

Chapter 2.
YOUTH
Employment



Trends in work and employment are reviewed at the beginning of this chapter, focusing on the shift in the demand for youth labour towards either low-paying service sector jobs or higher-skill professional jobs, which has resulted in the emergence of a new form of labour stratification. Attention is then given to the intermediary zone, a growing sector occupied by large numbers of young people in both the more developed and less developed countries. Youth working in this zone are between the worlds of employment and unemployment. They may be engaged in the informal economy and be denied employment rights and security; alternatively, they may try to survive through subsistence self-employment or through part-time and casual jobs. Next, the persistent problem of youth unemployment is addressed, with a call for the adoption of macroeconomic policies to help stimulate economic growth and increase the demand for labour. The link between youth employment and vulnerability is explored, with an explanation of how sustained periods of unemployment can lead to marginalization or social exclusion. Finally, the activities of the United Nations Youth Employment Network are highlighted, and a number of proposed recommendations for resolving the youth employment crisis are provided.

INTRODUCTION

As mentioned in the preface of this book, there are more than 1 billion young people between the ages of 15 and 24, and 85 per cent of them live in developing countries.¹ Many of these young people are in the process of making, or have already made, the transition from school to work.

According to the ILO, 160 million people in the world today are unemployed,² and many more subsist on the margins of the economy or have jobs that do not provide them with adequate means to ensure their survival. Nearly 40 per cent of those without work are young people, and levels of unemployment tend to be two to three times higher for this group than for the adult population. For those young people who are employed, many find themselves in low-paying temporary jobs with few protections.

With the world population projected to grow by 110 million during this decade and with technological advances leading to further “rationalizations” of labour demand, some 500 million new jobs have to be created within the next 10 years merely to maintain the status quo.³ Current trends in job creation offer little hope that growth on this scale can be achieved. The situation is particularly grave for young people, as demographic trends suggest a huge imbalance between the supply of young workers and the demand for their labour.

For growing numbers of young people, employment is precarious and may not provide an income sufficient to cover basic necessities. In industrialized countries, the demand for a flexible workforce and the increased use of part-time and temporary employment contracts have led to a heightened sense of insecurity and risk. In developing countries, a rising number of young people work in the informal economy, where they earn low wages and are often subjected to poor or even exploitative working conditions.

In both developing and developed countries, significant portions of the population live below nationally defined poverty lines; in many African, Asian and Latin American countries, more than half of the population have incomes under the national poverty line, and in the more developed regions, there are countries in which more than a fifth of the population live in poverty.⁴ In such diverse circumstances, it is impossible to make too many generalizations about young people and work.

Changes in the labour market are such that, from a global as well as a local perspective, the dichotomy between employment and unemployment has lost much of its meaning. This is particularly true in developing countries, where few have regular employment on a contractual basis and where the absence of benefits makes unemployment a rather meaningless concept. Many youth work in what is known as the intermediary zone; they are engaged in casual employment, “get by” through enforced self-employment, are underemployed, or hold a variety of part-time jobs.⁵

