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Youth: Pathways to decent work

Report VI

Promoting youth employment – Tackling the challenge

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Introduction

1. The ILO is playing a leading international role in the employment of young people, in the framework of the United Nations Secretary-General's Youth Employment Network and the 2002 United Nations General Assembly resolution on "Promoting youth employment". It is also committed to the United Nations Millennium Development Goals, in particular Goal 8, which sets as a target the development and implementation of strategies for decent and productive work for youth, in collaboration with developing countries. These responsibilities are a reflection of the long-standing commitment of ILO constituents and the Organization to the promotion of decent work for all young women and men.
2. In November 2003, the ILO Governing Body identified youth employment as a topic for a general discussion at the International Labour Conference in June 2005. In preparation for the general discussion, the Governing Body approved the holding of a Tripartite Meeting on Youth Employment: The Way Forward in October 2004. The central objective of this discussion was to review national policies and programmes aiming to encourage the creation of quality jobs for young men and women and identify initial areas of agreement on the political, social and economic dimensions of the issue, "to act as a framework for a more complete discussion of this issue at the International Labour Conference in June 2005, where more comprehensive conclusions will be decided".¹
3. This Conference report, *Youth: Pathways to decent work*, begins with a global overview of youth employment and the socio-economic factors, which help or hinder young people in getting decent jobs. It discusses national-level initiatives, identifying key lessons in formulating successful policies and programmes. The report also illustrates ILO support to constituents in promoting decent work for young people, highlighting approaches and tools that have been or could be useful to constituents.
4. This Conference package of documents includes materials that may be valuable references – Conclusions of the Tripartite Meeting of October 2004 and the ILO report *Global employment trends for youth, 2004*.

¹ ILO: *Conclusions of the Tripartite Meeting on Youth Employment: The Way Forward*, Geneva, 13-15 October 2004 (TMYEWF/2004/7).

Chapter 1

Youth employment: Potential and challenge

5. The youth employment challenge, while bound up with the overall employment situation, has its own dimensions, which require specific responses. In developing countries, maximizing the potential of young workers is central to the promotion of poverty-reducing growth and development. In both developed and developing countries, a number of economic and social factors affect the transition into adult working life, including discrimination and social disadvantage as well as cyclical and structural trends in the economy. The uneven impact of globalization is a worldwide concern for youth (see box 1.1 on varying definitions of youth).

Box 1.1 Defining youth

Countries vary considerably in their definitions of youth and childhood, from as low as age 7 and ranging up to age 39. In Uganda, for example, youth is from 12 to 30 years, while in Nigeria and Bangladesh, it is between 18 and 35 years.^a In general terms, youth can be defined as the stage in the life cycle before adult life begins, affected by factors such as the average age at which young people complete education and initial training and the average age at which they are expected to start playing adult roles in the community. The legal status of youth can vary within a country for reasons such as marriage, voting rights, land rights, criminal offences, eligibility for military service or consent for medical services. Because these characteristics differ from country to country and vary within countries, they need to be taken into account in developing specific contextual policy measures.^b

This report embraces the wider, more general definition of youth as the stage in the life cycle before adult life begins. Statistics cited in this report reflect the standard United Nations definition of youth as aged between 15 and 24 years.^c

^a ILO: Symposium on Globalization and the Future of Youth in Asia, Tokyo, Japan, 2-3 December 2004, Bangladesh Country Report, p. 4. Forthcoming on the public access pathway at www.ilo.org/youth.

^b F. Casanova: *Local development, productive networks and training* (ILO/CINTERFOR, 2004), also available in Spanish. ^c United Nations: *Statistical Charts and Indicators on the Situation of Youth, 1970-1990* (New York, 1992).

1.1. Overview of youth labour market trends

6. A concise look at the participation of young women and men in the labour market along a number of different dimensions is presented below,¹ in order to set the stage for a discussion of the key issues.

¹ Unless otherwise indicated these key points are taken from ILO: *Global employment trends for youth* (Geneva, 2004). See also, for a discussion of regional trends in the youth labour market: ILO: *Starting right: Decent work for young people*, background paper to the Tripartite Meeting on Youth Employment: The Way Forward,

Employment

- Globally, less than half of the youth available for work had jobs in 2004.
- Many young people are underemployed as involuntary part-time employees, temporary (short-term) workers or in work of inadequate productivity.²

Quality of work

- The vast majority of the world's youth work in the informal economy. In Africa, 93 per cent of all new jobs and in Latin America almost all newly created jobs (for young labour market entrants) are in the informal economy. Young informal workers frequently work long hours with low wages, under poor and precarious working conditions, without access to social protection, freedom of association and collective bargaining.
- An estimated 59 million young people aged 15 to 18 years are in hazardous forms of work worldwide.³

Unemployment

- The youth unemployment rate is persistently high throughout the world, most recently estimated at 88 million young people or 47 per cent of the global unemployed, with young women in many countries more likely to be unemployed than young men.
- This pattern seems likely to continue, or deteriorate further, in the absence of significant economic growth and development, because of population growth and the influx of large numbers of young people into the labour market in many developing countries, and despite the decline in the youth cohort size in the OECD countries.
- Youth unemployment rates are much higher than overall unemployment rates in all regions of the world. In every country for which ILO data are available, youth unemployment rates significantly exceed adult unemployment rates. The world youth to adult unemployment ratio was 3:5 in 2003.
- Sustained unemployment can make youth more vulnerable to social exclusion. Information on the extent and impact of long-term unemployment among young people is urgently needed so that policy-makers can target youth in long-term unemployment and help them re-enter productive society.

Labour force participation

- Global labour force participation rates for young people decreased by almost four percentage points between 1993 and 2003, mainly the result of an increasing number of young people attending school, staying longer in education and training, and withdrawing from or never entering the labour force; between 1990 and 2000 there was a 15 per cent global increase in the number of students in secondary

13-15 October, 2004 (TMYEWF/2004); and ILO: *Improving prospects for young women and men in the world of work: A guide to youth employment* (Geneva, 2004).

² H. Görg and E. Strobl: *The incidence of visible underemployment: Evidence for Trinidad and Tobago* (Centre for Research in Economic Development and International Trade, University of Nottingham, 2001).

