2	28.5
Greece	11.3	21.8	16.2	15.3	...	...	33.8	18.1	24.4	18.1	...	...
Hungary	4.9	8.9	11.8	23.6	10.4	14.3	21.5	24.2	17.3	16.9	5.5	12.4
Iceland	23.3	3.9	...	...	...	...	34.9	49.7	...	...	...	...
Ireland	21.0	15.9	28.5	38.5	18.2	26.0	25.4	21.9	20.9	10.5	16.6	7.6
Israel	14.4	21.0	15.0	10.9	...	...	31.2	24.1	26.8	26.7	...	...
Italy	4.5	5.3	...	...	...	...	45.2	35.9	...	...	...	...
Kosovo	17.6	...	...	...	...	...	24.3	...	...	...	...	...
Latvia	9.0	17.4	...	...	...	...	25.1	13.5	...	...	...	...
Lithuania	15.7	16.5	...	...	...	...	12.4	13.1	...	...	...	...
Luxembourg	5.6	3.8	...	...	...	...	39.2	39.6	...	...	...	...
Netherlands	4.9	4.6	7.3	3.1	5.9	8.1	46.5	41.3	49.1	39.7	45.0	33.2
Norway	4.9	18.4	13.5	10.6	10.9	6.8	14.3	13.0	9.5	15.0	16.0	22.6
Poland	8.7	9.5	11.4	11.9	11.6	12.2	46.6	41.5	34.9	34.7	23.2	21.7
Portugal	4.7	3.9	4.7	7.3	9.0	9.0	58.7	55.7	50.9	42.9	36.6	40.1
Romania	8.1	14.5	...	...	...	...	31.1	29.4	...	...	...	...
Russian Federation	24.6	32.8	26.4	48.5	...	...	11.8	8.1	9.1	2.3	...	...
Slovakia	8.3	6.6	12.7	11.7	10.6	...	22.3	17.8	22.2	27.5	13.7	...
Slovenia	7.5	9.2	6.0	14.5	14.4	13.2	20.1	20.6	23.3	24.8	20.2	12.2
Spain	14.8	13.1	14.7	12.4	12.7	19.7	37.2	40.7	46.3	42.8	35.8	38.7
Sweden	4.3	7.0	8.8	7.9	11.1	9.0	21.5	18.2	18.7	16.3	19.7	14.2
Switzerland	4.7	7.6	4.0	4.6	3.7	5.0	47.4	33.6	34.4	35.8	42.2	34.3
Turkey	5.8	8.0	...	...	...	...	43.8	48.4	...	...	...	...
United Kingdom	9.4	11.2	19.9	12.0	24.0	21.0	45.4	34.4	35.7	32.3	25.5	24.7
Ukraine	38.3	40.2	20.3	30.0	...	...	4.0	5.5	10.0	2.4	...	...

Notes: ... = Not available. The age group is 15–24.

Source: Sparreboom (2014, tables A4 and A6). Original data from the European Social Survey.

**Table A.11 Vulnerable employment, casual paid employment and temporary (non-casual) paid employment among youth, by sex, 25 SWTS countries, 2012/13
(% in total paid employment)**

	Male			Female		
	Vulnerable employment (a)	Casual paid employment (b)	Temporary (non-casual) employment (c)	Vulnerable employment (a)	Casual paid employment (b)	Temporary (non-casual) employment (c)
Armenia	25.2	1.9	8.5	20.8	0.4	7.9
Bangladesh	43.1	9.2	0.2	41.7	1.5	0.7
Benin	67.8	1.3	2.5	77.2	0.2	0.8
Brazil	20.3	3.0	1.9	23.8	1.5	2.7
Cambodia	60.6	6.8	4.6	67.6	3.4	4.0
El Salvador	37.6	9.6	4.6	46.1	7.9	2.9
Jamaica	28.7	9.6	3.4	31.2	3.5	4.1
Jordan	5.2	1.4	2.2	1.3	0.7	8.2
Kyrgyzstan	49.4	1.1	7.4	62.4	1.4	3.5
Liberia	66.1	4.7	0.8	83.1	0.8	0.5
Macedonia, FYR	32.7	0.2	16.5	22.2	0.1	14.5
Madagascar	79.8	2.9	2.4	85.3	1.8	1.9
Malawi	71.3	9.7	2.9	82.3	6.5	1.6
Moldova, Rep. of	26.5	2.4	5.9	13.3	0.6	6.2
Nepal	42.3	2.9	6.4	64.6	3.2	4.6
Occupied Palestinian Territory	16.0	2.8	4.1	14.5	1.0	4.8
Peru (urban areas)	28.2	27.1	17.8	27.2	21.3	24.0
Russian Federation	10.4	0.5	2.1	7.0	0.5	1.4
Tanzania, United Rep. of	46.3	9.9	2.4	64.9	1.0	0.6
Togo	65.3	3.2	2.7	77.6	1.0	1.1
Tunisia	21.2	3.2	9.8	20.2	1.6	24.2
Uganda	62.8	5.0	2.0	80.8	2.4	0.4
Ukraine	11.5	1.2	1.1	8.3	0.7	1.5
Viet Nam	36.0	5.0	13.5	43.9	0.7	10.7
Zambia	47.0	10.2	4.6	57.1	6.4	3.0

