

## **“The Challenge of Youth Employment: A Youth perspective”**

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### **Youth and Employment:**

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The issue of youth employment has become a center of discussion and concern for different countries around the world, and a subsequent focus of attention by governments, political parties, regional and international institutions and academics. The growing importance of the issue was underscored by the commitment in 2000, by the largest gathering of Heads of State and Government ever, within the Millennium Declaration to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work”. This commitment was subsequently included in the Millennium Development Goals. In 2001, the Secretary-General created the Youth Employment Network (YEN) – an inter-agency partnership between the UN, the ILO, and the World Bank – to operationalize this commitment.

Youth is often considered as a transition phase from childhood into adulthood. It is the transition from being dependant on others to being independent. One of the most significant factors during this transition is indeed, their employment status. Young people often feel that having a job is a sign of independence which could lead them to their own choice in their lives vis-à-vis their family and peers. Unfortunately, it is not always easy to find a job. For different reasons, young people find it more and more difficult to find a job. This is a global reality. The number of unemployed youth has increased steadily over the past decade to the current level of 88 million unemployed youth globally. The total youth unemployment rate remains double that of older workers. Although young people make up only 25 % of the working-age population, they represent 47 % of the total unemployment<sup>2</sup>, a figure which only represents the tip of the iceberg given that many more millions of youth are forced to seek a living in the informal economy, often in dangerous circumstances, with no social protection, and working for long hours for very low wages<sup>3</sup>.

Young people are confronted by further obstacles which make them especially vulnerable to social, economic, physical and psychological influences. The difficulty of finding employment can lead to feelings of vulnerability and idleness. Many young people never complete secondary school, about two third of school drop-outs are young girls and less than one fourth of girls attend secondary school in many developing countries. Young people with limited education and skills will face various difficulties when they seek to enter the labor market. The type of jobs available for them, are often jobs with low incomes, insecure, and with little prospect for advancement. Over the longer term, disadvantages experienced by youth, can harm their employment prospects for life. Furthermore young people without means or opportunities are more vulnerable to involvement in criminal activities or drug abuse. In regions where armed conflicts exist, youth are frequently the main victims and perpetrators of violence.

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<sup>2</sup> ILO, *Global Employment Trends for Youth, 2004*. (Geneva, ILO, 2004).

<sup>3</sup> ILO, *Global Employment Trends Brief, February 2005*. (Geneva, ILO, 2005).

A generation without a hope of stable employment can be a burden for the society in which they live. Youth unemployment has serious global economic consequences. The lack of education, training and skills among the youth means that for many the only chances of work are in unstable and low income jobs, which rarely pay enough to enable them to escape the intergeneration cycles of poverty they and their families are trapped in. Ignoring the potential of tackling the problems of youth employment can be an economic waste. According to an ILO estimate, reducing the global youth unemployment rate by half, from 14.4 % (in 2003) to 7.2 %, would add between US\$ 2.2 to 3.5 trillion to the world economy<sup>4</sup>.

**Table 1: Estimates of the numbers of youth, age 15-24, living in poverty in 2005 in millions**

Region	Less than \$1/day	Less than \$2/day	Undernourished
South Asia	84.1	206.1	57.8
Sub-Saharan Africa	60.7	102.1	39.9
East Asia and the Pacific	46.5	150.5	38.6
Latin America and the Caribbean	11.1	27.2	10.8
Middle East and North Africa	2.0	12.1	7.1
Europe and Central Asia	4.1	18.1	5.8
<b>World</b>	<b>208.6</b>	<b>515.1</b>	<b>160.1</b>

Source: R. Curtain, *Youth in Extreme Poverty: Dimension and Policy Implication with Particular Focus on South East Asia* (Melbourne, 2004) as quoted in Report of UN Secretary General on World Youth Report 2005, A/60/61-E/2005/7.

#### **Key Statistics**

- One in five people in the world are between 15 and 24 years old. Some 85% of them live in developing countries.
- Eighty eight million young people are unemployed (2003). A much higher number are underemployed.
- Over the next decade, as many as 500 million young people are expected to enter the world's workforce.
- The unemployment rate for young people is two to three times higher than for adults.
- In over a quarter of industrialized countries, young women's unemployment rate is 20% higher than that for young men.
- The informal sector account for up to 93% of all jobs available to young people, wages in the informal sector are 44% lower than the formal economy, and protection and benefits are non-existent.

From the regional perspective, the Middle East and North Africa as well as the Sub-Saharan Africa have had an unemployment rate above 20 % for more than a decade whilst all other regions with the exception of East Asia have an unemployment rate above 10%.

