

Working with youth

addressing the youth employment challenge

Highlights of the national and regional events with young people

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1. Introduction

Young men and women have been in the spotlight ever since the economic crisis revealed its hefty impact on youth employment. Stimulus packages, consultations, and private and public investments on youth became the vogue. Despite the response to the crisis, the global youth unemployment rate does not seem to give in and today it remains at 12.6 per cent, same as in 2011 and one percentage point above the rate reported in 2007. Some countries, like Spain, have in fact seen higher youth unemployment rates since the height of the economic crisis in 2009. Does this mean the investment has not been enough or that it takes time for employment policies and programmes to yield their positive impact on youth?

Policymakers, social partners, and the global youth development community continue seeking answers to the youth employment challenge; looking for clues and proofs in their search for what works. The challenge is not trivial. There are about 1.2 billion youth, aged 15 to 24, and nearly 75 million of them are looking for a job. Such a sizable youth cohort is an opportunity for growth but can also become a source of instability if youth unemployment and discouragement are not addressed.

Realizing the potential of youth and listening to their voices of frustration and despair, the International Labour Organization (ILO) called for in-depth discussions on the "Youth Employment Crisis". The upcoming International Labour Conference (ILC) of June 2012 will serve as a platform for tripartite constituents to discuss the issue, come up with policy recommendations, and define ILO's strategy to tackle the youth employment challenge.¹

Between March and mid May 2012, at the request of the Director General, the ILO organized a series of **National and Regional Events on Youth Employment** across the world. March was selected as the Youth Employment Month. With nearly 5,000 participants in 46 countries, the national events brought together youth, policymakers, and social partners, who exchanged views on the current situation, shared experiences and good practices, and provided ideas to foster decent work for youth. The events were programmed in anticipation of the **Youth Employment Forum**, to be held in Geneva on May 23-25, 2012. The Forum will create a platform for young people to engage in participatory and in-depth discussions on the most burning issues raised during the national and regional events.

During the events, youth had a chance to voice their concerns and share their views on the challenge of finding decent work. This is a unique opportunity since very seldom young people are invited to participate in policy discussions or provide feedback about decisions that affect them. The events conveyed a message of confidence on the role young people can play in promoting decent work for themselves and their peers.

An array of interesting ideas to smooth youth's transition into the labour market came out of the events. They range from career counselling hotlines to youth-led green businesses

¹ See report to the ILC for the General Discussion on the Youth Employment Crisis at:

http://www.ilo.org/ilc/ILCSessions/101stSession/reports/reports-submitted/WCMS_175421/lang--en/index.htm

and compulsory apprenticeships. Young people highlighted the importance for them to be engaged with policymakers and play an active role in the promotion and creation of youth employment opportunities. The role of social media in giving voice to young people was also part of nearly all discussions that took place during the Youth Employment Month.

Policymakers and social partners recognized the significant value of the events to foster youth participation. Government officials took advantage of the consultations to raise further awareness on the youth employment challenge and present their initiatives to support young workers. In many countries, policymakers committed publicly to increase their investment in youth employment, strengthen collaboration across government agencies, and enhance collaboration with the social partners. Employers' and workers' organizations, on the other hand, applauded the ILO's initiative to engage with young people and bring their experiences and ideas to the table.

After such intensive consultations, the ILO is looking forward to both the Youth Employment Forum and the ILC's discussion on the youth employment crisis. The views of youth are critical to ensure a coordinated and tailor-made strategy to ease the transitions into employment and to ensure that employed youth are offered decent conditions to grow personally and professionally, exploiting their potential as engines of growth.

This report summarizes the events' discussions and brings them as key input to the agenda and activities of the Youth Employment Forum. A youth-friendly summary of the ILC report on the youth employment crisis will also be available and presented during the Forum.

This report has five main sections, including this introduction. Section two provides 10 quick facts to bring you up-to-date with the youth employment challenge. Section three describes the national events and overall participation. Section four focuses on the discussions held during the events. It presents the most burning issues identified by participants as barriers to decent jobs for youth. Such barriers include: slow job-growth economies; the low-quality jobs trap; skills mismatches; information gaps that hinder job matching; insufficient youth participation; and social inequalities and stereotypes hampering youth employment. Based on the events and good practices identified by the ILO regional offices, section four provides some ideas of measures to address the above-mentioned barriers. The report also relies on practices recorded in the Youth Employment Inventory², in order to provide examples of specific measures tested to improve labour market outcomes of youth. Section five concludes with some key messages from the events and ideas to bring back during the Forum.

The report was made possible thanks to the gigantic effort and contribution from the ILO regional offices for Africa, the Americas, the Arab States, Asia and the Pacific, and Europe and Central Asia. They provided a remarkable wealth of information on the events and the pressing challenges of youth in their regions and countries of work.³ We are grateful for their

² See: www.youth-employment-inventory.org

³ These are the reports for each region: **Africa**: Regional Report on the "African Response to Youth Employment"; **Americas**: Regional Seminar: "Addressing the Employment Challenges of Caribbean Youth in Times of Crisis", **Arab States**: Regional Reports of national events during the Youth Employment Month in the Arab States, **Asia and the Pacific**: Regional Report: National events during the Youth Employment Month in Asia and the Pacific, and **Europe and Central Asia**: Consolidated Regional Report on National Events During the Youth Employment Month for Europe and Central Asia.

collaboration and look forward to continuing our engagement with young people around the world.



2. Understanding the challenge: quick facts, the real dimension

10 Facts

This section will bring you up to date with ten staggering facts regarding youth employment and the challenge posed after the economic crisis.⁴

Let's start with a true story....

I was 18 years old when I had to work as a part-time employee for a food chain. It never occurred to me that I would have to work while studying until my father, a migrant worker for most of his life, lost his job abroad and was sent back home. Needless to say, it was a rude awakening for me. I thought that working part time would be easy. I was completely wrong. I had to struggle every step of the way. Completing my pre-employment requirements, like obtaining a health permit, working permit and many others was not only expensive but time consuming. By cutting back on my food and transportation expenses I was able to squeeze my meagre daily allowance as a student and pay for all the processing and documentary fees.



© Joanna Bernice Coronacion

Then came the shock of working for very long hours with very little pay. At that time, 2006, my salary was only 47.50 Pesos (US\$ 1.11) per hour. As if that was not hard enough, I also had to clean my designated place and wash at least 100 serving trays after my four-hour shift. These chores, which took up more than an hour, were no longer considered paid time. But the hardest part was when regular workers bullied us, as casual employees, every time we made mistakes. After my shift, I had to go to school. On most days, I was already too tired to focus on my studies. And that was the irony of it all. I had to work to keep up my studies, only to find that to earn enough I had to use up all my energy which, in turn, prevented me from learning in school.

Joanna Bernice "Nice" S. Coronacion, 24 years old Educator/ Organizer of Alliance of Progressive Labour (APL) Quezon City, Philippines⁵

⁴ Data presented in this section comes from ILO's Global Employment Trends for Youth, unless indicated otherwise.

⁵ ILO 2012 forthcoming, Youth Voices from Asia and the Pacific - Key messages from Youth Consultations.

Does it sound familiar?

Forty per cent of the world's unemployed are young people, meaning there are currently about 75 million youth looking for a job around the world.

The youth population was hit hard by the recent economic crisis. The youth unemployment rate saw its largest annual increase on record between

INCREASE IN THE NUMBER OF UNEMPLOYED YOUTH PER YEAR: Pre crisis: 100,000 VS Post crisis: over 4 million

2008 and 2011: it rose from 11.8 to 12.6 per cent. This is not surprising since youth are known to be the "first out" and the "last in" during times of economic recession. Moreover, the rate has shown little improvement since its peak in 2009 (see Figure 1). This is true for both developed and developing economies but data vary substantially by region.



Figure 1: Youth unemployment rates, 2005-2012, by region (%)

Youth in industrialized countries were particularly affected by the global crisis. Youth unemployment rates increased by 4.1 percentage points in developed economies and the EU in 2008-11 and by 4.7 points in Central and South-Eastern Europe (non EU) and Commonwealth Independent States (CIS). These are the largest annual increases in youth unemployment rates ever recorded in any region. Projections suggest that even if the unemployment rate decreases in the medium term, pre-crisis levels are not likely to be reached any time soon.