³ Global estimate, ILO/IPEC in 2002.

education and an 8 per cent increase in tertiary enrolments during the same decade.⁴

- Particular groups of people, such as young women and men with disabilities, youth affected by HIV/AIDS, indigenous youth, demobilized young soldiers, young migrant workers and other socially disadvantaged youth are more prone to unemployment and underemployment, with many opting out of the labour force in countries where the possibility of reliance on social security payments exists.
- Some 238 million young people are living on less than US\$1 a day and some 462 million young people are living on less than US\$2 a day. This means that almost one-quarter of young people in the world (22.5 per cent of the world's population of 1.1 billion 15-24-year-olds are in extreme poverty. On the broader measure of US\$2 a day, over 40 per cent of all young people can be categorized as living in poverty (43.5 per cent of the 1.06 billion 15-24-year-olds).⁵

Future prospects

- In 2015, 660 million young people will either be working or looking for work – an increase of 7.5 per cent over the number of youth in the labour force in 2003.
- Between 2003 and 2015 there will be more first-time jobseekers than ever before. Decent employment opportunities for young people will need to grow substantially to meet this challenge. This will be greatest in the regions with the largest expected labour force growth – sub-Saharan Africa (with a forecasted growth of young people of 30 million; 28 per cent) and South Asia (with a forecasted growth of 21 million; 15 per cent).

Regional diversity

- Of the world's over 1 billion young people, 85 per cent live in developing countries where many are especially vulnerable to extreme poverty.
- There is significant regional variation in youth employment, with some countries facing greater challenges than others, owing to HIV/AIDS, armed conflict, and the rapid expansion of the informal economy combined with stagnation in the formal economy. Countries of Africa, South-East Asia and Latin America are particularly affected.

7. These facts and figures reveal that youth face greater barriers than adults in securing decent employment, given the youth to adult unemployment ratio of 3:5 noted above. They also demonstrate the enormity of the youth employment challenge, in terms of quantity and quality of jobs. The costs of ignoring this challenge and the benefits of tackling it are immense.

⁴ Figures on education levels are from World Bank: *World Development Indicators* (CD-ROM, 2004).

⁵ United Nations: Department of Economic and Social Affairs, *World Youth Report 2003: The global situation of young people* (New York, 2004), p. 76 (figures for 2000).

Youth unemployment rates by region, 1997, 2001-03 (percentage)

	1997	2001	2002	2003
World	12.9	13.9	14.3	14.4
Industrialized economies	14.2	12.3	13.4	13.4
Transition economies *	17.9	19.5	19.3	18.6
East Asia	6.4	7.1	6.8	7.0
South-East Asia	9.9	14.4	16.4	16.4
South Asia	13.1	13.2	13.6	13.9
Latin America and the Caribbean	14.6	16.6	17.2	16.6
Middle East and North Africa	26.0	25.4	25.5	25.6
Sub-Saharan Africa	20.7	20.6	21.1	21.0

* As of 2005, the ILO figures will reflect the new regional groupings.

Source: ILO: *Global employment trends model*, 2003; see also Technical note in: ILO: *Global employment trends for youth*, 2004.

1.2. Great potential and tremendous costs: The need to act

8. Young women and men between the ages of 15 and 24 represent almost one-fifth (18 per cent) of the world's population. Many are in education⁶ or employed in decent and productive jobs. However, a very significant number are unemployed, seeking employment, between jobs or working in the informal economy. Others face serious barriers to decent jobs for a variety of reasons: their employability deficit, lack of decent work opportunities, discrimination, forced labour, work in hazardous occupations, extreme poverty, armed conflict, forced migration or HIV/AIDS.

9. These young people who are unemployed, work in poor-quality, low-paid and low-productivity jobs represent enormous unlocked potential. Their numbers have increased significantly in the recent past and will increase further, particularly in sub-Saharan Africa and South Asia.⁷ There is growing awareness in countries around the world, the international community and international agencies, including the ILO, of the importance of tapping this important resource, as reflected in national and international initiatives to promote decent employment opportunities for young people and to assist them in their transition from school to work.

1.2.1. The costs of neglecting youth employment

10. Youth unemployment and underemployment impose a heavy cost. Prolonged unemployment in early life may permanently impair employability, earnings and access to quality jobs. Furthermore, patterns of behaviour and attitudes established at an early stage persist later in life. For governments, youth unemployment means that investments in education and training are wasted, that they have a reduced taxation base and higher

⁶ Approximately 70 per cent of young people between the ages of 13 and 18 were enrolled in secondary education in 2000, compared to 55 per cent in 1990. The gross enrolment ratio for tertiary-level education increased from 16 per cent (of the relevant age group) in 1990 to 24 per cent in 2000. World Bank: *World Development Indicators* (Washington, 2000).

⁷ ILO: *Global employment trends for youth*, op. cit.

social welfare costs, and that their voter support among young people is weakened. For employers' organizations, youth unemployment and underemployment means that young people have less to spend on products and services, and that personal savings are reduced for investment in business, resulting in loss of production. For workers' organizations, youth unemployment means loss of potential membership to secure improved rights, protection and working conditions.⁸ Moreover, high and rising unemployment levels among youth may be a source of social instability, increased drug abuse and crime (box 1.2). Further, youth unemployment and poor jobs contribute to high levels of poverty.

Rising unemployment takes a heavy toll among young people who are particularly vulnerable to shocks in the labour market. Lay-offs, restructuring and insufficient opportunities to enter the world of work condemn many to a life of economic hardship and despair. We have seen, all too often, the tragedy of young lives misspent in crime, drug abuse, civil conflict, and even terrorism.

UN Secretary-General Kofi Annan,
Fourth International Youth Day, 2003.

Box 1.2 **Erosion of political legitimacy and physical security in Kenya**

Nairobi's 143 shanty towns are lawless zones patrolled by armed vigilante gangs of destitute youths. The largest and most remarkable of these militia is called Mungiki. It began as a spiritual movement but now mixes hustling and extortion with politics. Wangari Maathai, who last year became the first African woman to be awarded the Nobel Peace Prize, call Mungiki members "the disinherited, the ones who are refused everything. The schools have rejected them for want of space and they haven't found work. If the oppression continues, if we keep on killing our brothers, there will be civil war in this country".

Source: "Kenya's righteous youth militia", article by Jean-Christophe Servant, in *Le Monde diplomatique*, 6 Jan. 2005, translated by Gulliver Cragg.

11. The costs of neglecting youth can be measured in terms of depletion of human and social capital. There is a loss of opportunities for economic growth, which increases as this cohort ages without gaining experience in the workforce. More difficult to quantify are the costs of societal instability and endemic conflict.⁹

1.2.2. The benefits of investing in youth

12. Pro-youth employment strategies benefit everyone. Investment in youth is an investment in society. Decent work for young people has multiplier effects throughout the economy, boosting consumer demand and adding to tax revenue. The demand for social services decreases significantly when youth have decent work, because their time is spent in productive, self-esteem building and healthy ways. Successful early career development is correlated with long-term career prospects. It shifts young people from social dependence to self-sufficiency and helps them escape poverty and actively contribute to society.

⁸ ILO: *Youth and work: Global trends* (Geneva, 2002).