WORK AND EMPLOYMENT

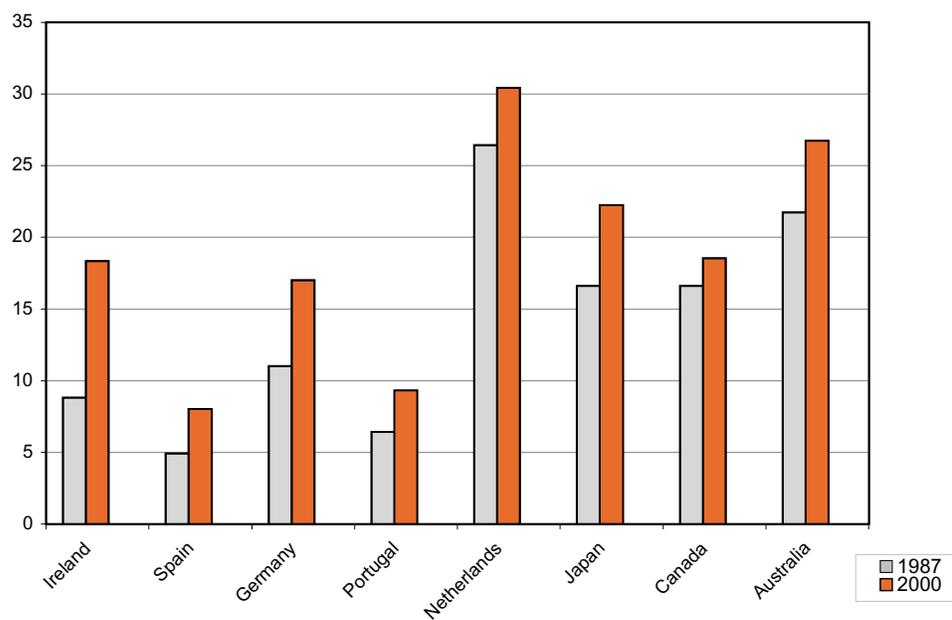
Globalization and technological advances have had a profound impact on labour markets throughout the world, and young people, as new workers, have faced a number of challenges associated with these developments. Trends in the youth labour market tend to reflect changes in the adult labour market, although the effects of any shifts that may occur are often magnified in the employment situation of the young. The decline in skilled jobs in the manufacturing sector, together with the increased demand for professional specialists and unskilled labour in the growing service industries, has led to a “hollowing out” of the youth labour market. New opportunities tend to cluster at the top end, in the professional and advanced technical sector, and at the bottom end, in the low-tier service industries. An increasing number of young people are also finding work in the informal economy, where jobs are usually characterized by insecurity and poor wages and working conditions.

In many industrialized countries, most young people, especially young women, are employed in the service sector. In the EU, for example, 64 per cent of 15- to 29-year-olds were working in service occupations in 1995.⁶ While employment in this sector ranges from routine unskilled services in retail sales and call centres to specialized professional services, it has been argued that most young people work in the lower-tier services characterized by poor working conditions and a lack of job security.⁷ This is perhaps best exemplified by the fast-food industry, in which young workers often comprise the vast majority of the workforce and are paid at minimum wage rates.

Young workers are less likely to object to sub-standard working conditions in the service industry for several reasons. First, many of them think of their jobs as temporary, and only remain in them while they are continuing their formal education. In such circumstances, dissatisfaction is more likely to lead to a job change than to attempts to improve conditions through industrial action. Second, as a more vulnerable group of workers, young people are less likely to band together to demand better wages and working conditions. Third, many young workers have temporary or other precarious employment arrangements, which gives them little or no leverage in pushing for improvements.

Part-time employment among young people is on the rise in many countries and can be regarded as an aspect of the casualization of the labour market (see *figure 2.1*). While young people frequently hold part-time jobs while they are pursuing a formal education, there are also cases in which part-time or temporary jobs are the only alternatives available, as there is an insufficient number of regular full-time jobs to go around. In Greece, for example, an estimated six in ten young people who work only a portion of the workweek are considered “reluctant” part-timers.⁸ This may be explained in part by the progressive removal of benefit safety nets, which may have forced young people to accept part-time jobs rather than holding out for full-time employment. In a survey of young workers in the EU,⁹ 22 per cent of male and 14 per cent of female part-timers said they were unable to find full-time jobs.

Figure 2.1
The proportion of the workforce employed part-time in selected countries, 1987 and 2000



Source: ILO, *Key Indicators of the Labour Market 2000-2001* (Geneva, 2001).

Note: The years nearest to 1987 and 2000 were selected, based on data availability.

The increased use of short-term contracts is another indicator of deteriorating conditions in the youth labour market, as young workers are more likely than older workers to receive and accept this type of offer. In the EU in 1995, 35 per cent of employees under the age of 25 had short-term contracts (the rate was 47 per cent among 15- to 19-year-old workers), compared with 14 per cent of all employees. The use of such contracts is particularly high in Spain, where nearly eight in ten youth under 25 years of age are employed on this basis.¹⁰ Although short-term contracts can be linked to training and probationary status, a recent Eurostat survey of young workers indicates that for many, short-term status is a consequence of not being able to find any other job.¹¹

At the top end of the labour market in many countries there has been an increase in the supply of professional and high-level technical jobs, but as a result of the growth in educational participation, especially at the tertiary level, competition for these jobs is intense. In industrialized countries, more than 50 per cent of young people obtain university degrees, and the demand for educated workers lags far behind the supply, leading to qualification inflation. Offering their observations on the situation in the Republic of Ireland, Richard Breen and Christopher Whelan note that “although the average level of educational attainment has increased during successive decades, there has been a simultaneous decline in the returns to higher credentials”.¹² In the transitional economies of Eastern Europe, it has been argued that with around half of all graduates either being unemployed or working in the informal sector, education has only a modest impact on success in the labour market.¹³ In most countries, many qualified young people are now forced to “trade down” and accept inferior forms of employment. Given the economic and subjective investments in education, this trade-down is not without its costs. Young people may have to service graduate debt while working in non-graduate occupations, and after a lengthy subjective investment resulting in the development of a professional identity, compromises can lead to resentment and dissatisfaction. The length of time young people take to look for desirable employment often depends on the financial circumstances of their families and their willingness to support their children during the period of their job search.