FACT 1. Young people are on average 2.8 times more likely to be unemployed than adults. The magnitude of this figure escalates to 4 and 5 times in some regions.

In the world of work, youth are certainly more inexperienced than adults. They lack exposure to a working environment and the job and soft skills that grow with time. These inherent deficits naturally translate into higher unemployment among youth than among adults, a ratio that has not changed much over the last five years. What is not quite natural is to see unemployment rates among youth 4 and 5 times more than those of adults. This may in fact evidence a labour market bias against young people. In 2009, at the height of the economic crisis, the ratio of youth-to-adult unemployment rate in South-East Asia & the Pacific was 5, while the ratios in the Middle East and North Africa were 3.8 and 3.7, respectively. Unemployment rates for youth in Egypt, Indonesia and Sri Lanka were more than five times those of adults. The troubling tendency continues with projected ratios of 4 and 3.9 in the Middle East and North Africa, respectively for 2012.

FACT 2. Young women have even more difficulties finding work

In 2009, the female youth unemployment rate stood at 13.2 compared to the male rate of 12.9 per cent (the same gender gap seen in 2007). Usually, in countries where unemployment is lower for young women this often only means that women do not even try to find a job and leave the labour market.

So why is this even a bigger challenge than it seems?

In light of a growing youth population size, the challenge will not be met if countries do not absorb the youth labour force now.

FACT 3. There are over 1.2 billion people in the world that are between 15 and 24 years of age, a growing number that amounts to nearly 17 per cent of the whole population. They represent more than 30 per cent of the working age population in most developing countries.

Globally the share of youth in the overall population is declining but it continues to be high in many developing countries. It still makes up approximately one fifth of the total population in many developing regions, including the Middle East (20.5 per cent), Sub-Saharan Africa (20.3 per cent), North Africa (20.0 per cent), and South Asia (19.5 per cent). This means that almost 1 person in 5 is young (15-24 years of age).

In 2010, <u>about 90 per cent of young people worldwide lived in developing countries</u>. Fifty-five per cent of these youth live in Asia. Moreover, between 2010 and 2015 the number of youth living in Sub-Saharan Africa is expected to increase by 19.4 million, followed by those in South Asia who will increase by 12.1 million. In Latin America and the Caribbean the youth population will continue growing until 2020 and in North Africa until 2035, before it begins to decline.

FACT 4. According to the 2007 World Development Report, in developing and transition economies, a 10 per cent increase in the youth share of the population between 1980 and 2000 increased youth unemployment by an estimated 6 per cent.

These numbers currently represent a demographic challenge which could be turned into the "youth dividend" if young people were productively employed and integrated in society and their potential as an asset for innovation and creativity in the economy and society was fully exploited.

So what happens to youth that can't find a job?

They get frustrated and discouraged. Data suggests that young people are either "hiding out" in the education system rather than facing the job search or are idly waiting at home for prospects to improve before taking up an active job search.

And what exactly does discouraged mean? If you don't have a job, are available if a job offer comes, but decided to stop the job search because you have lost hope it will come, then you are classified as discouraged. The lack of search disconnects youth from the labour market and further reduces their chances to get a decent job.

FACT 5. Youth are increasingly discouraged. The number of 'youth NEETs' (Not in Education, Employment or Training () is growing, representing nearly 10 per cent of the youth population.

Youth NEETs are at significant risk of labour market and social exclusion. In Europe and other developed regions, youth NEETs are prominently low-educated, with low household income, and a migrant background. Staying out of employment without investing in skills through education or training further exacerbates the vulnerability of these youth in the labour market. In developing countries, on the other hand, youth NEETs show quite a different profile: they are, in general, better off than employed youth, which stresses the fact that youth in low income countries cannot really afford to be unemployed and employment is mainly poverty-driven.

And to the ones that can find a job?

They get often trapped in low-quality jobs; these are low-productivity, temporary, part-time or other types of work that fall short of their aspirations and that seldom open opportunities to move to more permanent, higher productivity and better paid positions.

Box 1:

Understanding the frustration in a no-jobs economy

Almash, aged 18 years, Kyrgyzstan

Almash, a garment worker, would visit multiple factories on a daily basis in search of work. As recently as 2008 it would be easy for a young girl like Almash to find employment, but with the current situation her story is typical of young people working in the garment industry. By February 2009, as many as 20 per cent of the garment factories of Kyrgyzstan and the Russia Federation had closed down. "I do not know what to tell my family", she says. "There are no jobs in the place where I live."

Source:

http://www.ilo.org/global/Abou t_the_ILO/Media_and_public_in formation/Feature_stories/lang--en/WCMS_108252/index.htm FACT 6. There is an increasing incidence of non-standard jobs among youth. Within the EU, the part-time employment as a percentage of total employment among young people rose from 25.6 to 29 per cent over the period 2007-2010. In 2010, 28.4 per cent of youth working part-time did so involuntarily.

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Temporary and part-time employment contracts among youth are more and more common. The decision to engage in these types of contract is less about youth's time limitations due to school, and more about non-standard jobs being the only available employment option. Within the EU-27 countries in 2010, 42.1 per cent of workers under the age of 25 were working in temporary jobs. Crucially, 37.1 per cent of them were doing so simply because they could not find a permanent job. Young people also suffer disproportionately from decent work deficits and lower quality jobs measured in terms of training provisions, career prospects, working poverty, low pay, and employment in the EU has grown faster, both before and during the economic crisis. In developing countries, non-standard jobs are illustrated by the noticeable share of unpaid family work.

Why are many youth among the so-called "working poor"?

For many youth who find work, the conditions are less than ideal. The impact of the crisis in developing economies was felt more in shorter hours and reduced wages for those who maintain wage and salaried employment and an increase in vulnerable employment, casual labour, and informality.

FACT 7. In a sample of 52 countries, youth are 23.5 per cent of the total working poor as compared with only 18.6 per cent of the non-poor workers.

More young people are stuck in circumstances of working poverty rather than being without work or looking for one. According to recent estimates, young people make up a disproportionately large share of the world's working poor. Many poor workers are trapped in a vicious circle of low levels of education and low-productivity employment.

FACT 8. About 152 million young workers (28 per cent of all the working youth) live on less than USD 1.25 per day ...

... a fact that is more prominent in the agricultural sector: over 70 per cent of youth living below the US\$1.25 poverty line are in the agricultural sector, versus only 40.5 per cent of youth above the US\$2 a day poverty line.

Box 2:

Part-time ... no longer a choice

Edward, aged 24 years, United Kingdom

Following graduation with a degree in English Literature, Edward was fortunate to find work in publishing. With the onset of the crisis he was one of a number of workers laid off as the company downsized. Following 16 months of unemployment, part-time and temporary work, he was eventually able to find himself another job in his field. "I was on the verge of giving up completely and thought I'd have to change direction altogether", he said. "It was demoralizing and frustrating. I was ready and willing to work but the jobs weren't there. Now I feel added pressure at work. It's the last thing I want to have to be in that position again."

(Authors' canvassing)

FACT 9. Most young workers in developing countries are in the informal economy.

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While employed, many youth are paid very low wages, have low quality and precarious jobs and are not protected by a formal contract. In South Asia and Sub-Saharan Africa, youth unemployment rates are much lower than their counterparts in developed economies and the EU (Figure 1). <u>But this only reflects</u> the fact that in those regions *the poor must work*. Yet working does not mean having a decent job.

The formal sector is not creating enough jobs and the informal economy is the largest provider of jobs for youth. For instance, according to the World Bank, the informal sector employs 99 per cent of working teenagers in Zambia. In developing economies, a relatively high share of youth is likely to engage in unpaid family work, starting their working life supporting (informal) family businesses or farms. From a sample of 24 developing economies it could be seen that the share of contributing family young workers in youth employment exceeded the corresponding share for adult workers in all countries.



3. Joining forces with young people: ILO's National and Regional Youth Employment Events

3.1 A short background

With a challenge of 75 million youth looking for jobs, a growing youth population, and more than 150 million young working poor, the ILO has turned to young men and women gathering their experiences and asking for ideas on how to tackle unemployment and ease youth's transition towards decent work.