⁹ For a discussion of the economic, social and individual costs of youth unemployment, see L. Brewer: *Youth at risk: The role of skills development in facilitating the transition to work*, SKILLS Working Paper No. 19 (Geneva, ILO, 2004), forthcoming in French and Spanish.

Halving the world's youth unemployment rate, bringing it in line with the adult rate, while allowing for some natural differences, would add between an estimated US\$2.2 and 3.5 trillion, or between 4.4 and 7 per cent of the 2003 value, to global GDP.*

* GDP is measured in current PPP-adjusted dollars for 2003. Estimates are based on historical country-level GDP-to-youth-employment elasticities. If the elasticity is negative or greater than 1.75, the subregional elasticity is substituted. The lower estimate is based on a diminishing returns scenario in which for the first quarter of additional employment, the elasticity is 100 per cent of value, for the second quarter, the elasticity is 0.75 of its value, for the third quarter it is 50 per cent of its value, and for the final quarter, it is 25 per cent. The upper estimate is based on a constant returns assumption, whereby there is no decline in elasticity.

Source: ILO: *Global employment trends for youth*, op. cit., p. 21.

13. Young women and men strive to contribute to their families, communities and societies; build their own families and communities, they seek to better their situations; they have dreams and aspirations that they are eager to fulfil. The route to achieving these is through decent work. If this door is closed, the future of young people, their families, communities and societies is bleak.

14. A growing international awareness of the need to consider inter-generational issues in policy-making and to recognize the importance of a life-cycle approach has emerged recently. For example, a smaller workforce in relation to the ageing population and concerns about the social and economic participation of young adults are featuring more prominently in policy discussions. In this context, a successful transition of young people to employment has become more important.

15. Successful transition is closely linked to other key transitions in life (economic independence, autonomy, establishing a household). Countries with late average transition of their young citizens into the labour market also show shifts for other transitions such as establishing a household.¹⁰ Thus, changes leading to a longer transition to employment also impact on other transitions, hampering later stages of the life cycle.¹¹

16. An understanding of the factors that impact on youth employment is instrumental in addressing the challenge – maximizing the potential and minimizing the cost.

1.3. Why are youth disadvantaged in the labour market? Overview of the factors

17. The factors that affect youth employment can be seen along three dimensions: those which influence job creation, which encompasses aggregate demand and economic growth; those which impact on working conditions, such as legislation, regulations and the business cycle; and those which address employability, including education and training, work experience and labour market services as well as the capacity of institutional structures to integrate youth into the growth process. These factors are discussed below, followed by an examination of the pathways to addressing them (see section 1.4 “Creating quality jobs” and section 1.5 “Enhancing employability” in this chapter.

¹⁰ European Commission: *The social situation in the European Union 2000* (Luxembourg, Office for Official Publications of the European Communities, 2000).

¹¹ K. Orr: “From education to employment: The experience of young people in the European Union”, presented at the European Youth Forum (2000) and published in C. Groth and W. Maennig (eds.): *Zukunft schaffen: Strategien gegen Jugendarbeitslosigkeit* (Frankfurt, Peter Lang, 2001).

1.3.1. Aggregate demand and economic growth

18. There is a sizeable body of literature identifying aggregate economic activity as a major determinant of the level of youth employment.¹² In the OECD countries, for example, unemployment was relatively high during the 1980s and the 1990s and the demand for young workers was highly sensitive to overall economic conditions. As new entrants to the labour market, young workers lack the specific training or seniority that buffers older workers from swings in market conditions. Their employment is highly dependent on the state of the economy.

19. Many developing countries are unable to generate adequate growth rates in GDP and enough employment and income-generating opportunities to absorb the majority of their labour force. Slow growth of the formal economy is particularly responsible for the high rate of youth unemployment, especially among youth with higher educational qualifications, in developing countries. Studies indicate that not only has economic growth been inadequate relative to labour force growth but it has also remained highly volatile.¹³ In sub-Saharan Africa, for example, stabilization and structural adjustment measures implemented over the 1980s and the 1990s have been ineffective in most countries in raising investment and economic growth. Despite some success in achieving economic stability in terms of reduced inflation and budgetary deficits, their impact on investment (which is a critical determinant of economic growth) has remained limited. As a result, the overall rates of growth in output and employment, especially of the formal economy, are disappointing. Consequently, the tendency is for the informal economy to grow, resulting in an increase in the number of low-quality jobs.

20. Solutions to youth unemployment are inextricably linked to the difficulties countries face in reducing overall unemployment which, in turn, is linked to overall economic growth. It is argued that raising levels of aggregate demand will reduce both adult and youth unemployment, but will have twice as high an impact on the young than on older age groups.¹⁴ It is therefore important to address the issue of inadequate aggregate demand, and find ways of stimulating economic growth.

1.3.2. Size of the youth cohort, minimum wages and job protection

21. There is not much evidence that factors such as the size of the youth cohort, the level of youth wages, or the existence of minimum wages explain the rise in youth unemployment over the past two decades. In the OECD countries, despite a relative decline in the size of youth cohorts, a fall in youth wages, and low minimum wages, youth unemployment rates have risen. Changes in aggregate demand and increased demand for skilled workers are the main explanations for the increase in youth unemployment. Despite what many believe, evidence suggests that high unemployment does not seem to be primarily the result of job protection, labour taxes, trade union power or wage rigidity.¹⁵

¹² For references to the literature, see ILO: *Employing youth: Promoting employment-intensive growth* (Geneva, 2000).

¹³ For review and references of ILO studies on this issue, see GB.291/ESP/1.

¹⁴ ILO: *Employing youth*, op. cit.

¹⁵ *ibid.*

1.3.3. Impact of the business cycle

22. Slow economic growth and significant structural change reduce employment growth. Because employers, facing difficult market conditions for their products and services, reduce hiring and then lay off the least experienced first, adverse economic performance has a pronounced impact on youth employment. Young people who are either first-time jobseekers or recent hires are disproportionately affected by the business cycle – in a recessionary period, they are the ones who are either unable to find a job or the first to be laid off when businesses cut back.

23. There is evidence that indicates some preference for self-employment on the part of many young unemployed people, particularly during periods of reduced employment growth. It would therefore be useful to identify the constraints on their ability to become entrepreneurs. The literature on micro-enterprises identifies lack of capital as a primary constraint on entrepreneurship. Thus it is important to address the liquidity constraint when formulating economic policies. There are examples of how governments and non-government agencies can help young people overcome capital constraint;¹⁶ useful policy tools may be developed on the basis of these experiences.

Key issue: Low labour demand disproportionately affects young people, who are more vulnerable to the business cycle. In times of economic recession young people are more likely than adults to become or remain unemployed. They are the first to be made redundant during economic downturns, reflecting the “last hired-first fired” practice.