**Table 2: The World and Regional Youth Unemployment Rate**

Youth Unemployment rate (%)	1991	1995	2000	2001	2002	2003	2004
World	12.1	12.1	13.4	13.8	14.2	14.1	13.8
Develop Economies and European Unions	14.2	15.2	12.9	13.1	14.1	14.4	13.6
Central and Eastern Europe (non-EU) and CIS	17.5	16.9	17.9	17.8	18.1	17.5	18.3
East Asia	7.4	7.1	7.9	8.1	7.8	7.6	7.5
South East Asia and the Pacific	8.5	9.4	12.9	15.4	17.7	17.2	17.1
South Asia	10.0	9.0	10.5	10.4	10.5	10.8	10.8

<sup>4</sup> ILO, *Global Employment Trend for Youth 2004*, (Geneva, ILO, 2004).

Latin America and the Caribbean	16.2	14.6	16.7	17.1	17.4	17.0	15.3
Middle East and North Africa	24.0	26.7	25.9	26.6	26.4	26.4	26.3
Sub-Saharan Africa	21.1	19.2	20.0	19.8	20.2	20.2	19.7

Source: Key Indicators of the Labor Market, Fourth Edition 2005

The table below shows that the world ratio of youth-to-adult unemployment in 2004 stood at 3.1, meaning that young people are 3.1 times more likely to be unemployed than older workers. South East Asia and the Pacific have the highest rate which 5.6 in 2004. These figures underscore the specific vulnerabilities and difficulties youth face in the labour market.

**Table 3: Ration of youth-to-adult Unemployment Rate**

<b>Ratio of youth-to-adult Unemployment rate (%)</b>	<b>1991</b>	<b>1995</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
World	2.8	2.9	3.1	3.1	3.1	3.1	3.1
Develop Economies and European Unions	2.4	2.3	2.3	2.4	2.3	2.3	2.3
Central and Eastern Europe (non-EU) and CIS	2.1	2.6	2.4	2.4	2.4	2.3	2.4
East Asia	2.8	2.8	2.7	2.7	2.7	2.7	2.7
South East Asia and the Pacific	4.5	4.8	5.3	5.4	5.5	5.7	5.6
South Asia	3.9	3.8	4.0	3.9	3.8	3.7	3.7
Latin America and the Caribbean	2.7	2.7	2.7	2.6	2.6	2.6	2.6
Middle East and North Africa	3.4	3.3	3.2	3.3	3.3	3.3	3.3
Sub-Saharan Africa	3.5	3.9	3.4	3.4	3.4	3.5	3.5

Source: Key Indicators of the Labor Market, Fourth Edition 2005

### **Youth Involvement:**

Youth unemployment is often considered a consequence of the failure of youth themselves to prepare for the world of work. Policy interventions based on this rationale have frequently stereotyped youth as a burden and sometimes even as risks to be managed or threats to be contained. In fact, it needs to be underlined that it is the unemployment that is the problem, and that youth are in fact the solution. This generation of youth, the largest ever, must be viewed in terms of an opportunity, a 'demographic dividend', rather than a problem to be solved. Youth can play a decisive role in solving the youth employment question, if they are given the right tools, and the knowledge and empowerment to use them. Indeed in order to develop effective and lasting interventions in the field of youth employment it is essential to listen to the youth themselves, and understand their own experiences, frustrations and aspirations.

#### **Case Study: CPE- France**

To address the issue of youth unemployment, the French government has introduced a new law called *Contract Première Embouche (CPE – First Employment Contract)*. This new law focuses on young people under the age of 26 and gives employers the opportunity to employ youth using flexible job contracts. Whilst these contracts make it easier to hire young employees the law also allows employers to terminate contracts without explanation at any time during the first two years of employment. The new law has triggered nation wide protests and strikes mainly by the university students, high school students and trade unions. On March 2, 2006, between 1 to 3 million protesters massed in France's largest cities to ask the government to withdraw the law. Youth backed by the unions feel the law is only serving to institutionalize the existing situation of employment *precarité* (precariousness) that has been a growing concern in France for some years. The French government also stands accused of not consulting the youth, students and trade unions in drawing up the law. Regardless of the political dimensions of this new law, the case of CPE in France shows that

a failure to develop youth employment policy in a holistic and multi-stakeholder manner can result in policy interventions which are ineffective, unpopular, and ultimately very difficult to implement.

