



Breaking new ground: Partnerships for more and better jobs for young people

Issues Note

Background

The theme of the 2012 ECOSOC Annual Ministerial Review (AMR) will be “Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals”. A preparatory event will focus on the key topic of more and better jobs for young people worldwide. Youth employment is essential for stability and national economic development and for achieving the internationally-agreed development goals. The event will not only discuss youth employment challenges, but will also stimulate practical discussions on how collaboration among governments, social partners, the private sector and young people themselves can be maximized in order to increase employment and broad-based economic growth. This paper highlights some of the issues that are key to addressing the youth employment challenges at international and national levels and proposes a number of areas of intervention that could be explored to improve the situation of young people in the labour market.

1. Youth employment: A Global goal, a national challenge

Achieving decent work for young people is a critical element of the progression towards wealthier economies, fairer societies and stronger democracies. Decent jobs are not only an essential element for young people’s success, but also lead to greater security for their families and sustainable economic growth for their countries. Although young people’s energies, ideas, skills and talent are desperately needed, the world is today faced with the monumental challenge of creating more and better jobs for the large numbers of young people who are entering the labour market or are struggling to improve their working conditions and well-being.

While a better future is a global goal for all countries, the obstacles faced by young people entering the labour market differ across local and national contexts. Young people are not a homogeneous group: all youth, but poor youth especially, face often overwhelming barriers to finding gainful and productive employment, including limited access to education, a lack of experience and contacts in the world of work, limited access to credit, and discrimination in employment and choice of occupation. In many countries, un(der)employment rates of young women are significantly higher than those of young men; young women are also more likely to be outside the labour market, for example engaged in unpaid family work.

Even in good times, young people find it hard to get the right foothold in the labour market. Today, young people are two to three times as likely to be unemployed than adult workers. Of the world's total number of unemployed in 2010, nearly 40 per cent – or about 75 million – were between 15 and 24 years of age.¹ The failure to provide more and better jobs for young people is a concern for both industrialized and developing countries. In Spain and Greece the youth unemployment rate doubled between 2007 and 2011, and now stands at 46 and 42 per cent, respectively. In Puerto Rico, the rate of unemployment among youth is nearly 30 per cent, and it is about 20 per cent in Colombia. Young people are generally the first to lose their jobs in times of economic contraction and the last to find jobs when the economy rebounds. Data from Brazil and Chile shows that employment declined much more quickly among young people during economic downturns.²

In many countries the unemployment picture is aggravated by the large numbers of young people engaged in poor quality and low-paid jobs with intermittent and insecure work arrangements, both in the formal and informal economy. About 28 per cent of all young workers in the world – or 152 million – work but live in households that earn daily less than the equivalent of US\$1.25, the so-called working poor. Millions of young people are trapped in temporary, involuntary part-time or casual work that offers few or no benefits and limited prospects for advancement. They also face obstacles to enjoying their rights at work in practice, since it is very difficult to decide to join a trade union when faced with the threat of reprisals and non-renewal of temporary contracts.

Both developed and developing countries must create millions of quality jobs for the young people now entering the labour market. This is particularly true in developing and transition countries, where the challenge is more fundamental – not only creating jobs for young people, but also improving the conditions of work and income of young people who are often underemployed and working without adequate protections in the informal economy. Young people are all too often at the centre of a vicious circle of poverty, inadequate education and training, poor jobs and insufficient income. This “poverty trail”, from youth to adulthood, and from one generation to the next, is fraught with danger for today's societies. The costs are enormous – for individuals as well as societies at large. Injustice, reduced self-esteem, discouragement and diminished levels of well-being can lead to anti-social behaviour, violence and juvenile delinquency that put new generations and democracies as a whole at risk (Box 1).

Box 1: Youth disaffection: A case for business action

At a meeting in London in September 2005, the International Business Leaders Forum (IBLF) and community leaders agreed that there was a compelling case for business engagement in youth employment, and drew some conclusions around the following question:

What has youth disaffection and extremism got to do with business?

- Unemployment, discrimination and a sense of being “excluded” from mainstream

¹ ILO, *Global employment trends for youth: 2011 update*, Geneva, October 2011, available at www.ilo.org/youth

² World Bank, *World Development Report 2007: Development and the Next Generation*, Washington: World Bank, 2006.

economic and social opportunities “provide the oxygen in which disaffection spreads and extremism flourishes”

- No political or security policies can work without economic engagement through employment, the elimination of discrimination and second chance opportunities for young people in disaffected communities
- The impact of disaffection, lawlessness and extremism deeply affects businesses, employees, communities and countries

Source: ILO, Investing in youth: Opportunities for public-private partnerships supporting youth employment, Geneva, forthcoming.

Recent studies points to serious shortcomings relating to the provision of education and training worldwide³. In addition to the 67 million children out of school, hundreds of millions of those who are in school receive poor quality education with little prospect of gaining the skills they need to be productive members of society. There is often a significant mismatch between the education provided and the requirements of employers. This has a direct impact on both businesses and economic growth, by impeding the supply of adequately skilled workers, limiting growth and profit potential and stifling worker productivity.