1.3.4. Employability issues

24. Even with high rates of economic growth and employment expansion, high rates of youth unemployment may persist. That is the case if youth have not the capacity to benefit from economic growth and expansion of job opportunities because of educational or training deficits, lack of work experience, weak labour market information and/or services, or face discrimination inhibiting their integration into the labour market. These barriers can be partly overcome through active labour market policies encompassing skill development, work experience and efforts to match demand and supply. Regulations that tackle discrimination in accessing the labour market are salient in addressing employability issues.

Key issue: Youth face greater barriers than adults in securing decent employment, more so in some regions than others. This is influenced by a number of factors, including the level of and fluctuation in aggregate demand, the employment intensity of growth, an enabling regulatory environment for both workers and enterprises, education and vocational training outcomes and quality, work experience and entrepreneurship options, discrimination and exclusion.

1.4. Creating quality jobs

25. Macroeconomic policies, appropriate regulations and the promotion of entrepreneurship and enterprise development are important tools to realize the full potential of economic growth and for creating pathways to decent work for youth (box 1.3).

¹⁶ There is a vast body of literature on this issue. For some examples, see ILO: *Employing youth*, op. cit.

Box 1.3
International labour standards and employment creation

The **Employment Policy Convention, 1964 (No. 122)**, is at the centre of the ILO's overarching goal of making employment creation one of the chief priorities underpinning government decisions across a broad range of macroeconomic policies. It requires that member States declare and pursue, as a major goal, an active policy aimed at ensuring that there is work for all who are available for and seeking work. Measures to implement such a policy should be decided on and reviewed regularly in the framework of a coordinated economic and social policy, and in consultation with representatives of employers and workers and other persons affected thereby. Unfortunately, many countries and their development partners do not, in fact, make the promotion of employment a major goal.

Recommendation No. 122, which accompanies Convention No. 122, calls additionally for "special priority" to be given to "measures designed to remedy the serious, and in some countries growing, problem of unemployment among young people".

The **Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)**, contains provisions in regard to the fundamental role that small and medium-sized enterprises should play in the promotion of full, productive and freely chosen employment, greater access to income-earning opportunities and increased economic participation of disadvantaged and marginalized groups, such as young people.

Role of macroeconomic policies

26. In many countries, macroeconomic policies could play a more effective role in realizing the full potential of growth and job creation. Many developing countries are in a low-level stabilization trap that constrains the role of macro-policy in stimulating demand. While stringent stabilization measures have helped achieve stability in terms of low inflation and deficits in budget and current accounts, they have not been able to spark the rate of investment required for reviving sustainable economic growth. And yet, an essential precondition for sustained labour demand is the enhancement of the levels of investment.

27. Apart from lack of growth, the other serious problem is the stability of growth that could be achieved. Crises of various kinds (arising from economic and financial factors, natural disasters, political conflicts often leading to armed conflicts) result in either prolonged periods of slow (or even negative) growth or violent fluctuations in growth, with serious adverse effects on labour markets.

28. Even in developed countries, macroeconomic policies are often not consistent with a sufficiently strong commitment to growth and employment objectives. It is therefore imperative to look at macro-policy options that exist for purposes of enhancing the levels of investment and promoting higher and more stable rates of economic activities.

29. Employment-intensity of growth is particularly important for developing countries. While growth is a necessary condition, it is not sufficient; it is essential to ensure an economic policy environment that results in economic growth being employment-intensive. Again, macroeconomic policies can play a role in producing such outcomes by promoting the growth of sectors and economic activities that are employment-generating by their very nature. Business- and enterprise-friendly macroeconomic policies and

regulatory environment are also helpful in ensuring that growth does not become jobless.¹⁷

Regulatory environment

30. Appropriate national legislation based on international labour standards and good governance of the labour market is central in creating a climate for economic growth in the context of social goals. Laws and regulations conducive to the expansion of the economy and those dealing with equity issues form an essential backdrop for job creation for young people, and either foster or hinder the growth of productive jobs, whether full time or part time, temporary or permanent, in which youth enjoy and exercise their rights at work. They also foster or hinder the establishment of enterprises by young entrepreneurs starting out. The challenge facing governments is to provide opportunities and incentives for the expansion of productive investment and the creation of jobs, while ensuring the protection of workers' rights.¹⁸

Entrepreneurship and enterprise creation

31. Promoting entrepreneurship and enterprise creation is key to increasing youth employment and alleviating the vicious cycle of poverty and social exclusion. Governments need to encourage a broad and dynamic concept of entrepreneurship to stimulate both individual initiative and broader initiatives in a wide range of organizations which include, but go beyond, the private sector: small and large enterprises, cooperatives, the public sector, workers' and youth organizations.

1.4.1. Ensuring the quality component

32. Job creation is the focus of most policy initiatives to address youth employment – partly because youth unemployment is the most visible aspect of the youth employment problem and one for which statistical information is readily available. Issues such as quality of work are not well documented and thus receive less attention. However, understanding the labour market conditions for young women and men is the starting point in formulating pro-youth strategies that will increase the opportunities for decent and productive work.¹⁹ This entails examining the experience of young women and men who have made a smooth transition to decent work, and those who have not, so that policy interventions have a solid knowledge base on which to build. It also entails examining in more detail the *working conditions* of those young people who are in employment, so that issues of underemployment and conditions of work can be tackled.

33. Unemployment figures, on their own, are a limited indicator for the inadequacy of the labour market situation of men and particularly of women, and should not be used in isolation. The standard definition of unemployment excludes persons who want to work but do not actively “seek” work because job opportunities are extremely limited, or because they have restricted labour mobility, or face discrimination or structural, social or cultural barriers. Most persons in this category are women. Issues such as the conditions of work (including duration of employment; number of hours; type of

¹⁷ A particular sector with potential for the adoption of labour-based approaches without compromising on efficiency and productivity is infrastructure. This may be especially the case for low-income developing countries where there is a reserve of unemployed and underemployed labour force. And it would be worthwhile to pursue investment policies that can help in realizing the employment potential in that sector.

¹⁸ World Bank: *World Development Report 2005: A better investment climate for everyone*, Overview (Washington, DC, 2004), p. 13.

¹⁹ This information is available in ILO: *Global employment trends for youth*, op. cit., and *Starting right*, op. cit.

contract; informal versus formal economy; wages) are often ignored. As noted, this frequently results in policies that focus on youth unemployment in general and overlooks the situation of many groups of young people who could benefit from support – for example, those who suffer greater disadvantage accessing the labour market, those working below their potential, and those working in poor-quality jobs.