The number of young workers who trade down reflects the degree to which the increase in the supply of qualified workers has outpaced the increase in the number of professional and technical jobs, leading to a high level of underemployment. In developing countries, underemployment among those who have completed their undergraduate studies has led to a rise in graduate school enrolment. In Europe the trend is more recent, but it is estimated that almost six in ten 16- to 26-year-olds regard themselves as underemployed, working in lower-level jobs than those in which they might make more appropriate use of their skills.¹⁴ A similar problem has been identified in the Russian Federation, where 42 per cent of those employed are working in occupations that do not correspond to their qualifications. A majority of young people in the Russian Federation aspire to self-employment, which they regard as the only way to become well-paid, establish control over working conditions and achieve job satisfaction.¹⁵ In the transition economies of Eastern Europe, many new businesses have been started by young people as opportunities in the State sector have declined. In these countries, the incentive to become self-employed has been linked to a shortage of alternative ways of making a living, with a significant proportion being characterized as “forced entrepreneurs”.¹⁶ However, the rate of business failure is high, and young entrepreneurs frequently work long hours for few rewards.¹⁷ In one country, for example, more than one-third of self-employed young people reported working more than 60 hours a week.¹⁸

Given the lengthening of youth participation in education, rates of youth unemployment may be relatively low simply because a diminishing number of young people are entering the labour market before their mid-twenties. Consequently, rates of youth unemployment in a country need to be contextualized in terms of patterns

of educational participation. Levels of employment among young people can be controlled by educational policies that effectively reduce the pool of youth labour by acting as “holding devices”. However, the link between education and job creation is dependent on broader patterns of labour demand that are global as well as local.

Evidence from a range of countries shows that education clearly enhances opportunities in the labour market, as those with the best qualifications enjoy superior job prospects. In a number of developing countries, however, many highly educated young people remain unemployed. This phenomenon derives from two key factors. One is that there is an inappropriate matching of university degrees with demand occupations. Degrees are often conferred in disciplines that are less expensive to teach, such as the social sciences. Instruction and training in areas such as engineering and the physical sciences, which require more sophisticated equipment and technology, are often too costly for many universities in developing countries to provide. As a result, there is an overabundance of students graduating with degrees in such disciplines as political science or education, but there are an insufficient number of jobs available in these areas. Conversely, engineering and high-tech jobs remain unfilled. The second factor is the overall lack of jobs in the formal economy. As most new job growth is in the informal sectors of the economy, there remain few opportunities for young graduates to find work that corresponds to their level of educational attainment. Many of these highly educated workers end up migrating to industrialized countries to improve their job prospects. The resulting brain drain holds serious consequences for the future development of their home countries.

For young people who remain in developing countries, self-employment is often the only option for survival. Youth entrepreneurship can be encouraged through a variety of means, including special programmes that facilitate access to credit. Owing to their lack of collateral and business experience, youth are considered a very high risk by lenders, making it difficult for them to gain access to credit. Programmes can therefore be developed to provide small business loans to young entrepreneurs. Many youth currently rely on savings or turn to family and friends for start-up funding. Those without such alternatives have little chance of starting their own businesses unless special credit programmes are set up for them.

Studies have indicated that young people in their twenties are more likely to achieve success in entrepreneurial ventures than are those who are still in their teens. Clearly, entrepreneurship is not for everyone, and so cannot be viewed as a large-scale solution to the youth employment crisis. Entrepreneurship requires some business acumen and an entrepreneurial spirit, which many youth do not have and



cannot acquire, even after training. Furthermore, micro and small enterprises tend to experience very high rates of failure, so they have a limited capacity to create sustainable employment. Self-employment can therefore be considered part of an integrated youth employment strategy, but not a solution in itself.