The two UN Resolutions on the youth employment issues have clearly given the mandate to involve young people in policy-making discussions. The GA resolution **A/RES/58/133** “Recognises the importance of the full and effective participation of young people and youth organizations at the local, national, regional and international levels in promoting and implementing the World Programme of Action. This resolution reiterates the previous GA resolution, **A/RES/57/165** on **promoting youth employment** which asks, “Member States to prepare national reviews and action plans on youth employment and to involve youth organizations and young people in this process, taking into account, inter alia, the commitment made by the Member States in this regard, in particular those included in the World Programme of Action for Youth”.

In responding to this, youth organizations began engaging with the YEN in 2001, and entered a process which led to the formal establishment of a YEN Youth Consultative Group in 2004. YEN Secretariat works very closely with YCG<sup>5</sup> especially in building a link with national and local youth groups in the YEN Lead countries, and reminding governments of their commitments to young people in the development and implementation of their National Actions Plan. At the global level, the YCG works to represent the concerns of young people on the functioning and strategic priorities of the YEN through interaction with the High Level Panel and other structures of the YEN. At the national level, YCG, through its affiliates, acts as a catalyst and resource to support youth participation in the development, implementation and review of the National Actions Plans.

***Examples of the YCG actions at the national level and regional***

- In Iran, Congo, Rwanda, Nigeria and Georgia, it was active youth who motivated their governments to step forward as YEN Lead Countries
- In Azerbaijan, youth groups have formed a Youth Employment Coalition of Azerbaijan (YECA) to provide youth perspectives and input into the NAP Process.
- In Brazil, youth created YEN-Brazil Advisory Committee to support the NAP. They have created a website to gather youth inputs and held a number of workshops in partnership with the government including one on the youth entrepreneurship during the World Social Forum 2005.
- In Namibia, the National Youth Council has been included in the country’s National Youth Employment Taskforce – the multi stakeholder body responsible for the development of Namibia’s NAP.
- In Uganda, Youth Parliamentarians have helped build support for the NAP process and the National Youth Council is providing a vehicle for broad youth input into the development of the NAP.
- The European Youth Forum, a member of the YCG, was involved in the designing of the European Youth Pact which addresses the youth employment issue in a broader and comprehensive way at the regional level.
- YCG with the assistance of the YEN Secretariat is collecting information regarding successful examples of youth led, youth driven, employment related projects. This activity is being carried out within the framework of the YEN funded, World Bank led Global Stocktaking of youth employment

<sup>5</sup> There are 13 members of YCG representing a larger pool of 30 international and regional youth organizations. The 13 youth organizations have the mandate until September 2006, where there will be rotation among them. They are World Organization of the Scout Movement (WOSM), Asian Student Association (ASA) Arab Youth Union (AYU), African Youth Network (AYN), European Youth Forum (YFJ), Latin American Youth Forum (FLAJ), International Confederation of Free Trade Union (ICFTU) Youth, International Organisation of Employers (IOE) Youth, International Movement of Catholic Students (IMCS – Pax Romana), International Young Democrat Union, International Federation of Liberal Youth, International Union of Socialist Youth and International Movement of Catholic Agricultural and Rural Youth (MIJARC)

interventions. Such good practice examples can serve to demonstrate the value of involving young people in policy-making processes focused on integrating youth into the labour market.

### **The Key Challenges of the Youth Employment Issue:**

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Young people need to be considered as assets - as a catalyst for development - rather than as passive beneficiaries for whom employment must be found. Youth have the potential to positively shape the landscape of the world economy, as well as social, cultural, technological and political development. They are ready play key roles either as workers, innovators, agents of change, professionals or entrepreneurs. Tapping into this potential of youth requires both an integrated and targeted approach. Such an approach takes into consideration the diverse characteristics of young people, which needs to be considered as much as the diversity of labor markets in each economy.

Education plays crucial role in preparing the youth in their life, in this regard, their preparation before entering the labor market. Education provides young people with the knowledge and skill in different domains which later become the necessary tools to facilitate their entry into the labour market. Often it is assumed that after completing their studies, youth will find it easier to find a job. Unfortunately, this is not always the case. In many countries, young people find that what they learned in school does not always match with the requirements needed by the labour market. While it is necessary to focus on the intellectual development of the students, the educational system should also be reviewed, as necessary, and brought into a greater conformity with needs of the world of work.

Having a high school diploma or a university degree is no guaranteed passport to the right job. The employment the young people get often does not correspond with the skills they acquired during their education. Rather than choosing to remain unemployed, the youth opt to take whatever job opportunity comes first for them. One such example is the so called trend of “outsourcing” or “offshoring” of jobs - whilst the relocation of a call center from USA to India could help to provide jobs for Indian youth, many of the young people employed have high qualifications such as engineering and computing degrees which exceed the qualifications needed to be call-center operators. Thus, the second concern related to education is regarding decent work for youth.