34. Many young people in countries across the world often work unacceptably long hours under informal, intermittent and insecure work arrangements. In many developing countries, youth represent the bulk of the underemployed²⁰ and those working in the informal economy²¹ both in rural and urban areas.²²

35. Policies need to reflect the range of work and out-of-work situations of youth. Some may be in wage employment, where policy concerns are linked to their working conditions – whether temporary or permanent, and associated with this status, their wage rates, hours of work, social protection coverage, promotional opportunities and non-wage benefits.²³ Others may be voluntarily self-employed. Some may be in undeclared jobs in the formal economy or work in the informal economy – in self employment, small enterprises or as unpaid family workers – where work is hard, insecure and for many yielding meagre incomes, while productivity and product quality are low and working conditions often unsatisfactory.²⁴

Work is as much about human rights as about income. The equity and dignity to which people aspire in employment must be assured for there to be decent work. In the twenty-first century, the employment challenge is about much more than a job at any price or under any circumstance.

ILO: *A global agenda for employment*, Summary, Global Employment Forum, Geneva, 1-3 November 2001.

36. Others may be unemployed, either because they are taking time to find a job suited to their skills, abilities and aspirations (“transitional” unemployment) or because they face particular difficulties and may have had repeated spells of unemployment, sometimes prolonged. Others again, may be economically inactive – not in education or training, not working, not seeking work but available for work – as a result of their negative experiences in seeking work or because of perceived difficulties.

Key issue: The availability of data on youth unemployment and a relative absence of information on the nature of the work young people are doing (part-time, casual, seasonal, informal work, for example) means that policies have neglected conditions of work.

37. For many young people in developing countries there is no transition from school to work, as they drop out of school early or never attend and they do not have jobs. This

²⁰ The International Conference of Labour Statisticians (ICLS) defined underemployed (time-related) as “those in employment whose hours of work are insufficient in relation to an alternative employment situation in which the person is willing and available to engage” (resolution concerning the measurement of underemployment and inadequate employment situations, 16th ICLS, 1998).

²¹ The ICLS defined “population employed in the informal economy” as those employed in at least one production unit within unincorporated enterprises owned by households, irrespective of their status in employment (waged and salaried; self-employed; contributing family workers) and whether it is the primary or secondary job (resolution concerning statistics of employment in the informal sector, 15th ICLS, 1993).

²² ILO: *Conclusions of the Tripartite Meeting on Youth Employment*, op. cit.

²³ S. Lee: “Working-hour gaps. Trends and issues”, in J. Messenger (ed.): *Working time and workers’ preferences in industrialized countries. Finding the balance* (London and New York, Routledge, 2004).

²⁴ H.C. Haan: *Training for work in the informal economy* (ILO, Geneva), forthcoming.

is illustrated by a survey in urban areas of Zambia, which found that most young people had no source of livelihood: 70 per cent of males and 83 per cent of females in the 15-19 age group indicated they were “doing nothing”; 92 per cent of males and 8 per cent of females in the 20-24-year-old category were “doing nothing”. The majority of young women in this age group indicated they were “relying on the goodwill of their parents or friends” as their source of livelihood.²⁵

38. Evidence on young people not in education, employment or training and not seeking work (NEET) is difficult to collect, but it is estimated that 9.5 per cent of young people in the United Kingdom are in this situation²⁶ as are approximately 10 per cent of young people in Belgium, Greece, Italy and Spain.²⁷

39. The working conditions of young women and men could be positively influenced by the provision of information and training to raise awareness in the informal economy about regulations, rights and obligations; opening up formal institutions to informal economy participants (for example, access to training facilities, or to enterprise support services and microcredit institutions); simplifying the regulatory framework for doing business, improving the transparent and consistent application of rules and procedures and reducing the transaction costs, while at the same time improving the enforcement of legislation (which would “enhance the protective, standards-related and beneficial aspects of the law and simplify the repressive or constraining aspects so that there would be greater compliance by all enterprises and workers”).²⁸

40. Studies of underemployment have almost exclusively examined involuntary part-time employment. The limited studies available have shown that a disproportionately large number of youth in many countries are underemployed, working fewer hours than they would like. Underemployment is typically categorized into visible and invisible underemployment, where the former consists of work of inadequate duration, i.e., both involuntary part-time employment and temporary short-term work, while the latter encompasses work of inadequate productivity.²⁹ Attention tends to focus on visible and time-related underemployment rather than inadequate productivity.

41. Young people may be able to obtain only part-time work, as is often the case in France (particularly among young women) and Indonesia for example, or seasonal work, as happens frequently in the agriculturally based economies of South Asia and sub-Saharan Africa. Underemployment is also high among many young people who work in the household production unit in the rural and urban informal economy.³⁰

42. A high rate of youth underemployment may suggest that a large number of youth are accepting work conditions that are less than ideal, either because they view the work as temporary (students subsidizing their education, for example) or because they do not

²⁵ F. Chigunta and R. Mkandawire: “Emerging issues and challenges for young women and men in Africa”, in *Livelihood Pathways*, Vol. 1 (Ottawa, Canadian Youth Foundation, 2002).

²⁶ P. Bivand: “Outside education and work: Do the numbers add up?”, in *Working Brief*, 119 (London, Centre for Economic and Social Inclusion, 2000), pp. 12-13.

²⁷ OECD: *Education at a glance* (Paris, 2000).

²⁸ ILO: *Improving prospects for young women and men in the world of work*, op. cit., p. 46; this is discussed further in Chapters 2 and 3.

²⁹ G. Holger and E. Strobl, op. cit.

³⁰ M.R. Rosenzweig: “Labour markets in low-income countries”, in H. Chenery and T.N. Srinivasan (eds.): *Handbook of development economics*, Vol. 1 (Rotterdam, Elsevier, 1998).

have the confidence or voice to bargain for improved working conditions³¹ (see section 1.7, “Youth voice and representation: Roles of employers’ and workers’ organizations”).

Key issue: Many young people in countries across the world often work unacceptably long hours under informal, intermittent and insecure work arrangements.

43. Evidence suggests that *temporary work* is disproportionately filled by younger, less-educated workers.³² Workers in such employment not only face “considerably higher risk of job loss and labour market exclusion, they also [...] receive lower wages than permanent employees with the same qualifications who are doing the same job”.³³ The issue here concerns whether or not temporary employment is an additional source of insecurity and precariousness for workers.

44. 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 European Union in 1995, 35 per cent of employees under the age of 25 had short-term contracts. The rate was 47 per cent among 15-19-year-old workers, compared with 14 per cent of all employees.³⁴ 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.³⁵

45. The dichotomy between employment and unemployment has lost much of its meaning, where few have regular employment and unemployment is a meaningless concept because most youth do not have the option of social security benefits. Many youth are engaged in casual employment, get by through involuntary self-employment, are underemployed, or hold a variety of part-time jobs.

Key issue: Young people are often working below their potential, in part-time, temporary, casual or seasonal employment.

46. In much of the developing world the decline of the formal economy, accompanied by decreased public or family income support, means that millions of jobless young people are increasingly forced to find work in the *informal economy* (see section 1.1, “Overview of youth labour market trends”).