THE INTERMEDIARY ZONE

Around the globe, the boundaries between the formal and the informal economy are becoming increasingly blurred, and much of the economic activity of young people is taking place in the intermediary zone. The informalization of work is a global phenomenon, with an increasing number of new jobs in both developed and developing countries being created in the informal economy. The proliferation of informal sector employment is problematic in that these jobs tend to be characterized by lower wages and productivity as well as unsafe working conditions. According to the ILO, wages in the informal economy are 44 per cent lower than those in the formal sector.¹⁹ The reality, though, is that the majority of young people worldwide work in the informal sector. In 1999, 78 per cent of Ghana's labour force was engaged in this type of employment; the same was true for 57 per cent in Madagascar and 56 per cent in Bolivia.²⁰ The ILO has estimated that in Africa 93 per cent of new jobs are in the informal sector, while in Latin America virtually all new jobs for young people are being created in this sector of the economy. Acknowledging the rising concern over the increasing informalization of employment, the ILO held consultations on this topic at the ninetieth session of the International Labour Conference, held in Geneva in June 2002.

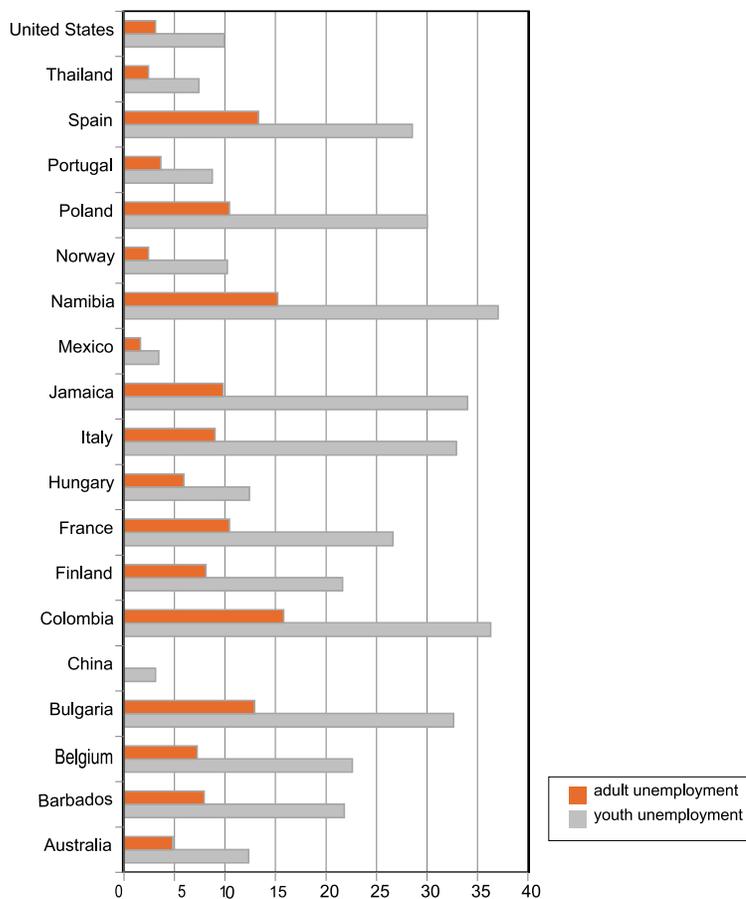
In some respects the use of the word "informal" is misleading, as the employment of many workers in this sector is highly controlled, although it may be regulated in ways that contravene local labour laws or utilize legal loopholes. The term intermediary zone captures its marginal location between traditional employment and unemployment. Included in this category are workers who have no formal contract of employment and no guarantees of regular work, those who are denied the rights normally granted under local labour laws, and those working illegally.

Strategies to promote the informal sector have tended to focus on improving access to credit, providing technical and business training and marketing skills, and building infrastructure. Demand-side issues, including linkages between the formal and informal economies, can also be examined. There is some evidence, however, that the informal sector is becoming increasingly informalized rather than being integrated into the formal economy. New initiatives are therefore needed to increase productivity and incomes and improve working conditions for informal sector employees. This is supported by studies indicating that improvements in working conditions can lead to higher productivity, which in turn leads to higher levels of competitiveness. The promotion of more productive and competitive jobs provides an important, sustainable route out of poverty.