Notes: The age group is 15–29. Vulnerable employment is the sum of own-account worker and contributing family workers. Casual labourers are defined as paid employees with contract/agreement durations of less than 12 months who give as the reason for the limited duration of the contract or agreement seasonal work, occasional work or work based on a fixed task. A further check was made to exclude those who stated that their payment period was greater than one month. Temporary (non-casual) employment is paid employment with a duration less than 12 months minus casual workers.

Source: Authors' calculations using SWTS data in 25 countries (excluding Colombia, Egypt and Samoa). For meta-information on reference period, etc., see Annex B.

Annex B. Meta-information on the ILO school-to-work transition surveys

Twenty-eight school-to-work transition surveys (SWTS) were carried out between 2012 and 2013 within the framework of the Work4Youth (W4Y) partnership between the ILO Youth Employment Programme and The MasterCard Foundation. The W4Y project has a budget of US\$14.6 million and runs for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market. The assumption is that governments and social partners in the project’s 28 target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on: (i) what young people expect in terms of transition paths and quality of work; (ii) what employers expect in terms of young applicants; (iii) what issues prevent the two sides – supply and demand – from matching; and (iv) what policies and programmes can have a real impact. Information on the survey implementation partners, sample size, geographic coverage and reference periods is provided in the following table. Micro datasets are available at www.ilo.org/w4y.

Table B.1 ILO school-to-work transition surveys: Meta-information

Country	Implementation partner	Sample size	Geographic coverage	Reference period
Armenia	National Statistical Service	3 216	National	October–November 2012
Bangladesh	Bureau of Statistics	9 197	National	January–March 2013
Benin	Institut National de la Statistique et de l'Analyse Economique	6 917	National	December 2012
Brazil	ECO Assessoria em Pesquisas	3 288	National	June 2013
Cambodia	National Institute of Statistics	3 552	10 provinces	July and August 2012
Colombia	Departamento Administrativo Nacional de Estadística	6 416	Urban	September–November 2013
Egypt	Central Agency for Public Mobilization and Statistics	5 198	National	November–December 2012
El Salvador	Dirección General de Estadística y Censos	3 451	National	November–December 2012
Jamaica	Statistical Institute of Jamaica	2 584	National	February–April 2013
Jordan	Department of Statistics	5 405	National	December 2012–January 2013
Kyrgyzstan	National Statistical Commission	3 930	National	July–September 2013
Liberia	Liberian Institute of Statistics and Geo-Information Services	1 876	National	July and August 2012
Macedonia, FYR	State Statistical Office	2 544	National	July–September 2012
Madagascar	Institut National de la Statistique	3 300	National	May–June 2013
Malawi	National Statistics Office	3 102	National	August and September 2012
Moldova, Rep. of	National Bureau of Statistics	1 158	National	January–March 2013
Nepal	Center for Economic Development and Administration	3 584	National	April–May 2013
Occupied Palestinian Territory	Central Bureau of Statistics	4 320	National	August–September 2013
Peru	Instituto Nacional de Estadística e Informática	2 464	Urban	December 2012–February 2013
Russian Federation	Russian Federal State Statistics Service	3 890	11 regions	July 2012
Samoa	Bureau of Statistics	2 914	National	November–December 2012
Tanzania, United Rep. of	University of Dar-es-Salaam, Department of Statistics	1 988	National	February–March 2013
Togo	Direction Générale de la Statistique et de la Comptabilité Nationale	2 033	National	July and August 2012
Tunisia	Institut National de la Statistique	3 000	National	February–March 2013
Uganda	Bureau of Statistics	3 811	National	February–April 2013
Ukraine	Ukrainian Center for Social Reforms	3 526	National	February 2013
Viet Nam	General Statistics Office	2 722	National	December 2012–January 2013
Zambia	IPSOS Synovate Zambia	3 206	National	December 2012

Annex C. Regional studies on youth employment¹

Asia and the Pacific

- Elder, S. 2014. *Labour market transitions of young men and women in Asia and the Pacific*, Work4Youth Publication Series No. 19 (Geneva, ILO).
- Lim, C.; Grant, A. 2014. *Unleashing youth in Asia* (Kuala Lumpur and Singapore, McKinsey Center for Government).
- Regional Coordination Mechanism/United Nations Development Group (RCM/UNDG) Thematic Working Group on Youth. (forthcoming). *Switched on: Youth at the heart of sustainable development in Asia-Pacific* (Bangkok).