47. Contrary to earlier predictions that the informal economy is a temporary or residual phenomenon that would dissipate, it is growing rapidly in almost every corner of the globe, including industrialized countries. As a result, the dilemma about how to address the informal economy has become larger in magnitude and more complex (see box 1.4).

³¹ ILO: *Global employment trends for youth*, op. cit.

³² OECD: *OECD Employment Outlook* (Paris, 2002), p. 137.

³³ European Commission: *Employment in Europe* (Brussels, Directorate-General for Employment and Social Affairs, 2003), p. 129.

³⁴ European Commission: *Youth in the European Union: From education to working life* (Luxembourg, 1997).

³⁵ Eurostat: *European Union Labour Force Survey 2000* (Luxembourg, 2000).

Box 1.4
Resolution concerning decent work in the informal economy

The growth of the informal economy can often be traced to inappropriate, ineffective, misguided or badly implemented macroeconomic and social policies, often developed without tripartite consultation; the lack of conducive legal and institutional frameworks; and the lack of good governance for proper and effective implementation of policies and laws. Macroeconomic policies, including structural adjustment, economic restructuring and privatization policies, where not sufficiently employment-focused, have reduced jobs or not created adequate new jobs in the formal economy.

Source: Resolution adopted by the International Labour Conference, 90th Session, 2002, para. 14.

48. Many young workers in the informal economy are engaged in poor-quality, unproductive and non-remunerative jobs that are not recognized or protected by law, and lack rights at work, representation and adequate social protection.³⁶

Key issue: Most of the world's youth work in the informal economy, both in rural and urban areas. They lack adequate incomes, social protection, security and representation.

49. Low productivity, low incomes and inadequate working conditions interact to undermine enterprise competitiveness, which in turn undermines the capability of enterprises to provide decent employment conditions, in a self-perpetuating cycle. If the current trend continues, most of the jobs available to young people in the future will be low paid and of poor quality.

I have been working as a porter at the Kalimati vegetable market for three years now. I start working at 3 o'clock in the morning when the trucks come to Kathmandu with vegetables. For the remainder of the day I work in a small restaurant, cooking and doing the dishes. At the vegetable market I can make 250 rupees (US\$3.20) a day and from the restaurant I get paid 2,000 rupees per month. I am tired when I go back to the vegetable market to sleep on some of the vegetable sacks.

Anil, 16, porter.

Source: A. Askgaard: *Lives and work of Nepalese children: A view from below* (Formal Printing Press, Axal, Kathmandu, 2002).

50. Unfortunately, anecdotal information, such as the testimonies appearing in this section, is the main source of evidence on conditions of work in the informal economy. Lack of data undermines our understanding, which is a serious obstacle to reaching conclusions about how to address this heterogeneous part of the economy. If we are going to solve the problem highlighted here, we need much more information.

1.5. Enhancing employability

51. A solid formal education, as well as effective and relevant vocational training, labour market information and services and work experience are recognized as key factors in raising employability for successful insertion in the labour market (see also box 1.5).

³⁶ ILO: *Decent work and the informal economy*, Report VI, ILC, 90th Session, 2002.

Box 1.5
International labour standards and employability

The **Human Resources Development Convention, 1975 (No. 142)**, is the basic ILO instrument on vocational training and guidance policies and systems. Convention No. 142 requires member States to establish and develop open, flexible and complementary systems of general, technical and vocational education, educational and vocational guidance and vocational training, closely linked with employment, in particular through public employment services whether these activities take place within the system of formal education or outside it.

The **Human Resources Development Recommendation, 2004 (No. 195)**, emphasizes the need to promote access to education, training and lifelong learning along with vocational guidance and training systems closely linked with employment.

Education and training experience

52. The range of education and training experiences of young people is greatly affected by factors such as opportunity, availability, individual aspirations and financial resources. As a result, young men and women have educational levels ranging from no formal schooling to university degrees. Many are undereducated and under-trained and therefore at risk of marginalization and social exclusion. At the same time, there are a number of countries whose young people are well educated, yet are unemployed or underemployed.

Key issue: Literacy and numeracy, alongside core work skills, constitute basic skills that are fundamental for working life. Yet, approximately 96 million young women and 57 million young men are illiterate, most of them in developing countries.

Schooling and youth

53. It is important to recognize the effects of formal schooling on the employability of young people. To participate in today's knowledge society, functional literacy and numeracy are the minimum requirements. Some of the key issues and trends about schooling and its impact on youth employment are summarized below.

Primary education

- Today's primary school age children who do not go to school are tomorrow's young adult illiterates, whose life prospects – in employment and in general – are the bleakest of all. In 2000, 113 million primary school age children were not enrolled in school, 97 per cent of whom lived in less-developed countries, three-fifths of whom were girls.³⁷
- In the least developed countries, it is unlikely that universal primary education can be achieved without expanding non-formal education provision. Formal access does not always lead to enrolment, and enrolment does not guarantee sustained participation or successful completion. Universal primary education may be seen as the guarantee of literacy for young adults, but only non-formal education can reach those for whom mainstream, formal education is inaccessible.³⁸
- Approximately 96 million young women and 57 million young men are illiterate, most of them in developing countries. It is currently estimated that some 21 per

³⁷ UNESCO Institute for Statistics: *Gender and literacy performance: Results from PISA 2000*, UIS Policy Note No. 3 (Montreal, 2003), p. 10.

³⁸ United Nations: *World Youth Report 2003*, op. cit.

cent of those aged 15+ in today's world are illiterate. Only the countries of East Asia and the Pacific, and Latin America and the Caribbean can realistically hope to halve this figure by 2015.³⁹

- The World Bank's Key Indicators for 2000 show that 40 per cent of women aged 15-24 in South Asia are illiterate (compared with 23 per cent for their male peers). In Europe and Central Asia, however, illiteracy rates for this age group fall to 2 per cent for young women and 1 per cent for young men.

Secondary and higher education

- Completion of upper secondary education – including school-based vocational education and training or dual-system-type apprenticeships – is rapidly becoming the norm in many OECD countries, and routes leading to this qualification level are diversifying.
- A typical 17-year-old in the OECD countries can now expect to go on to tertiary education of some kind for 2.5 years, although the range between countries is wide.⁴⁰
- Upper secondary education curricula and qualifications were originally designed for small proportions of age-cohorts destined to continue on to university studies, and not for the large majority of young people who will pursue a variety of qualification routes towards training and employment.⁴¹
- Most higher education sectors, particularly universities using the classic model, were designed neither to serve mass enrolment nor to provide other than academic-type courses – a factor leading to high non-completion rates of university-type studies in several countries, such as Austria, Germany and Italy.⁴²
- In some countries, many young people fail to find jobs on completing their education, even when they have progressed relatively far in the educational system (the “educated unemployed”) because of the mismatch of their education with labour market requirements.