Big challenges call for both action and collaboration. In March 2011, acknowledging the pressing issue of youth joblessness and resulting worldwide mobilization, the Governing Body of the ILO announced a General Discussion on the "Youth employment crisis" to take place at the 101th Session of the International Labour Conference (ILC), in June 2012. To support and strengthen the consultation processes leading to the ILC discussion, the Director General decided to organize two key events: first, a series of national and regional events on youth employment across the world and second, a global Youth Employment Forum.

The Director General planned these events as a very important opportunity to listen, liaise, and work with young people and have first-hand account of their challenges to enter and stay in the labour market. Working with youth will increase the chances of tailored program designs and effective initiatives to improve employment prospects and social integration of youth.

The national and regional events were programmed to take place in March and April 2012, in anticipation of and as key inputs to the Youth Employment Forum, to be held in Geneva on May 23-25, 2012. While the *events* were platforms for young people, policymakers, and social partners to exchange views on the local situation, share good practices, and strengthen partnerships for youth employment, the *Forum* is an opportunity for young people to engage in participatory and in-depth discussions on the most burning issues raised during the national and regional events.

ILO regional, sub-regional, and national offices across the world took the leadership in organizing and liaising with other partners to make these consultations a reality. The ILO declared March 2012 the Youth Employment Month. With the slogan *"Decent work for youth"*, the national and regional events took off on March 6th as displayed in the timeline below.



3.2 National Youth Employment Events: A snapshot of participation

Youth have raised their voices on the youth employment challenge. Between March 6 and May 11, 4,874 people, including youth, representatives from governments, employers, workers, and other key stakeholders met to discuss burning youth employment issues and potential measures to address them. Forty-six youth employment events, most at the national and four at the regional level, took place to define the route towards better labour market prospects for youth. The regional distribution of events is displayed in Table 1.

Region	Number of events	Total number of participants	Average age of participants ^a
Africa	11	1,505	34
Arab States	3	176	21
Asia and Pacific	10	1,127	28
Europe	10	721	34
Latin America and the Caribbean	12	1,345	31
Total	46	4,874	32

Table 1: Basic information on events and participants

Note:

a. For a sample of events with registered participants' age.

While the events were convened by the ILO, different partners – including tripartite constituents and multilateral agencies – contributed to their design and implementation. Most events lasted one day. Only the regional event for the Caribbean, organized by the Commonwealth Youth Programme Caribbean Centre (CYPCC) in Saint Lucia, held discussions for three days. Participation varied greatly across events, as displayed in Map 1, ranging from 17 people in France to 289 in Zambia. Across regions, Africa saw the highest level of participation, followed by Latin America and the Caribbean and Asia and the Pacific (Table 1).



When it comes to age, most participants were young adults, aged 25-35 (Map 2). Palestine, China, and Costa Rica convened the youngest participants, 24 years old and younger. Overall, three of every five participants were men (Map 3). The largest female participation –58 per cent and higher – was registered in Eastern Europe, namely Macedonia FYR, Ukraine, and Armenia. In Asia, China and Thailand also showed an important share of female participants, 53 and 56 per cent respectively.

Map 1: Number of participants across countries



Map 2: Average age of participants⁶



⁶ Based on a sample of 24 events for which data on participants' age is available.



Map 3: Gender distribution in the National Events

Aiming to facilitate inclusive consultations, the events brought together representatives from governments, employers organizations, and workers organizations. In addition, there was strong mobilization to ensure sufficient participation of representatives from youth organizations as well as youth.

Their overall perception of the events was quite positive. Evaluations of the events show high satisfaction with content and varied participation. Most participants reported increased knowledge on youth employment issues after the event and indicated high satisfaction with the possibilities for networking and interaction.

Government representatives saw a great opportunity in the events to raise further awareness on the critical dimension of the youth employment crisis and advocate for further work, partnerships, and collaboration. In Kenya, for instance, Mr. Sospetetr Ojaamong, Assistant to the Minister of Labour, opened the event expressing the importance of the issue. In his own words, Mr. Ojaamong said: "We are gathered here today to deal with the greatest development challenge of our times – that is unemployment. Unemployment adversely affects our region's social and economic progress. Unemployment, notably youth unemployment and poverty prevalence in Africa have grown at an unprecedented pace despite efforts by our government in collaboration with the international community."

The events also served as a platform for governments to share their plans and actions with the broader community of youth employment practitioners and stakeholders. In the case of Armenia, Mr. Ara Petrosyan, the first Deputy Minister of Labour and Social Issues, announced youth employment will be the core issue addressed in the 2012 National Employment Strategy, Concept Note and Law on Employment.

Employers and workers representatives had positive reactions and observations about the events. In Uruguay, Ms. Laura Acuña, a representative from the Uruguayan Chamber of Industries, praised the importance and productivity of the event and overall meetings convened by the ILO. From the workers

side, Ms. Maria Elena Burmidad (PIT-CNT) stressed the opportunity the event offered to gather information on youth's experiences. In Peru, Ms. Katia Hurtado (CUT), representative for the workers, pointed out the value of linking the national events to the Youth Employment Forum to multiply the impact of the consultations.

The youth employment events created significant expectations among young men and women from **youth organizations**. "For this event, I expect the youth to be heard. I want (the event) to be a platform for them to have a say and to come up with action-oriented plans", said Ms Amina Lukanza (27 years) from Tanzania. Youth realized the potential of the events to translate discussions into action. Mr. Emre Çetin (20 years) from Turkey thought the events were "an important tool given to youth". He added that thanks to the events "there will be important progress in the creation of a national and international youth employment policy".

Youth took advantage of the events to challenge tripartite partners to further invest in youth employment. Sucheta De, President of the Jawarharlal Nehru University Student's Union in India, called on the government to review policies in order to tackle the challenges facing youth, including the dominance of low paid and precarious work and the lack of decent jobs. In Kenya, a young entrepreneur, Mr. Gatumia Gatumia, asked for further support to young entrepreneurs. In his words: "We need to empower the youth because it is all well and good to have a vision, a mission, goals, and strategies. But if you don't have empowerment and resources, it's almost like you're joking."

In general, youth proposed to keep the momentum and continue with this consultative approach to ensure follow up to ideas and suggestions expressed during the events. From their side, youth committed to spread the word about what's going on in their countries as regards to youth employment and invite their peers to participate in future consultations. Johari Casan, from the Philippines, said "I can inform my friends (through Facebook and Twitter) about the national plan for the youth (...) and ask for their sympathy and contributions".

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4. Youth voices: Ideas to overcome the youth employment challenge



This section builds on discussions held during the National Events as well as a number of good youth employment practices identified by the ILO Regional Offices. The section presents the most frequently identified issues hindering decent work as 'barriers' and measures to address them as 'solutions'.

4.1 Barriers to decent employment for youth

The national events served as an opportunity to get closer to youth's reality. While the themes of discussion varied from one country to the other, there were some recurrent issues identified as main triggers of joblessness among youth. This section clusters such issues and provides inside views on the challenges faced in the countries.



4.1.1 Barrier 1: Slow job-growth economies

The first key barrier for youth employment is linked to low economic growth and the reliance of certain economies on export commodities and few capital intensive industries (like mining in some African countries). With low growth, there are low levels of private sector investment, insufficient trade dynamism, and less start-up activity. These conditions reduce labour demand and hinder job creation, particularly for young people.

During the event for **Arab States**, participants recognized that a conducive macroeconomic environment is largely missing in the region. There is a dearth of supportive policies and programmes targeting business growth and productivity through economies of scale and technology. Even when there are efforts to encourage high-growth businesses, these are directed towards higher-income urban youth who already have access to the necessary networks and capital in order to succeed.

In the case of **Europe and Central Asia**, the discussions on economic growth and the crisis took a particular dimension, given the region-wide impact of the crisis. In some of the countries where the national events took place, youth unemployment rates are high (e.g. **Armenia** 48.9 per cent (2009), **Macedonia FYR** 53.7 per cent (2010)). A youth NGO from **Macedonia FYR** emphasized that in many cases young people are continuing their education simply because the Macedonian economy is not creating sufficient jobs.

In **Latin America**, according to an ILO-administered regional survey for youth participating in the national events, the main barrier to decent jobs is a weak labour demand. The issue was selected by 40 per cent of respondents (from a sample of 299 individuals) when they were asked what were the main constraints to obtain a quality job.