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

- Arias, O.S.; Sánchez-Páramo, C.; Dávalos, M.E.; Santos, I.; Tiongson, E.R.; Gruen, C.; de Andrade Falcão, N.; Saiovici, G.; Cancho, C.A. 2014. *Back to work: Growing with jobs in Europe and Central Asia* (Washington DC, World Bank).
- Elder, S.; Barcucci, V.; Gurbuzer, V.; Perardel, Y.; Principi, M. 2015. *Labour market transitions of young women and men in Eastern Europe and Central Asia*, Work4Youth Publication Series No. 28 (Geneva, ILO).
- International Labour Office (ILO). 2015. *Good practices on the elimination of child labour in Central Asia*, International Programme for the Elimination of Child Labour (IPEC) (Geneva).

Developed Economies and European Union

- Carcillo, S.; Fernández, R.; Königs, S.; Minea, A. 2015. *NEET youth in the aftermath of the crisis*, OECD Social, Employment and Migration Working Papers, No. 164 (Paris, OECD).
- European Foundation for the Improvement of Living and Working Conditions (Eurofound). 2012. *NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe* (Luxembourg, Publications Office of the European Union).
- . 2014. *Mapping youth transitions in Europe* (Luxembourg, Publications Office of the European Union).
- Hawley, J.; Hall-Nevala, A.M.; Weber, T. 2012. *Effectiveness of policy measures to increase the employment participation of young people* (Luxembourg, Publications Office of the European Union).

Latin America and the Caribbean

- Díaz, J. J.; Dema, G.; Chacaltana, J. 2015. *¿Qué sabemos sobre los programas y políticas de primer empleo en América Latina?* (Lima, OIT).
- González-Velosa, C.; Ripani, L.; Rosas Shady, D. 2012. *How can job opportunities for young people in Latin America be improved?*, Labor Markets and Social Security Unit, Technical Notes No. IDB-TN-345 (Washington DC, Inter-American Development Bank).
- Organización Internacional del Trabajo (OIT). 2015. *Formalizando la informalidad juvenil: Experiencias innovadoras en América Latina y el Caribe* (Lima).

¹ The Annex lists only a few of the many regional studies on youth labour market issues.

Middle East and North Africa

- Gebel, M.; Heyne, S. 2014. Transitions to adulthood in the Middle East and North Africa: Young women's rising? (New York, Palgrave Macmillan).
- Salehi-Isfahani, D. 2015. *Inequality of opportunity in education and youth employment in MENA*, Silatech Working Paper No. 15-1 (Doha, Silatech).
- Tzannatos, Z. 2014. *Labour demand and social dialogue: Two binding constraints for decent work for youth in the Arab Region*, Working Paper No. 164, Employment Policy Department (Geneva, ILO).

Sub-Saharan Africa

- Anyanwu, J.C. 2014. *Does intra-African trade reduce youth unemployment in Africa?*, Working Paper Series No 201 (Tunis, African Development Bank).
- Elder, S.; Koné, K.S. 2014. *Labour market transitions of young women and men in sub-Saharan Africa*, Work4Youth Publication Series No. 9 (Geneva, ILO).
- Filmer, D.; Fox, L. 2014. *Youth employment in sub-Saharan Africa* (Washington DC, World Bank).

Global Employment Trends for Youth 2015

Incorporating the most recent labour market information available, *Global Employment Trends for Youth 2015* sets out the youth labour market situation around the world. It provides an update on key youth labour market indicators and trends, focusing both on the continuing labour market instability and on structural issues in youth labour markets.

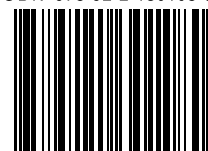
This year's report shows that the number of youth unemployed in the world has declined from its crisis peak but the global youth unemployment rate remains at a stubborn 13 per cent. Recovery from the Great Recession is not universal; in developed economies, the outlook for youth entering the labour market in 2015 is more positive than those entering over the previous five years, yet the previous cohort of entrants continue to feel the costs of long-term unemployment and temporary jobs. Meanwhile, youth in developing countries are still plagued by conditions of vulnerable employment and working poverty. At the global level, as much as two-fifths of the youth labour force remain either unemployed or working yet living in conditions of poverty. Drawing on results of the school-to-work transition surveys undertaken as part of the Work4Youth partnership with The MasterCard Foundation, the report highlights the underutilization of young labour engaged in irregular work and skills mismatch. It also explores the concept of non-standard employment according to the context of developed or developing economies.

The report offers valuable lessons learned on "what works" for youth employment and on emerging practices in policy responses. Ideally, these will shape future investments in youth employment as countries continue to prioritize youth in their national policy agendas.



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