YOUTH UNEMPLOYMENT

While young people between the ages of 15 and 24 comprise around 18 per cent of the world's population, they represent around 41 per cent of the unemployed.²¹ Between 1995 and 1999 youth unemployment rose by 8 million,²² and some 70 million young people are currently without work.²³ Moreover, the rate of unemployment among youth is typically two to three times the adult rate (see figure 2.2). This is mainly a consequence of difficulties surrounding the initial school-to-work transition, the relative insecurity and inexperience of new workers, and the frequent job changes undertaken in an attempt to find secure and satisfying employment. Youth is a temporary phase in the life cycle, and labour market prospects are ultimately governed by the unemployment rate for all age groups. The key to reducing youth unemployment therefore lies in remedying deficiencies in the labour market as a whole rather than in addressing isolated difficulties within specific subsections.

Figure 2.2
Unemployment rates in selected Countries, 2000 or latest figures



Source: ILO, *Key Indicators of the Labour Market 2000-2001* (Geneva, 2001).

Unemployment rates must always be regarded with caution, especially as rates of unregistered unemployment among young people can be high. In some of the more affluent countries, low levels of youth unemployment can coexist with a weak youth labour market as a result of extended participation in education by a high proportion



of the young population. Education and training policies are thus inextricably linked to patterns of unemployment, and analyses that fail to take into account the role of educational institutions as “holding containers” may provide a false impression of patterns of opportunity. Moreover, the high ratio of informal to formal economy employment in developing countries precludes an accurate accounting of the number of youth who are actually jobless. A better measure of the youth employment situation may therefore be the quantity of youth employed rather than unemployment rates.

One of the key reasons why unemployment tends to be higher among young people than among adults relates to the existence of “job queues”.²⁴ As new entrants to the labour market, young people may find themselves at the back of the line for jobs; they tend to be hired only when there is a relatively high aggregate demand for labour because employers often prefer experienced workers. Other significant factors relate to the higher levels of job-changing among young workers, to redundancy policies based on the “last-in, first-out” principle,²⁵ and to the lower levels of job protection afforded to new workers.

Youth unemployment rates typically fluctuate in line with overall unemployment rates, indicating a strong link to general economic trends. During times of recession, however, the rise in youth unemployment tends to be more substantial than does the concurrent increase in adult unemployment. It has been estimated that a 1 per cent increase in adult unemployment will be matched by a 2 per cent rise in unemployment among young people.²⁶ These figures suggest that many employers view youth as more expendable if lay-offs and downsizing become a necessity. Accordingly, the lack of aggregate demand may only partially explain the youth unemployment problem.

Although sustainable, long-term economic growth is the best way to create employment, improved economic growth by itself is often not enough, particularly for special groups such as youth. Added attention must also be given to increasing the employment intensity of economic growth, especially in the rapidly expanding sectors of the economy. Governments can establish incentive structures that promote employment-intensive growth by directing investment to sectors that are more employment-intensive. Labour-intensive manufacturing industries, including garments and textiles, electronics, leather products and food processing, have traditionally provided a key source of employment opportunities in developing countries. As these industries can produce for the world market, incentive structures (including tariff arrangements and exchange rate policies) and the global trading system can contribute to employment growth by facilitating the flow of exports of these goods.

Public works projects have traditionally been an important source of new jobs, particularly for vulnerable groups such as youth. Moreover, labour-intensive public works, which have been used for both regular infrastructure development and as a means of responding to crisis situations, have been shown to have a positive impact on economic development, proving cost-effective and competitive in comparison with equipment-based methods in the rehabilitation, maintenance and development of infrastructure, including rural roads, environmental rehabilitation, irrigation and urban slum upgrading schemes.²⁷ Industrialized countries have also looked to public works projects as a source of new job creation for youth. In these countries, such projects

have been connected with improving the environment and providing vital social services. Social services in particular are relatively labour-intensive, and creating jobs in this area responds to the growing need for personal services in an ageing society. Such services are instrumental in both creating employment and fostering social integration and intergenerational solidarity.

Other measures to promote jobs for young people include policies that grant private sector employers various incentives for hiring youth. These incentives can take the form of tax rebates, wage subsidies or youth wage rates, or provisions for loosening employment regulations. Youth wage rates, for example, are intended to encourage employers to hire young people rather than adults by providing a substantial wage differential, thus making young workers an attractive economic proposition. This assumes, however, that young people and adults are competing for the same jobs, whereas in reality the youth and adult labour markets are often distinct (particularly with respect to skilled workers).²⁸ Although there was a decrease in the relative wage rates of young people in the OECD countries in the 1990s, this trend was not reflected in rates of youth employment.²⁹ These considerations, together with the fact that most developing countries do not have wage-setting structures in place, call into question the efficacy of establishing youth wage rates.