4.1.2 Barrier 2: Low-quality jobs trap

Regulations and employment protection rules play an important role in *opening or limiting* opportunities for youth to enter the labour market. While temporary contracts smooth entry, they can trap young people, keeping them away from more permanent, decent jobs. The report for the events in **Latin America** highlighted the increasing job informality and poor compliance with norms and obligations towards young workers. Youth no longer benefit from the work stability their parents experienced and are forced to engage in sub-optimal types of contracts. In **Madagascar**, young people expressed a feeling of vulnerability finding themselves "last-in and first-out".

At youth events in **Europe and Central Asia**, young people raised their concern of being trapped in a vicious circle of temporary jobs and unemployment with little chance of transition to permanent jobs. Participants identified protracted and difficult school-to-work transitions, precarious situations of young people in unpaid, undeclared, low-paid or temporary work as well as limited outreach of existing active labour market, training and employment initiatives to the young as obstacles to decent employment.

During the event in **France**, a delegate from the National Union of Students (UNEF) identified temporary, fixed-term contracts, and minimum wages as the most burning constraints for youth to achieve a decent work. He expressed how tempting it could be to blame youth employment barriers on youth and their inherent problems and difficulties. Nevertheless, he said, "it is not youth who have issues with employment, it is 'the employment' who has an issue with youth".

Across youth events in the **Asia** region, young women and men raised the issue of social security and minimum wages for youth and whether those provisions would deter employers from hiring young workers and/or provide young people with the security and flexibility they need to pursue education and training opportunities. Even though the youth continue to aspire to finish school in the **Philippines**, youth are often forced to drop out of school and work, even in unproductive, low paid jobs, because of poverty. Similarly, the youth event in **Thailand** emphasized that students from low income families are more likely to leave school after year ten in order to work and contribute to the family's income.

4.1.3 Barrier 3: Skills mismatch

A mismatch occurs when workers do not comply with the skills needed to carry out a job. Such skills can be technical (also called cognitive, such as knowledge and expertise on a specific field or trade) and non-technical skills (also called non-cognitive or soft skills, such as negotiation, how to access social networks, how to influence and persuade, how to perceive and listen to other). While both types of skills are crucial for employers, better access and quality of education have yielded a growing number of youth with relevant knowledge and technical skills. They are, however, showing a large deficit of non-technical skills, as indicated by employers in the Caribbean and West Africa.⁷ During the events in **Zambia, Ethiopia, Democratic Republic of Congo** and **Zimbabwe**, policymakers and social partners shared concern of the fact that young people have poor work ethics.

Among the obstacles to be urgently addressed throughout **Europe and Central Asia**, the youth organizations, social partners, civil society associations and government representatives identified a mismatch between the education and training outcomes and the skills demanded by the labour market. Participants of the national youth event in **Azerbaijan** agreed that youth employment is a national priority, yet they emphasized that the existing technical and vocational education and training system (TVET) in the country needs to be strengthened. Participants at the regional event for the **European Union** noted that countries with a strong dual apprenticeship system, combining in-classroom and workplace training, have experienced a higher chance of positive labour market outcomes for young people. The president of the **Georgian** Trade Union Confederation (GTUC) added that vocational education is not popular among youth for various reasons such as legal restrictions for continuing education in universities. At youth consultations in **Turkey**, participants agreed on the need to improve the image and value of vocational education for young people.

Many young women and men from the **Asia** region shared their deep concern about the potential mismatch between their acquired skills at schools and universities and the skills sought after in the labour market. This concern mirrors a major complaint by regional employers that young people were 'unemployable' and available jobs often went unfilled because young people did not have the relevant qualifications and skills. Some recent university graduates expressed their frustration about not being able to find an entry-level job after graduation because they were considered to lack the necessary work experience. Hence, for many graduates the only way to gain work experience was through unpaid, sometimes multiple, internships which delayed financial independence and could lead to being forced to take up paid employment in other areas.

In Latin America one of the greatest challenges that further exacerbates the skills gap is school dropout,

⁷ See Blom, A. & Hobbs, C. 2008. School and Work in the Eastern Caribbean: Does the Education System Adequately Prepare Youth for the Global Economy? Washington, DC: The World Bank; and Youth Employment Network and the International Youth Foundation: "Private sector demand for youth labour in Ghana and Senegal: Ghana and Senegal study findings", 2009.

particularly among youth age 15 to 17 years. Leaving the education system takes a big toll on youth development, as it increases the changes of risky behaviours among youth. In the region, on average, seven out of every 10 adolescent mothers drop out of school.

4.1.4 Barrier 4: Inadequate job matching

Think of a young person with a set of skills. He has in mind a job and a wage he is willing to accept. At the same time, think of an employer. She has in mind a set of skills she needs and a wage she is willing to offer. When both meet and their expectations coincide, bingo! There is a new young worker. Unfortunately this does not happen often. Insufficient or imperfect information on available jobs, limits the match between jobseekers and employers, particularly among youth who have weaker access to job networks and social capital.

Youth events in **Europe and Central Asia** identified a lack of knowledge concerning where and how to look for work. Disillusionment exists among young people who feel that public employment services do not always provide them with effective tools and support in their search for a decent job. The discussants at a one-day round table in **Ukraine** identified the ineffective system of career guidance as a major reason for youth unemployment. Similarly, in the **Asia-Pacific region**, university students from the **China** Agricultural University / All China Youth Federation (ACYF) as well as the Student Federation from **Thailand**'s Chulalongkorn University made a strong point about not receiving sufficient labour market information and career guidance which in some cases led to ill-informed career choices or unnecessarily long periods of job search after graduation.

During the half-day consultation of the regional youth event for the **European Union**, participants stressed that transitions from school to work as well as the policy outreach to youth through effective public employment services and youth networks required improvements.

Another information barrier comes from the inability of jobseekers to communicate – or signal – their level of skills to a potential employer. This is associated with the absence of a proper qualification framework. At a round table on "School to work transition" in **Armenia**, a representative of the European Regional Educational Academy mentioned poor signaling as a common employability issue when a student has the skills but enterprises do not understand the description of diplomas.

4.1.5 Barrier 5: The work experience trap

Young people often find themselves in a paradoxical situation where they are not hired because they lack work experience <u>and</u> they lack job experience because they are not hired. It is a chicken-or-egg riddle that can only be solved when somebody steps in to give the young person his/her first chance to get a job. This barrier was mentioned numerous times during the events. Radtasiri Wachirapanganont, a student from **Thailand** said "(...) if you don't hire in the first place how can we get that experience".

During the national event in Kinshasa, **Democratic Republic of Congo**, employers recognized youth's vulnerability in the labour market as a result of insufficient work experience and limited familiarity with work ethics and culture. These and others factors made youth less attractive when hiring. Karen Sargsyan from **Armenia** stressed that young people in his country face many hindrances on the labour market. "The main problem for the youth to find a job is the lack of experience, which employers see as the main obstacle," he said.

There is a factor of discrimination related to this trap. Some employers perceive youth as inexperienced and immature. Negative stereotypes such as these often take a big toll on youth. They increase the chances of part-time jobs, informal contracts, and low wages for youth and can easily derive in further marginalization of disadvantaged groups, such as young women, rural youth, young migrants, young ex-combatants, etc. For instance, during the event in **Ethiopia** youth were described as lacking necessary skills, drive and initiative to become employed.

Participants of the consultation in **Ukraine** identified a lack of incentives for employers to hire inexperienced young workers. In contrast, the ILO Office for **Arab States** reports a visible contradiction in the attitude of employers that identify the lack of skills as an issue, but are providing less on the job training than in other regions of the world.

4.1.6 Barrier 6: Lack of access to capital and entrepreneurship/business training

By choice or just because they had to, young people who opted for entrepreneurship find it hard to start a business and keeping it alive. A recurrent theme of discussion during the events was the narrow exposure of youth to entrepreneurship education and training and limited access to financial, physical, and social capital. Youth in **Zambia** expressed their limitation to be enterprising and employ themselves and others.

In **Georgia**, increasing the support to small enterprise development and self-employment and entrepreneurship training for young people was recognized as a priority area for the government work. In Latin America, youth in **Colombia** and **Mexico** mentioned the need to strengthen support for youth-led SMEs, particularly in the informal sector, while **Chilean** youth recognized lack of access to finance as a prominent barrier.