2. Turning crises into opportunities through broad-based partnerships on decent work for youth

Access to productive and decent work is the best way young people can realize their aspirations, improve their living conditions and actively participate in society. Decent work provides young people with significant benefits in terms of increased wealth, a real sense of being part of - and equal actors in - democracy, security and political stability. It strengthens economies by creating a cadre of young stakeholders: workers, consumers, savers and taxpayers who fuel the energy, innovation and creativity that attract domestic and foreign investment. Young people who are active and recognized contributors to the world of work are the architects of an equitable society and bridges across generations. Youth employment may also benefit societies by reducing the costs related to social problems, such as drug abuse, crime and political instability.

Responding to the youth employment challenge makes business sense and provides an excellent platform to demonstrate corporate citizenship in the modern world. Active social dialogue among governments, employers’ organizations and trade unions can provide effective solutions and strengthen spaces for action with the private sector (already engaged through the principles of the ILO Tripartite Declaration on MNEs and Social Policy) as well as dialogue with non-state actors and local governments.

³ For example see Brookings Institution Centre for Universal Education report “A Global Education Challenge—“Harnessing corporate philanthropy to educate the world’s poor”, Justin W. van Fleet, Working Paper, 4, April 2011

Broad-based partnerships that include youth organizations have the potential to address youth employment more effectively than any single actor could alone. As partnerships, they are: i) **efficient** because they pool resources and each partner contributes its expertise and shares the costs and benefits; ii) **effective** because they involve a variety of actors and encourage companies to deliver quality jobs; and iii) **mutually beneficial** because investing in youth contributes to having productive workers, entrepreneurs and consumers, with and benefits for communities at large.

There are many examples of what the private sector can do, together with public institutions and non-State actors, to promote youth employment (see Box 2). For instance, action plans on youth employment can be used to translate national and local youth employment priorities into partnerships for concrete and coordinated action in several areas.⁴ Some of these partnerships include: i) training to improve school-to-work transition; ii) job creation and stabilization through promoting youth employment among existing and new companies; iii) youth entrepreneurship development; iv) the promotion of evidence-based policies and interventions; and v) open and participatory discussion and agreement on policy and institutional needs.

Box 2: Private sector action for youth employment

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

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

Source: Rosas, G., *Youth employment in Eastern Europe: Crisis within the crisis*, Background paper for the Informal Meeting of Ministers of Labour and Social Affairs during the 100th

⁴ See United Nations General Assembly resolution A/RES/57/165 on “Promoting youth employment”

Session of the International Labour Conference, ILO, Geneva, June 2011, available at www.ilo.org/youth

In addition, cross-country engagement in the form of North-South and South-South cooperation can facilitate knowledge sharing and help find common solutions for tackling the youth employment challenge at global, regional and national levels. These forms of cooperation among countries can also include peer reviews of policies and programmes and mutual learning on effective youth employment interventions and partnerships.

3. Types of partnerships for and with youth and levels of interventions

At the national level, coordination of activities across a variety of government entities, private-sector employers and groups, and youth-serving organisations is key to the design of effective policies and programs. In the public sector, there is a need to coordinate activities and investments across ministries of employment and/or labour, education, and youth, all of which can have direct and possibly conflicting responsibilities in this area. The promotion of sustainable youth employment also calls for contributions from other ministries, such as trade, industry and economy, public finance, as well as those that perform coordination functions (e.g. planning, gender, welfare).

The engagement of the private sector is essential for achieving sustainable youth employment. Employers' and workers' organizations also have an important role to play in national initiatives regarding policy and programme development, for example, through fostering links between business and education and promoting rights at work. Non-governmental and civil society organizations, as well as youth organizations and networks can also play a critical role in this regard as well as for promoting youth participation and ensuring social inclusion. National labour legislation and collective bargaining agreements are instruments which can be used to mutually reinforce equality of access and of treatment for young people in the world of work.

In the framework of the implementation of the Millennium Declaration, the UN General Assembly discussed in 2001 the establishment of a new partnership for full employment, based on a clear recognition of the different responsibilities and different roles of the United Nations system, national governments, social partners and civil society.⁵ This message was reinforced by the General Assembly in July 2011 at the United Nations High Level Meeting on Youth where Member States, employers' organizations, trade unions, the private sector, institutions of education at all levels, youth organizations and civil society, were encouraged to develop partnerships to address the global challenge of youth employment.⁶

The Employment Policy Convention, 1964 (No. 122), recently recognized by governments, employers and workers' organizations in the ILO Declaration on Social Justice for a

⁵ See United Nations General Assembly document A/56/422, 28 Sep. 2001.

⁶ See Outcome Document A/RES/65/312 submitted by the President of the General Assembly and adopted by member States at the end of the UN High Level Meeting on Youth in July 2011.

Fair Globalization⁷ as a “governance” Convention – speaks of promoting “full, productive and freely chosen employment”. This prospect offers grounds for optimism for countries to implement an active policy that promotes decent work for youth.

⁷ http://www.ilo.org/global/meetings-and-events/campaigns/voices-on-social-justice/WCMS_099766/lang--en/index.htm