Loosening employment regulations—including easing restrictions on hiring and firing—has also been promoted as a means of encouraging employers to hire youth. In many countries, non-discrimination laws require that there be no preference in hiring on the basis of age, but some have argued for changes in these laws to allow employers to specifically target youth in hiring.

YOUTH EMPLOYMENT AND VULNERABILITY

In all countries, some groups of young people are more susceptible to unemployment than others. Females tend to be far more vulnerable than males. In a review of youth unemployment in 97 countries, more young women than young men were unemployed in two-thirds of the countries; in a quarter of these countries, female unemployment was more than 20 per cent higher than male unemployment, and in around half of the countries in Latin America and the Caribbean unemployment rates for female youth exceeded those for young males by more than 50 per cent.³⁰ In many countries, education and vocational skills provide some protection, with young people who have advanced qualifications being far less likely to experience unemployment—particularly long-term unemployment. In the more developed countries, the differential chances of unemployment for qualified and unqualified young people have been increasing, leading to a greater differentiation in experiences among young people.³¹ Conversely, in the less developed countries, it is educated rather than uneducated young people who are most vulnerable to unemployment, as there is insufficient demand for skilled higher-wage labour. Other factors that make young people more susceptible to unemployment include a lack of basic skills (especially literacy and numeracy), disabilities, criminal convictions, membership in ethnic minorities, and responsibility for the care of children or other relatives.

High levels of youth unemployment are always a source of concern because of the profound impact unemployment has on young people’s lives. Research on the psychosocial consequences of unemployment is extensive. Studies of young people show that unemployment leads to a reduction in self-esteem, diminished levels of well-being, and frequently isolation from peers.³² While in many countries most young people encounter a period of unemployment, the experience is often fleeting, and jobs are secured with little external intervention. Youth unemployment turns problematic when it becomes long-term and when it leaves young people without the means to provide for their basic needs. In the Eastern European transitional economies, long-term unemployment among youth tends to be relatively widespread. In some countries in this region, for example, more than half of the young people who are unemployed have been out of work for over a year, a situation the ILO describes as “alarming”.³³ Given the link between long-term unemployment and the processes of marginalization and exclusion among youth, it makes greater sense to focus on this phenomenon than on short-term unemployment.

In addressing issues of social exclusion among young people it is necessary to acknowledge that paid work has traditionally been regarded as central to the process of social integration.³⁴ At the same time, it is important to recognize that there are many subjective factors (such as attitudes and values) that are not simply outcomes of labour market processes but can themselves mediate patterns of exclusion. As Minna Heikkinen notes, “young people’s social exclusion is always loaded with numerous economic, social, political and cultural connotations and dimensions”.³⁵ Long-term unemployment may in some circumstances lead to social exclusion, but high levels of social or financial support may reduce the chances of exclusion. In terms of young people’s experiences, the simple chart below (table 2.1) highlights the basic factors associated with exclusion and integration.

Table 2.1
Integration versus exclusion

Social Integration	Social Exclusion
Employment/sporadic unemployment	Long-term unemployment
High employment commitment	Low employment commitment
Financial security	Financial insecurity
Optimism	Pessimism
Life satisfaction	Life dissatisfaction
High social support	Low social support
Active lifestyle	Passive lifestyle

While neither social integration nor social exclusion necessarily involves all of the factors listed, it is generally acknowledged that there is an extent to which objective and subjective factors are mutually reinforcing. The relationship between the subjective and objective dimensions of exclusion is complex, however, and is mediated by nationally specific aspects of the unemployment experience.

It is also important to recognize that a young person's interpretation of his or her situation may be at odds with patterns viewed from a structural perspective. Manuela du Bois-Reymond draws attention to what she refers to as the "trendsetters", who move constantly between unemployment and temporary, part-time or low-skill service jobs as part of a process of self-actualization and exploration.⁵⁶ Du Bois-Reymond contends that the process of modernization is linked to the emergence of "choice biographies" in which unemployment may no longer be tied to processes of pessimism and despair. By and large, however, the concept of choice biography has emerged from the more affluent European societies in which levels of unemployment have been relatively low and social security benefits relatively high. There is evidence that some young people find short periods of unemployment compatible with lifestyle choices; this is sometimes the case among those seeking careers in music and the arts. Others may "opt" for unemployment rather than lowering long-held occupational aspirations. However, in most countries, low (and declining) benefit levels have made "lifestyle" unemployment unattractive.