Key issue: The “transition gap” between completion of initial education and training, and entry to employment has tended to lengthen; those who find work tend to spend more time in temporary, insecure jobs.

Vocational education and training

54. Vocational education and training (VET) provision and participation are low in less developed regions and countries.⁴³ In order to continue past primary level, many young people must have the means to support themselves because their families cannot. They take on work on a casual, part-time basis to supplement the family income. Those who manage to gain access to VET are, in effect, a small and relatively privileged group, but

³⁹ UNESCO: *Monitoring report on education for all* (Paris, 2001), table 3.

⁴⁰ Centre for Educational Research and Innovation (CERI): *Education at a glance – OECD indicators* (Paris, OECD, 2001), Chart C3.1. These figures require careful interpretation, since in some countries, much higher proportions go on to vocational further and higher education (sometimes called “professional courses”), which may enjoy equivalent status and prospects as general, “non-vocational” higher education courses.

⁴¹ *World Youth Report 2003*, op. cit.

⁴² *ibid.*

⁴³ See Mahbub ul Haq and Khadija Haq: *Human development in South Asia* (Oxford University Press, 1998); UNDP: *Arab Human Development Report 2002* (New York, United Nations, 2002).

at the same time, their employment prospects are not necessarily better than those with lower-level and general qualifications.

Key issue: In some countries, many young people fail to find jobs on completing their education or training, even when they have gone relatively far in the educational system (the “educated unemployed”) because of the mismatch of their skills with labour market requirements.

55. Many young people, particularly in developing countries, are training in skills for which there is little or no demand. Currently, vocational training options are often oriented to rigidly defined occupations, and focus on narrowly defined technical skills at a time when there is an enormous shift in employer needs. Training programmes also overlook the value of entrepreneurial skills in their curricula. A new model of vocational training is required – a model that would stimulate training of workers within enterprises.

56. In addition to the lack of educational qualifications and relevant technical skills, many young people are disadvantaged in terms of core skills required in the current labour market – such as teamwork, problem solving and skills that facilitate the acquisition and application of new information (learning skills) – skills essential for both wage and self-employment.

57. Policies for young people should include access to universal, free, quality public primary and secondary education and investment in vocational training and lifelong learning that enhance youth employability.⁴⁴ Literacy and numeracy, alongside core work skills, constitute basic skills that are fundamental for working life.⁴⁵

58. In many countries, underlying problems in education and training are compounded by the impact of HIV/AIDS (box 1.6).

Key issue: Many young people, particularly in developing countries, are training in skills for which there are little or no demand and/or are disadvantaged in terms of core skills required in the current labour market.

59. Working life can take many paths, with opportunities and risks at every crossroad. Preparing for successful transitions during working life must become a core feature of education and training. For this reason, lifelong learning and employability need to include competencies that are likely to be needed in making such transitions in the medium to long term. Implementing lifelong learning is one important dimension of finding solutions to providing culturally, socially and economically appropriate education and training. It must be recognized that more systematic and widespread acceptance of a diversity of contexts and channels for learning, at all levels and for all ages, facilitates access and participation. This gives young people more opportunities to participate and succeed educationally.⁴⁶ Lifelong learning would allow all youth to participate in more appropriate forms of learning, permits the recognition of non-formal and informal learning, and facilitates access and participation for those disadvantaged in conventional formal schooling. Innovative approaches are required to overcome the enormous challenge in implementing lifelong learning.

⁴⁴ For the ILO definition of employability, see ILO: *Conclusions concerning human resources training and development*, ILC, 88th Session, 2000.

⁴⁵ ILO: *Conclusions of the Tripartite Meeting on Youth Employment*, op. cit.

⁴⁶ *World Youth Report 2003*, op. cit.

Box 1.6
HIV/AIDS and the educational process

Decades of investment in human capital are at risk of reversal as a result of the impact of HIV/AIDS. In addition to students, the pandemic affects staff at all levels, impedes the educational process, jeopardizes the quality of education and heightens the risk of illiteracy and out-of-school youth. At the same time, reduced economic growth due to HIV/AIDS affects the public revenue base, reducing public expenditure on education, as well as on other sectors such as health that help build and sustain human capital. HIV/AIDS is a major challenge to the success of *Education for All* – an initiative led by a coalition of national and international partners to meet the United Nations Millennium Development Goal of achieving universal primary education by 2015.

By 2006, an estimated 45,000 teachers will be needed to make up for those lost to HIV/AIDS in the United Republic of Tanzania, where 100 primary school teachers are now dying each month as a result of the disease. The loss of teachers results in either cancellation of classes or combining them to create classes of 50-100 pupils. A similar phenomenon is found in South Africa where the pupil-teacher ratio rose from an average of 1:27 in 1990 to 1:34 in 2001 – an increase of more than 25.5 per cent. In Botswana, death rates of primary school teachers similarly increased from 0.7 per 1,000 in 1994 to 7.1 per 1,000 in 1999. Reports indicate that teacher-training colleges are unable to graduate enough teachers to fill the vacancies created by deaths and retirements of existing teachers.

Source: ILO: *HIV/AIDS and work: Global estimates, impact and response* (Geneva, 2004).

Work experience

60. Young people seeking to enter the labour market almost by definition lack work experience. Yet it is highly valued by companies. Furthermore, the pace of integration of first-time jobseekers into the labour market varies greatly by age, gender, social class and family background, educational attainment, as well as other dimensions of disadvantage.⁴⁷

The Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), details special measures that should be taken to assist different groups of young people in finding their first job and to ease the transition from school to work. This Recommendation makes the important point that these measures should be “carefully monitored to ensure that they result in a beneficial effect on young people’s employment” and that they should be consistent with the conditions of employment established under national law and practice.

61. Lack of opportunities for work experience, whether it be through summer jobs, internships, apprenticeships, voluntary work or paid work, combined with the absence of vocational guidance and counselling, poor job placement mechanisms and inadequate demand, exacerbate the problem of getting a decent job.

62. Lack of recent work experience may be at the root of other problems. It can mean that skills and relevant experience become out of date. It can also result in a growing lack of confidence. The evidence is also that employers, given the choice, prefer to recruit people who are already employed or have only been out of work for a short period of time, seeing this as a safer option.⁴⁸ Lack of recent work experience can thus be a serious barrier to finding work – one that worsens the longer a person is out of work.

⁴⁷ ILO: *Starting right*, op. cit., p. 14.

⁴⁸ See, for example, United Kingdom Parliament, the Education and Employment Committee: *Recruiting unemployed people: Fifth special report, 2000-2001* (London, 2001).