Lebanese participants insisted that the main challenges that are generally faced by young people to start their private businesses include the difficulty to access finance, the lack of "angel investors" type of programmes, the absence of venture capital, lack of

Box 3:

Reflecting on entry barriers and lack of work experience

Luong Thu Ha, 22 years old student from Hanoi, Vietnam

I'm not sure what I want to do. I might start looking for a job later this year after I will have graduated from university. I dream of doing a marketing job that uses English but I know it's almost impossible with my degree. I also want to try a new working environment [out of Hanoi] but my home is here.

My course is too broad and also involves too much agriculture. I don't know what types of job I can get with this degree. It is apparently far from a normal economics degree. I am quite worried about my job prospects. My worries have gotten worse after witnessing all my friends struggling to find a job. It's extremely difficult for fresh graduates to find a job because most companies require at least three years of work experience. Most employers think that they will have to provide job training before we are capable of fulfilling our roles. That's really a stereotype. Many of my friends have had to use their families' contacts in order to find a "decent job" while others have ended up in jobs that are low paid and with have terrible working conditions.

I am willing to take unpaid internships after I finish university for more than two months as long as they help me landing a good job.

I think a good job for me means proper wages, and a decent work environment, good facilities, training opportunities and good interpersonal relations.

Source: ILO 2012 forthcoming, Youth Voices from Asia and the Pacific - Key messages from Youth Consultations.

infrastructure and IT, absence of incubators and the prevailing high level of corruption. They further highlighted that there is always a missing-middle where neither small business with growth potential nor middle income entrepreneurs (who are a large group of business owners in Lebanon) are targeted. Moreover, the main trend is towards encouraging individual entrepreneurship, thereby neglecting collective forms of entrepreneurship such as business groups and cooperatives that allow pooling of resources, learning and an increase in bargaining power.

It is important to consider the caveat raised by participants at the **European Union** regional event in Brussels. They stressed that while youth entrepreneurship is a very relevant issue it should not be perceived as an alternative to adequate employment opportunities for young people. The rate of success for youth enterprises remains relatively low - in part due to lack of adequate financing, training, adequate services and support, and in part due to the fact that many young people resort to rather than choose for entrepreneurship (as a last alternative to unemployment). Many participants underlined that in the current context of low aggregate demand and fewer opportunities for credit, entrepreneurship represents a high-risk venture for young people without counterbalancing security. While the provision of credit is important to stimulate youth entrepreneurship, young people engaged in entrepreneurial activities need to be supported by socio-economic security systems. Young graduates and labour market entrants cannot be expected to be high risk-takers.

4.1.7 Barrier 7: Limited youth participation

Effective youth employment initiatives – be it programmes or policies – must involve young people. Unfortunately, the role of youth in development is limited. They are not consulted and their voices are not heard. Across **African events**, participants recognized the lack of platforms and spaces for youth to participate in national decision making regarding their needs and interests in employment. Youth voiced their limited engagement in policy dialogue, implementation, and monitoring.

Similarly, in a roundtable on youth employment in **France**, participants expressed their concerns that young people have not been properly taken into account by policymakers in the devising of the stimulus policy packages that followed the onset of the economic and financial crisis in Europe.

Youth at the **Arab States** event mentioned there is a weak role of unions in organizing, representing and promoting youth issues, particularly if they are informal workers. They highlighted that the Arab Trade Union Movement is dominated by authorities and ruling parties and suffers from a lack of democracy, independence and representativeness, thereby transforming it into an empty shell union. Lebanon participants stressed that trade union freedoms are limited in the country as unions must be authorized by the government.

4.1.8 Barrier 8: Social discrimination

How about when the problem to find a job is your ethnicity, race, or gender? This makes it all more difficult for young people to get a decent job. Consultations in the **Democratic Republic of Congo** drew particular attention to socio-cultural and political dimensions of workplace culture. Participants

identified problems of political nepotism, tribalism, harassment, and religious biases as triggers of social discrimination.

In the **Arab States**, the social and labour market exclusion of women was highlighted as a serious concern. Young women are being tracked into traditional "home-making skills" with little returns in the labour market, or into undervalued jobs that are an extension to their care roles. This is largely result of preferences of parents, teachers, school administrators and employers that see women's places in the job market as secondary to men and only where it is "appropriate" according to the accepted gender norms. Moreover, high-income jobs often require long hours of overtime, usually not compensated by the sharing of domestic work with the husband at home, which adds to the burdens of women having to choose between family and work. Appropriate policies have not been identified to push towards sharing household care duties between men and women.

4.2 Solutions to decent youth employment

Lectures and interactive sessions during the national events shed light on potential ways to address the above-mentioned barriers. This section presents the ideas that came up during the events as well as ongoing practices (policies and programmes) with potential for expansion and replication. It also indicates resolutions for actions in the near future and partnerships brokered during the events.

4.2.1 Boosting labour demand to address slow job growth

<u>Employment policies, strategies, and national action plans</u> are avenues to address micro and macroeconomic factors impacting youth employment. The national events served as platforms to share their results and announce future plans to develop them. In Latin America, the government of **Nicaragua** introduced its recently launched National Action Plan on Youth Employment (2012-2016), while the government of **Honduras** committed to implement its Youth Employment Plan.

In search of stability and employment, youth in the **Macedonia FYR** called for sustained efforts to include youth employment on the agenda of national labour market interventions. To further strengthen its commitment to youth employment, the government announced its plan to formulate a fully-fledged National Action Plan on Youth Employment.⁸ Similarly the government of **Armenia** committed to incorporate youth employment as the core issue to be addressed in the 2012 National Employment Strategy, Concept Note and Law on Employment.

Participants from the **Arab States** stated that private sector development and real value-added employment are urgently needed. The public sector option as job provider is increasingly saturated, and the size of Government payroll is now an issue in practically all Arab countries. A common measure to foster employment during low economic growth is <u>wage and training subsidies</u>. They aim to reduce labour and training costs for firms so that employers are more inclined to hire youth.

Another way to foster labour demand is through <u>employment intensive programmes</u>, which offers direct and temporary employment opportunities in public works and other activities that produce public goods

⁸ The discussion on employment promotion policies centred on the scope of the National Employment Strategy 2011-2015 and the National Action Plan on Employment (2011-2013). They highlight promotion of investment, promotion of private sector enterprises, and the reform of the national education system as key inputs to better employment opportunities for youth.

or services (like infrastructure projects, community activities, and civic projects). Investing in employment intensive programmes was highlighted in the conclusions of the **Latin America** report. In this regard, there was a recurrent discussion on linking employment creation to a green economy.

In the **Arab States**, for instance, participants called for a <u>shift towards a green economy</u>, which would provide a win-win solution by helping Arab countries reconcile their efforts to achieve environmental sustainability, as well as create jobs and alleviate poverty. There is a potential for creating green jobs in the energy sector (both renewable energy and energy efficiency), agriculture, tourism, and other sectors more aligned to employment intensive programmes, such as waste management and reforestation. In order for the green economy to yield its employment benefits, a number of obstacles have to be overcome first, including limited knowledge and awareness of "green jobs" among the general public and policy makers, policy and legislative gaps, limited financial incentives to support green initiatives, as well as skill shortages. On the positive side, there is an increased level of awareness among young people in the region on green businesses and their contribution to sustainable development.

4.2.2 Incentives to address the low-quality jobs trap

Throughout youth events in **Europe and Central Asia**, the <u>promotion of collective bargaining</u> as well as the introduction of <u>quality standards</u>, <u>minimum income guarantees and inclusive social protection</u> <u>systems</u> to strengthen decent work for young employees has been endorsed by participants. Youth organizations at the **European Union event** in Brussels demanded quality standards for internships, as well as inclusive social security systems. Highlighting problems of low wages for female employees, single motherhood and gender stereotypes, participants emphasized the importance of including strategies for the promotion of female employment in **Ukraine**. Discussants in **Azerbaijan** suggested the improvement of the national labour code. Participants in **France** called for improvements of social security coverage of the young, guarantees of decent salaries for young workers, steps to decrease precariousness particularly for young migrants and women, as well as quality standards for internships and apprenticeship programmes.

4.2.3 Offsetting job skills mismatches

There was quite a consensus during the events on the need to strengthen the link between the education system and the labour market so that youth are better equipped to face the world of work. General ideas went around on improved access to vocational training, on-the-job training programmes, more and better apprenticeships systems, soft skills training, and the combination of in-classroom and workplace training.