The ability to maintain a high level of life satisfaction despite enduring prolonged unemployment would seem to be dependent on the achievement of equilibrium between the different dimensions of the unemployment experience. High levels of labour market exclusion may be tolerable subjectively if, for example, adequate recompense is provided or if the range of opportunities available means that unemployment is not perceived as a dead-end street. Conversely, high levels of labour market exclusion combined with inadequate income and low levels of social activity mean that the experience of unemployment is likely to lead to despondency and a sense of not having any future—factors central to the process of social exclusion.

AN ANSWER FROM THE INTERNATIONAL COMMUNITY: THE YOUTH EMPLOYMENT NETWORK

Many of the concerns raised in this chapter echo those of the United Nations, whose commitment to action is reflected in the Organization's current agenda and activities. In September 2000, the largest gathering ever of heads of State and Government took place as the world's leaders converged upon New York to attend the Millennium Summit. During this meeting, within the framework of the Millennium Declaration, they resolved to "develop and implement strategies that give young people everywhere a real chance to find decent and productive work."⁵⁷

In preparation for the Summit, the Secretary-General of the United Nations issued a report entitled *We the Peoples: The Role of the United Nations in the 21st Century*, in which he first proposed the establishment of the Youth Employment Network, as follows:

"Together with the heads of the World Bank and the International Labour Organization, I am convening a high-level policy network on youth employment—drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge. ... I will ask this policy network

to propose a set of recommendations that I can convey to world leaders within a year. The possible sources of solutions will include the Internet and the informal sector, especially the contribution that small enterprises can make to employment generation.”³⁸

On 16 July 2001 the Secretary-General, along with the President of the World Bank and the Director-General of the ILO, met with the 12-member High-Level Panel of the Youth Employment Network³⁹ at ILO headquarters in Geneva. At this meeting, the Secretary-General emphasized the need for both immediate action and a long-term commitment to achieve the target for youth employment established within the framework of the Millennium Development Goals. He also invited the Panel to continue working with him in an advisory capacity. Finally, he requested the ILO to take the lead in organizing the future work of the Network and to host a permanent secretariat.

The Panel’s recommendations encouraged world leaders to take personal responsibility for translating the commitments made at the Millennium Summit into action through a specific political process. First, the Heads of States and Governments were invited to develop national action plans with targets for the creation of jobs and the reduction of unemployment and to present those plans to the United Nations in a year’s time; critical and self-critical reviews of past national policies were to be integrated into the plans. Ten Governments were invited to volunteer to “champion” the process, taking the lead in preparing the action plans and paving the way for others. Governments were encouraged to involve young people in the development of their plans and to integrate the final strategies for youth employment into a comprehensive employment policy. It was noted that employment policy should not be seen as a sectoral policy among others, but rather an extension of the successful mobilization of all public policies.

The recommendations presented youth as an asset rather than a problem; in the next 10 years 1.2 billion young women and men would join the ranks of the working-age population, the best educated and trained generation of young people ever, with tremendous potential for economic and social development.

The recommendations also portrayed youth as a creative force for the present as well as the future. Care was taken to avoid referring to young people as “tomorrow’s” leaders; the focus was instead on their role as today’s partners. “Young people are now asking that their voices be heard, that issues affecting them be addressed and that their roles be recognized. Rather than being viewed as a target group for which employment must be found, they want to be accepted as partners for development, helping to chart a common course and shaping the future for everyone.”⁴⁰

Finally, the Panel devised a simple political message that may be summarily expressed in terms of the following four principles:

- *Employability.* Invest in education and vocational training for young people and improve the impact of those investments.
- *Equal opportunities.* Give young women the same opportunities as young men.
- *Entrepreneurship.* Make it easier to start and run enterprises in order to provide more and better jobs for young women and young men.

- *Employment creation.* Place employment creation at the centre of macroeconomic policy.

Following a discussion in the General Assembly, a core group of countries (Egypt, Hungary, Indonesia, Namibia, Senegal and Sri Lanka) responded to the recommendations by volunteering to act as champions of this process, reviewing and showcasing their own experiences and encouraging others to participate in the development of national reviews and action plans for youth employment. Discussions have begun on how best to support these countries that have agreed to initiate the process.