#### Examples of Azerbaijan<sup>6</sup>:

- Youth with secondary schooling have the highest unemployment rates, and the rate by comparable adults is found among young vocational school and higher education graduates
- Also likely to be at a disadvantage in the labor market are those who are not studying, not working and not seeking work; the less educated and young women are the most disadvantaged within this group.

As mentioned in the beginning of this paper, youth employment has a direct linkage with and impact on the poverty agenda. At the moment, more than 200 million youth live under US\$ 1 a day, while 450 million youth live under US\$ 2 and more than 160 million youth are undernourished. Unemployment and underemployment affect young women more deeply as they face greater vulnerabilities and risks. To tackle poverty, there is a need for the governments to provide comprehensive and innovative macro economic policies which

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<sup>6</sup> Martin Godfrey: Toward a national action plan for youth employment in the Azerbaijan Republic, Employment Strategy papers of Employment Strategy Department ILO, 2005.

favor providing decent and productive work opportunities for young people. Tackling poverty from a youth entry point will also help to address the intergenerational transmission of poverty.

### **Recommendations:**

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1. Given that decent employment provides the only sure-fire route out of poverty for unemployed and underemployed youth and their families, the governments should recognize the critical entry point youth employment offers in the fulfillment of MDGs. Addressing poverty through the youth employment lens will enhance the possibility of breaking down the intergenerational transmission of poverty. Governments should allocate sufficient resources for the youth employment policy development, including the resources coming from official development assistance (ODA).
2. The youth employment challenge should be addressed through a network approach. It means that a broad coalition between the government, employers, workers, youth and other actors in the civil society should be formed and mechanisms should be put in place for such a network to function in a sustainable and durable manner.
3. Governments need to develop a comprehensive policy on the youth employment at the national level which places employment at the heart of development policies through an integrated and coherent approach that combines macro and microeconomic interventions, and addresses both labor demand and supply and the quantity and quality of employment. The government should be able to translate the four E's (Employability, Entrepreneurship, Employment Creation and Equal Opportunity) into tangible programmes for young people.
4. The Private Sector as one of the key stakeholders on youth employment should be involved to a greater extent in addressing the issue. Their involvement is especially important in the fields of training, internships, and mentorship for entrepreneurs, beside their main role in the field of job creation. Private Sector support can be facilitated through government incentives such as the provision of tax breaks. While the educational system should ensure the intellectual development of the youth, the private sector can provide support to bridge the gap that exists in many countries between educational curricula and the needs of the labour market.
5. Youth should not be considered a problem but part of the solution for the issue of employment. This will require encouragement from governments for the youth to create their own employment opportunities through self-employment and entrepreneurship development. This should be reflected through the provision of vocational training centers, or the integration of entrepreneurship concepts into educational curricula. There is also a need for policies focused on addressing the more fundamental causes of youth unemployment such as the provision of free primary education for all and ensuring equal education and employment opportunities for girls and boys as well as protecting other vulnerable groups.
6. Strengthening the involvement of youth and youth organizations in the policy making process regarding employment. It is very unfortunate, that from the YCG analysis of the NAP progress report in 2005, from the submission of the 40 countries, there were only 8 countries that explicitly mentioned the involvement of youth or youth organizations in their policies and programmes concerning youth employment. Governments need to move beyond the symbolic engagement of youth to having more substantive mechanisms for youth participation and this should be reflected in the policy making process at all levels (national, provincial and district level). This will help instill a sense of ownership among young people in policy developments, as well as the recognition of their own capacity to define the type of policies suitable for their own needs.

7. This means that young people and youth organizations need to push and give voice to their hopes and aspirations through a call to governments for more involvement in employment policy development. Governments need to consider supporting the establishment of broad based representative and democratic youth advisory groups or other national consultative youth structures during the formulation, implementation and later, the evaluation of NAP. There should also be a provision of space for youth on any national coordination body related to NAP development.

8. In turn employers' and workers' organizations have important roles to play in ensuring that the government policies regarding youth employment bring the human dimension and values into the world of work. Policies should ensure a respect for labor rights, and should not consider youth merely as tools of production. At the same time, the trade unions should also prepare the young people so that they know their rights once they enter the world of work.

9. Young people make important contributions as innovators, entrepreneurs, workers, consumers, and citizens. Investing in young people provides them with hope and dignity as well as prevents immense costs associated with alienation and frustration. Young people themselves should participate in policy making for youth employment and local economic development. Policy makers should not only invite young people but also listen and act upon their advice. Participation and real influence have positive effects on people's sense of belonging, the legitimacy of policies and programmes, and hence also their success.