A demand driven approach where <u>employers have a role in identifying the skills needed</u> in the productive sector ensures consistency between training curricula and the labour demand. The approach has been tested in the **Kingdom of Saudi Arabia** through the Technical and Vocational Training Corporation (TVTC) with promising outcomes. The resulting skills development policy not only contributed to the supply of relevant skills but also to the increased interest of investors in such skills. Aligned with this approach, participants in **Ukraine** agreed on the need for effective youth employment policies, improvements of the education and training system, and coordination between educational and training institutions, the social partners and relevant ministries.

A demand driven approach can also be derived from <u>competitive participation of private and public</u> <u>training firms in the provision of skills training</u> to young people. Public training programmes designed to address youth unemployment can incorporate elements of competition and consequently increase training quality and links to employers through public calls for trainers. In **Latin America and the Caribbean**, the *Jovenes Programs* have been a model for public-private partnership. By relying on competition and consultation with employers, the programmes have ensured skills relevance and job placement. The model, replicated across the region, <u>combines in-classroom and workplace training</u>, fostering a smooth transition of youth into the labour market. An application of the model in Dominican Republic is displayed in Box 4.

Box 4: Dominican Republic, Juventud y Empleo

Juventud y Empleo is a labour market insertion programme providing life and technical skills combined with private sector internships. The Programme is demand-driven, inspired by the Jovenes model, and has two components: (1) 3-month coursework on life and technical skills in qualified training institutions. (2) 2-month internships or on-the-job training experience in private firms. Beneficiaries receive a stipend to cover basic expenses (50 Dominican Pesos per day (roughly two dollars)).

The Ministry of Labour outsourced the provision of training services to private training institutions, through a competitive bidding process. Instituto Nacional de Formación Técnica Profesional (INFOTEP) is responsible for the technical evaluation of the proposals from training institutions and the supervision of the training courses.

The target group consists of unemployed and disadvantaged out-of-school youth, ages 16 to 25, with education level no higher than high school. Impact evaluations of the programme have shown positive impacts on earnings of young beneficiaries (mainly hourly wages) as well as reduced risky behaviours and increased life skills. A cost-benefit analysis indicates that the cost of the programme is recovered after two years.

Sources: Ibarraran et al., 2012; Fazio, 2011; and Card, David et al. 2006.

Youth organizations at the **European Union** event in Brussels demanded effective training and <u>apprenticeship programmes</u>. Youth NGOs in **Azerbaijan** underlined their desire for better education, apprenticeship programmes and on-the-job training as well as opportunities for seasonal work. In **Georgia**, the promotion of quality internships and apprenticeships as well as on the job-training programmes were recognized as key measures to be addressed in order to close the skill and experience gap of the youth on the labour market.

Participants from the **Arab States** asked for further promotion of <u>skills training to disadvantaged youth</u> <u>groups</u>, with limited access to the education system. The current formal TVET system can only target young people who have already gained some education through school; it needs to be complemented with community based interventions targeting groups with reduced literacy for lower end skills that still contribute to ensure they access an income. **Jordan** participants stressed that the creation of a TVET Council should provide a platform for greater coordination between main skill providers, a common quality assurance framework including common assessment and certification standards and procedures.

4.2.4 Supporting the job search to addressing inadequate job matching

With limited access to networks and information on vacancies, youth need <u>intermediation services</u> to improve the chances of a good match. Employment offices/services were considered to play a key role in linking up young jobseekers to employers, recording vacancies and jobseekers' qualifications, training youth to face interviews and write CVs, etc. Participants at the national conference in **Georgia** agreed that there was an urgent need to <u>increase the capacity of public employment services</u> in order to effectively address the issue of youth employment, work migration and reintegration through initiatives such as the systematic organization of job fairs and career guidance.

To improve public employment services, participants in **France** called for targeted youth services of the PES, improved training opportunities, and greater policy coherence. In **Armenia**, participants suggested the systematic organization of <u>job clubs and job fairs</u>, as well as short-term training for young job seekers.

An example of an ongoing promising practice is the *Start Work Project* of the *Sharek Youth Forum*, in **West Bank and Gaza**. The program aims at smoothing the school to work transition though support to first time jobseekers. It combines job search and soft skills training with direct exposure to employers through job fairs (Box 5).

Participants at **Asia and Pacific** events agreed on the need to enhance both career counselling at schools and universities and to improve the quantity and quality of reliable labour market information. For instance, the All-**China** Federation of Trade Unions (ACFTU) told the participants that they maintained a <u>hotline</u> "12351" at which university students could get information on vocational training programmes and employment. Likewise, the **Thai** Employers' representative (ECOT) explained that they organized in partnership with the Thai Government <u>regular career fairs</u> to keep students informed about existing employment and training opportunities. In **Cambodia** and other countries in the region, participants agreed to improve labour market information sharing and to expand career guidance centres into rural areas.

The experience of *AMAL* ("hope") in **Tunisia**, serves as evidence of <u>unemployment benefits schemes</u> in developing countries that facilitate the job search and protect youth during unemployment spells. Implemented since March 2011, this government-sponsored program assists first time job seekers (graduates of higher education) in finding jobs. It provides an allowance of 200 dinars (about 150 USD), in addition to medical coverage, as compensation for active job search for up to one year. Additional employment services such as career coaching and training (on life skills, technical skills, re-training, on the job training) are provided to unemployed university graduates. A similar initiative, *the Hafiz Programme*, is active in Saudi Arabia.

Box 5: The Start Work Project

The program started in 2004 under the leadership of the Sharek Youth Forum, in West Bank and Gaza. It aims at facilitating the school-to-work transition of young Palestinians through:

- (a) **Job search and life skills development trainings** aimed at improving employment prospects of young people, in particular: CV writing, communication skills for interviews, job search methodology, and other life skills;
- (b) Enhancing opportunities for young job seekers to meet and network with potential employers through national job fairs, thereby enhancing their chance to access decent work, mainly on-the-job trainings and internships.

In order to develop market-relevant training schemes – tailored to the local needs – and to identify companies to participate in the job fairs, Start Work conducted business needs assessment surveys in Palestine to better orient the training of young job seekers, to select the most appropriate firms to be represented at the national job fairs, and to identify the most suitable beneficiaries for specific jobs offers. The study gathered information on the needs of employers in 50 companies in the West Bank and Gaza with regards to educational level and specialities, IT and life skills (e.g. communications and English); methods of hiring; willingness of companies to participate in career days and training programmes. The survey found, for example, that 55% of Palestinian businesses operate in the services sector, and that skills in communications, English, management, leadership, and computer programming were highly valued. Thus, survey findings allowed Jobs fairs to bring better prepared young people to meet with relevant local employers, share their resumes and discuss career options.

After three job fairs, with an average of 25 companies and 140 youth at each event, 28 participants found a job and six were given an opportunity to start their own business. In addition, 16 participants began an internship following the training and job fair. Overall 581 young persons were provided with skills trainings.

The project was able to target a large number of young people through university outreach in towns and cities, leading to a high participation rate in urbanized environments. But to extend outreach to the peripheral, rural areas (and potentially other Arab rural countries), greater efforts will be needed, e.g. through 1) Training of trainers 2) Mobile services, through which the project identifies beneficiaries from marginalized areas and travels there; 3) Different forms of teaching and training curricula (especially for areas where employment is not so heavily weighted towards the services sector (as is the case in the West Bank), 4) Targeting of non-university students (especially in remote, rural areas). It is also recommended that employers be more involved in the delivery of Sharek services by taking a more active role in the development of training materials and provision of work experience.

Source: http://www.sharek.ps

4.2.5 Easing access to the first job

<u>Affirmative action programmes</u> can reduce age discrimination towards youth by providing financial incentives to firms for hiring young workers and in some cases setting mandatory quota systems to ensure balance and punish discrimination. An example of these programmes is the *First Job Agreements Program* in **Belgium**, which requires a 3 per cent <u>quota</u> of youth (aged 26 and younger) in firms that had more than 50 employees. Other experiences, such as the *National Program for the promotion of the first job* in **Brazil**, focus on the <u>promotion of self-employment and youth cooperatives</u>. The program target group is disadvantaged youth, 16 to 24 years old, looking for a job, without previous job experience in the formal sector and attending elementary or high school.