The Panel members have engaged in advocacy and policy development in the field of youth employment within their own areas of expertise and within the regions in which they are active, including representing the Network at major international meetings on youth employment organized by the ILO and others. The Panel has also formed separate working groups to address each of the four principles on which its recommendations are based in order to better advise the Secretary-General, to provide guidance to countries in the preparation of their national reviews and action plans on youth employment, and to ensure the dynamic development and continuous evolution of the Network, its Panel and its recommendations.

On 18 December 2002, the General Assembly adopted resolution 57/165 on promoting youth employment. The resolution encourages Member States to prepare national reviews and action plans on youth employment; invites the ILO, the United Nations and the World Bank to undertake a global analysis and evaluation of progress made in preparing those national reviews and action plans; and requests the Secretary-General to report on the progress of the Youth Employment Network at the fifty-eighth session of the General Assembly. This resolution, together with the work of the High-Level Panel, reflects the growing importance the issue of youth employment has assumed in the global arena.

CONCLUSIONS AND RECOMMENDATIONS

In developing countries, open unemployment is not an option. Although many young people are unable to find secure jobs in the formal economy, the lack of social safety nets means that they have to engage in some form of work in order to survive. The informal economy provides one source of income, but there has also been disturbing evidence of a rise in the number of unemployed urban youth who are turning to street crime, gangsterism, prostitution and armed conflict. The seriousness of these trends prompted the United Nations Human Settlements Programme (Habitat) to develop its Safer Cities Programme, which currently has activities under way in nine urban areas. The Programme recognizes that engaging youth in productive employment is an important component of efforts to make cities safer from crime. In addition, a number of countries in Africa have identified youth unemployment as a matter of national security and are encouraging job creation as a means of providing youth with an alternative to a life of crime and war.

For young people, jobs provide a source not only of income, but also of dignity and self-respect. Youth who enter the workforce with limited job prospects, underdeveloped skills and inadequate education face the highest risk of long-term

unemployment, underemployment and low-wage employment throughout their working lives, making them more vulnerable to social exclusion. Furthermore, unemployment and inadequate employment among youth contribute to high levels of poverty. Focusing job-creation efforts on young people could help reverse these trends, giving youth the opportunity to become more active and productive participants in the workforce and enjoy a greater degree of social integration.

Young people make up more than 40 per cent of the world's unemployed. Youth unemployment can lead to marginalization, exclusion, frustration and low self-esteem—and sometimes to behaviour that imposes a burden on society. There are an estimated 66 million unemployed young people in the world today; at least 50 of the countries for which data are available have youth unemployment rates of more than 15 per cent.

There is evidence that young people, out of necessity, are increasingly turning to the informal sector for their livelihood. The intermediary zone between unemployment and traditional employment is characterized by informal, part-time or casual jobs that do not have the benefits or security of regular employment; this category also includes subsistence self-employment, or “forced entrepreneurship”. Faced with poverty and the lack of possibilities for better jobs, many young people have no alternative but to turn to informal activities to earn an income. With economic growth being insufficient to support the absorption of new labour force entrants, there is a danger that informal work will become the only option for large numbers of young people, thereby making the objective of decent employment for all increasingly unattainable. The distinction between employment and unemployment is gradually losing much of its meaning as young people move into and out of the informal sector, where neither term has any real relevance.

In establishing policies for youth employment, Governments tend to focus on the supply side of the labour market rather than on labour demand. In other words, they typically try to reduce unemployment by addressing the lack of skills or poor attitudes of young people rather than concentrating on promoting economic growth and job creation. Providing young people with opportunities to learn through work may prove more effective than attempting to upgrade their skills before they enter the labour force.

The Youth Employment Network was launched jointly by the United Nations, the World Bank and the International Labour Organization to address the problem of unemployment among young people. The High-Level Panel established to guide the development and activities of the Network has highlighted four areas that require particular attention: employability (investing in education and vocational training for young people and enhancing the impact of those investments); equal opportunities (providing young women and young men with the same opportunities); entrepreneurship (making it easier to start and run enterprises in order to provide more and better jobs for young people); and employment creation (placing job creation at the centre of macroeconomic policy). The active participation of young people in programme design and implementation is key to achieving these goals. ■

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