In **El Salvador**, a USAID-sponsored project "*First Job, invaluable opportunity to skills development*", uses <u>internships to provide that first chance</u> to university students and expose them to the world of work. As a support to this type of initiatives, the government of **Uruguay** is exploring the possibility of formal <u>accreditation of past work experiences</u>, including internships, to link that first exposure to better chances of a more permanent job. Accreditation will also help youth to improve signalling and raise his/her profile before employers.

Facilitating that first chance is part of broader employment protection regulations. Experiences in some countries, like **France**, stress the need to incentivize hiring of youth without negatively affecting their rights and access to social benefits.

4.2.6 Promoting youth entrepreneurship and access to capital

As illustrated in the events, policymakers and social partners are increasingly interested in the role entrepreneurs play in business and development success, especially in regions and nations where formal sector employment is scarce. One key solution highlighted during the events is <u>early exposure to entrepreneurship education</u>.

A key recommendation from discussions across **Middle East** events is the need to further mainstream entrepreneurship (as well as job orientation) in schools' curricula in order to guide and also manage early youth expectations in line with the realities of the labour market. These subjects can also improve the work readiness of the youth – in close collaboration with private sector companies - and develop their entrepreneurial culture.

The key role of skills to unlocking the entrepreneurial potential of youth was also demonstrated by two **Bangladeshi** youth who shared their personal stories. Both of them came from underprivileged backgrounds with no access to higher education but after having received skills training from the Bangladesh Department of Youth they were now owners of successful businesses. To exploit the benefits of entrepreneurship training in the Middle East, participants in **Lebanon** stressed the need for business development service providers to make their services more demand driven, affordable, and accessible to young entrepreneurs.

Box 6: Programme for Leading University Graduates to Start-up Business, China

The **Programme for Leading University Graduates to Start-up Business** in China is designed to support university students in becoming entrepreneurs. The programme adopts a series of support measures to raise awareness, develop entrepreneurship skills, create an enabling policy environment and improve business development services. Launched in 2010, the programme intends to equip 450,000 university students in China between 2010 and 2012 with the necessary entrepreneurship skills to start their own business.

Entrepreneurship training

The programme facilitates subsidized entrepreneurship training by certifying training institutes and trainers to provide entrepreneurship training to university students. The programme provides free entrepreneurship training to university graduates who have registered as job-seekers. It also features business plan competitions and knowledge sharing events with successful entrepreneurs.

Entrepreneurship mentoring and counselling services

The programme provides students with business start-up counselling services and entrepreneurship training, for instance writing a business plan. The programme organizes events to promote business ideas and establishes business start-up clubs at universities as a knowledge sharing platform. Teams of business mentors consist of entrepreneurs and business professionals and support the students along their entrepreneurial process. Furthermore, Public Employment Service Centres provide various business services to university students.

Incubation services

With financial support from the government, enterprises, universities and social groups, the programme serves as a business incubator by establishing low-cost business premises in business parks and providing students with business incubation services. These services are targeted to small enterprises and science and technology oriented enterprises.

Business incentives

The programme entitles participating students to be exempt from the required minimum business registration capital, and provides access to micro credit guarantee loans and tax deduction / exemption.

So far, about 250,000 university graduates benefitted from the programme and received business start-up training, business counselling services and micro credit. Efforts to create a culture of entrepreneurship have gradually been integrated in the university education system.

Sources: Ministry of Human Resources and Social Security (MOHRSS), Employment Promotion Department MOHRSS http://www.mohrss.gov.cn

<u>Comprehensive entrepreneurship programs</u> that combine skills and business development training, mentoring and financial support can significantly improve the chances of starting a successful business. The **Peruvian** experience of *Programa de Calificación de Jóvenes Creadores de Microempresas* provides an example of a cost-effective solution where appropriate targeting and screening mechanisms,

mentoring, and access to finance tend to lead to successful youth-led businesses.⁹ Box 6 presents a promising practice on integrated services for young entrepreneurs in **China**. During the events and building on their own experience of setting up a business, three young entrepreneurs from the **China** Agricultural University emphasized the need for combining entrepreneurship training and mentorship in order to establish a sustainable business.

Access to finance and youth-friendly financial products were also high in the agenda of the meetings. In **Europe**, participants highlighted the initiative by the *European Progress Microfinance Facility* to increase access to finance for micro-entrepreneurs through selected microcredit providers such as *microStart* in **Belgium**. The program offers individual or collective microcredit loans ranging from ξ 500 – ξ 10,000 to individuals (e.g. young migrants) who lack access to traditional bank loans. Youth can use the loan to buy a professional vehicle, professional equipment or inventory, as well as the formation of a cash reserve. In addition, *microStart* offers training and coaching in different fields (finances, management, legal, accounting, etc.) to launch and develop beneficiaries' enterprises.

Entrepreneurship training and support to young business owners was significantly discussed across **African** countries. In addition to the factors identified above, consultations in **Togo** pointed to the need for <u>further research into the best niches for youth entrepreneurship</u>.

4.2.7 Engaging youth to ensure their participation in the promotion and creation of youth employment

The most important outcome of the **African** national events was the call for African youth perspectives and recommendations to lead the way forward. To make this happen, participants agreed that multitask forces consisting of government, social partners and diverse youth must be established immediately to take up the action points from the events. Government ministries responsible for youth employment committed to bringing forward event recommendations into ongoing decision-making on policies and programs related to youth employment.

Youth organizations from the **Philippines** stated clearly that they did not understand themselves as passive recipients of government policies and programmes but that they wanted to play an active role in tackling the youth employment challenge. This commitment by Filipino youth to actively contributing to policy development is expressed in the joined *Manifesto of Commitment to the National Action Plan on Youth Employment and Migration*.

Youth in **Europe and Central Asia** called for an increase in the use of <u>social dialogue</u>, <u>institutional</u> <u>representation of youth organizations and greater inter-ministerial coordination</u> to ensure policy coherence. At the national event in **Turkey**, the representatives of Turkish youth organizations made suggestions to improve the outreach of youth employment initiatives. Young people asked to be involved in the design of policies affecting them and proposed to help communicating these policies via social media tools. As follow-up actions to the event, youth organizations suggested concrete steps to improve their representation, for instance the establishment of an inter-agency body for youth employment issues and their involvement in Provincial Employment and Vocational Training Boards.

⁹ See Jaramillo, Miguel. 2006. "Youth at-risk in Latin America and the Caribbean: Supporting Youth Facing Labor Market Risks". Policy Note (Preliminary version) for the World Bank. October. The World Bank. Washington, D.C.; and Jaramillo, Miguel and Sandro Parodi. 2003. "Jovenes Emprendedores". Instituto Apoyo. First Edition, Lima, January 2003.).

In **Peru**, a representative from the employers stressed how important is to open policy discussions to youth and for youth to know proposals and on-going public measures to foster youth employment.

The <u>engagement of youth in unions</u> and stronger union policies to address youth's concerns was also suggested to improve youth participation. While unionized youth in **Uruguay** invited their peers to join and actively participate in unions, participants in **France** called for better representation of the youth in trade unions as well as business, economic, social and environmental councils. However, youth organizations and social partners agreed that more efforts were needed to increase the interest among young people in joining trade unions and employers' organizations. In **Tunisia**, after the revolution, the absence of other reliable and trusted political structures increased the importance of the trade union movement among the young workers all over the country. Since the beginning of 2011, unions witnessed a remarkable increase in membership of about 60 per cent.

In Latin America, the events showcased interesting experiences of <u>social dialogue and engagement of</u> <u>youth with policymakers and social partners</u>. In **Peru**, the Social Dialogue Table "Youth for Decent Work in Peru" is an experience framed by the tripartite structure and a model with great potential for replication in other countries and regions. The Table has brought together over 1,000 youth as an element of the Sectoral Action Plan for Youth Employment Promotion (2009-2012). Participants in **Colombia** agreed on exploring opportunities to replicate the Peruvian Table in Colombia.

In addition to political participation and civic engagement, youth can be active participants in development by promoting and creating youth employment themselves through <u>challenge funds</u>. They have potential to increase the capacity of youth-led organizations and youth to move from being passive recipients to become active participants in the promotion and creation of youth employment. An example is the Youth-to-Youth Fund implemented by the *Youth Entrepreneurship Facility* in **Kenya**, **Uganda**, and **Tanzania**.

4.2.8 Addressing social discrimination

Social discrimination can be tackled by all the above-mentioned measures through specific focuses on marginalized youth and youth at-risk of social exclusion. Facing multiple barriers to enter productive employment, young women need stronger support from the government and social partners to play an equal role in society. At a youth event in **Turkey**, discussants called for the <u>promotion of initiatives to</u> <u>enable labour market participation of young women</u>.

Participants from **Pakistan** stressed the importance of <u>providing young girls with access to education</u> since gender inequality in the labour market needed to be addressed at an earlier age. A participant from **Yemen** highlighted the need to change women's mindset to boost self-confidence and assurance. Skills and entrepreneurship training, for instance, will give women the necessary confidence to enter the labour market. Additional work and sensitization should be carried out among women's relatives, parents, and also male youth in the same community, so that they start seeing women as leaders.

Others, such as rural youth, youth from gangs, ex-combatants, and migrants, carry high degrees of discrimination that need to be addressed to avoid further vulnerability and exclusion. In **Nicaragua**, the program Job Training and Placement (*Programa de Formacion Ocupacional e Insercion Laboral*) targets rural youth and provides targeted training based on youth' needs.

As regards to rural-urban and regional inequalities, **Bangladeshi** youth voiced their concern that many training programmes were only offered in urban areas and that more programmes needed to be offered to rural youth to close the gap between rural and urban youth employment and eventually to minimize rural migration. This concern was also expressed by the **Vietnamese** youth union which emphasized that rural youth accounted for 80-85 per cent of young workers but often had less access to education and training than their urban counterparts. Youth in **Pakistan** voiced concern over regional disparities and the applicability of policies and recommendations for all regions. For instance, the province of Balochistan which accounts for 45 per cent of the population but 90 per cent of the poverty might need a different approach than other parts of the country.

As regards promising initiatives for young people living in rural areas, participants from **Zimbabwe** considered the *Training for Rural Economic Empowerment (TREE) programme* as an innovative practice that provides technical and other types of skills to youth in addition to access to credit and support in setting up cooperatives. The program is implemented by the Ministry of Youth Development Indigenization and Empowerment in collaboration with employers' and worker's organizations.

4.3 Ideas from young people on how to promote youth employment

The most important outcome of the events is the empowerment of young people and the recognition of their relevant role in addressing the youth employment challenge. The events set a benchmark for youth consultations and provided a window to young, fresh ideas.

Interesting ideas proposed by youth range from career counselling hotlines to youth-led green businesses and compulsory apprenticeships. Youth showed their potential to rightly input policymaking and generate employment opportunities for other youth. Social media and initiatives to transform the role of youth and youth organizations as active creators of employment are some innovative avenues proposed by youth with great potential for replication and expansion.

Career counselling came as a very urgent need for young men and women in Asia. Youth proposed to enhance career counselling at schools and universities and to improve the quality and scope of information about vacancies and the skills needed by the labour demand. An interesting ongoing initiative is the hotline "12351" for young university students in China to get information on vocational training programmes and employment. Youth encouraged Employment Offices to play a better role in closing the information gap and fine-tuning matching of young jobseekers with prospective employers. Career fairs and marketplaces are some good initiatives to bring labour supply and demand together.

Entrepreneurship was high in the agenda of young people. In Africa, youth made a strong call for entrepreneurship education to be embedded in the national curricula. Youth recognized the value of an entrepreneurial mind-set in the world of work and asked for greater opportunities to learn how to create business and be entrepreneurial in life. The entrepreneurship call was also loud in the other four regions where youth pushed for further investments in youth cooperatives, youth business groups, youth-friendly financial products and easier access to the credit market. Youth from Arab States, Africa, and Central America expressed their environmental concerns and asked governments and social partners to work with them to address environmental degradation. Youth offered their potential to create innovative green business that not only create jobs for others but also support environmental sustainability and economic growth.



Across regions, youth voiced their concerns about the catch 22 paradox imposed by the lack of work experience. Young people are not hired because their lack work experience and they are not getting that experience because they do not get a first chance. To address this issue youth in Africa proposed compulsory apprenticeship schemes by large companies. In Europe and Central Asia youth called for better quality standards for internships and apprenticeship programmes and presented an innovative initiative: the European Quality Charter on Internships and Apprenticeships elaborated by the European Youth Forum, in collaboration with the social partners.

Youth showed how they can easily mobilize their peers through social media, multiply dissemination efforts, and collect input and contributions to youth employment policy dialogue and decision-making processes. During the events, youth in Georgia posted key discussions in Facebook and received large and meaningful immediate feedback from other youth, illustrating the potential of social media to impact policy design and programming. In Azerbaijan youth emphasized the potential of social networks to support youth during job search activities.

Youth were keen to express their interest in playing a stronger role in youth development initiatives. In Peru, the above-mentioned *Social Dialogue Table "Youth for Decent Work in Peru"* was regarded as a unique opportunity to involve youth in a consultative manner. The Table has provided a platform for youth to engage regularly with ILO constituents and discuss youth employment issues, ongoing programmes and policies, and initiatives for the future.

5. Conclusions

There is a social, economic and political urgency of responding to the challenge of youth employment as a precondition for poverty eradication, sustainable development and lasting peace. Investing in young people means investing in the future of a country. Countries respond differently to the youth employment challenge. Almost every country in the world has sought to address the issue and a wealth of interventions and approaches have been implemented. The call for a holistic and integrated approach has been at the forefront of ILO's debate on youth employment for many years. However, as the Director General Juan Somavia said in a recent event on youth employment "listening to the voice of young people, which is not done enough, is key to bringing about this policy convergence".

The dialogue and discussions that took place at the 46 national and regional events during the Youth Employment Month shed light on the dimension of the youth employment challenge, illustrated in most cases by young people. Policymakers, employers and workers representatives, and other youth employment practitioners had the opportunity of a first-hand account on the challenge, which created a unique scenario for open discussions on hurdles and potential solutions.

Participants across regions found common ground on eight core barriers youth face to get a decent job, namely: slow job-growth economies, low-quality of jobs, skills mismatch, inadequate job matching, the work experience trap, lack of access to capital and business training, limited youth participation, and social discrimination. Specific solutions were proposed to address these issues. Governments and business leaders were encouraged to promote labour market demand through policies and investments promoting inclusive growth, dynamic trade, and the development of small and medium sized enterprises.

Addressing the low quality of jobs is an important challenge. The promotion of collective bargaining as well as the introduction of quality standards, minimum income guarantees and inclusive social protection systems was underscored by participants throughout the events. Improving quality will ensure access to decent jobs. In addition, a successful school to work transition should rely on education and training systems that are responsive to labour market requirements. A smooth transition will build on relevant curricula that provide the technical and core skills young people need to get a job. Ideas and reflections on existing programmes highlighted the important role the private sector can play in identifying employable skills.

Young people, particularly across Europe and Asia, called for improved and youth-friendly employment services. Labour market intermediation is crucial to address information asymmetries and link youth up with potential employers. The potential of social media to inform youth and close the information gaps is unique and should be further exploited.

While some barriers are more acute in certain countries and regions, there was clear concurrence on the need to foster youth participation. This involves political and social

participation but also taking part in decisions concerning measures that may affect employment of young p eople themselves.

The events and consultations offered youth the chance to raise their concerns and resulted in potential partnerships and commitments by governments, social partners, and other key stakeholders. This is the key value added of the events and of this significant consultative effort. Youth are seldom given a voice or offered to provide input to youth development initiatives. The events have not only provided a voice to youth but also encouraged them to engage actively the ILO and its tripartite partners.

The ILO Youth Employment Forum, scheduled to take place in Geneva from 23 to 25 May 2012, will build on these events and provide an exceptional platform to exchange information and experiences from different countries and regions. Several young people from around the world will gather at the Forum to share knowledge, discuss the above-mentioned key issues and good practices on the promotion of decent work for youth. The ILO invites youth from Africa, the Americas, Asia and the Pacific, the Arab States and Europe and Central Asia to address their concerns and discuss the reasons and facts behind the current youth employment crisis during the Forum. The discussions and testimonies expressed during the Forum will be later shared with policymakers and social partners at the 101st Session of the International Labour Conference, to take place in Geneva in June 2012.