The **Special Youth Schemes Recommendation, 1970 (No. 136)**, establishes the conditions for special compulsory work schemes for young people. The Recommendation specifies that such schemes must not be permanent arrangements for education, training or employment, although exceptions to the principle of voluntary participation could be permitted by legislation, in circumstances where there is full compliance with the provisions of the Conventions on forced labour and employment policy. One such exception would be education and training schemes, which are compulsory for unemployed young people. In such cases, the obligation to participate should be accompanied as far as possible by the freedom of participants to choose the type of activity and where it takes place.

63. A recent survey of jobseekers in Indonesia indicates that 22 per cent of those interviewed felt that “no work experience” was the main obstacle in finding a decent job. This view was shared by employers – 20 per cent of whom said that job experience was the most important characteristic that managers look for in filling administrative/professional vacancies and 27 per cent looked for work experience in applicants to manual jobs.⁴⁹ In Viet Nam, 38 per cent of young male jobseekers and 33 per cent of young female jobseekers reported lack of work experience as their major obstacle. Employers indicated that job experience was the most important characteristic they would look for in a candidate (approximately 50 per cent).⁵⁰ A 1997 survey of young unemployed persons in Australia revealed that 17 per cent reported lack of work experience as their main difficulty in finding work.⁵¹

I think I didn't get the kind of work I want because I don't have the experience required by the employers. ... I asked in one organization if I could be an intern. They told me to first finish my undergraduate programme so I did that and asked them again if I can be an intern. But they send me a reply that I have to be enrolled in a second degree programme to be an intern. In my opinion, in order to have students with more practical work, companies or organizations should set criteria to involve them as an intern.

Young woman graduate, Ethiopia.

64. Some young people can afford to wait for their first job, with their job search being financed by their parents and families. Depending on their employability, they are likely, eventually, to find jobs if employment opportunities become available due to growth in the economy. Many, however, are caught in a situation whereby they are not being recruited because they have no work experience, and not able to obtain experience because they have never had a job.

65. The pattern of “getting the first job” has taken a more complex turn in Japan where increasing numbers of young people do not start a career either after dropping out of school, or completing their education at second or third levels, opting instead to work in part-time, casual, low-skilled and poorly paid employment, or as freelance workers. Called “freeters”, these young people usually live with their parents until their late twenties or early thirties, earning insufficient income to enable them to start a family and with reduced prospects of commencing a career in later life. Initially glamorized as youth pursuing their dreams and trying to live life to the fullest, “freeters”, along with

⁴⁹ G. Sziraczki and A. Reerink: *Report of survey on the school-to-work transition in Indonesia* (Geneva, ILO, 2004).

⁵⁰ ILO: *Report of survey on the school-to-work transition of young women and men in Vietnam* (Geneva, 2004).

⁵¹ Australian Bureau of Statistics: *Job search experience of unemployed persons* (Canberra, 1997).

other effects of globalization, are now seen to impact significantly on the current corporate culture. This is affecting the hiring and employment practices in Japan, with greater emphasis placed on skills rather than tenure. The number of “freeters” in Japan has jumped from an estimated 0.5 million in 1982, to 2.17 million in 2003. Forecasts predict that the number will rise to 10 million in 2014.⁵² This pattern, if it continues, will place pressure on the labour market as the labour force shrinks due to the ageing of the population.

In Japan today we are not taught about what sort of jobs there are or careers, nor how to go about finding work. When students get over the “exam hell” of high school and start university, only then do they start thinking about what they want to do. They should really start thinking about this when choosing their universities, because when they choose the wrong path they lose motivation.

Male university student, Japan.

Labour market information and services

66. Young people frequently lack adequate information, guidance and counselling about labour market opportunities. Targeted career advice and guidance assists young people to overcome their limited experience and lack of networks. Skilled guidance counsellors with access to up-to-date information on labour market opportunities can be effective in increasing the number and quality of job matches and reduce the duration of unemployment.⁵³ Employment services play an important role in ensuring the comprehensive information and the broadest possible assistance and guidance are available for young persons, including those belonging to disadvantaged groups.

Key issue: Lack of opportunities for work experience, combined with the absence of adequate labour market information, vocational guidance and counselling, poor job placement mechanisms and inadequate demand exacerbate the problem of getting a decent job.

1.6. Vulnerability: Why are some youth more disadvantaged than others in the labour market? – Impact of discrimination and exclusion

67. Gaining and retaining employment is easier for certain categories of youth. Young people who complete education and are from socio-economically advantaged backgrounds make the transition to work more smoothly, while the economically disadvantaged and socially excluded face greater difficulties. All youth must be viewed as potential contributors to society rather than as a set of problems.

68. The particular dimensions of the youth employment challenge are such that employment prospects for young people vary according to sex, age, ethnicity, educational level and training, family background, health status and disability. Some groups are therefore more vulnerable and face particular disadvantages in entering and

⁵² ILO: *Symposium on globalization and the future of youth in Asia*, Tokyo, 2004.

⁵³ A.G. Watts and R.G. Sultana: *Career guidance policies in 36 countries: Contrasts and common themes*, paper for Conference on Career Guidance and Public Policy: Bridging the Gap (CEDEFOP, Oct. 2003).

remaining in the labour market. The challenge is to bring these young people into decent work without displacing employed youth or adults from employment.⁵⁴

69. Young women and men make up a very diverse group, whether they are employed, unemployed, underemployed, working in the formal or the informal economy or economically inactive.⁵⁵ What are the factors that enable some young people to obtain a decent job, others to take whatever work they can find in order to survive, or fail to get work and register as unemployed, and yet others to become discouraged and not seek work? These factors need to be determined, the associated requirements clearly identified and taken into account in developing measures to tackle youth employment, if these measures are to be adequately targeted and have the desired impact.

70. Frequently, strategies focus on the youth cohort as a whole, ignoring the range of hurdles some youth encounter stemming from discrimination, economic hardship or geographic location.⁵⁶ Often, these three dimensions of vulnerability interact, which serves to magnify the extent of exclusion. In many cases, policies are not aimed at those most disadvantaged because they constitute a minority and, therefore, interventions to promote their employment opportunities are not given priority

The **Discrimination (Employment and Occupation) Convention, 1958 (No. 111)**, requires ratifying member States to declare and pursue a policy with a view to eliminating any discrimination in employment and occupation, including on the basis of sex. It is applicable to areas critical for young jobseekers, including vocational guidance, vocational training and placement services as well as access to employment and conditions of work once in employment.

71. An understanding of the diverse needs of young people, their education and training opportunities, the availability of assistance in gaining access to the labour market, employment opportunities and the nature of employment is key to effectively addressing the diversity of the youth employment challenge, as described above.

72. Young people also differ dramatically in terms of their life experiences and employment-related needs, with implications for the type of policy intervention required. The expectation of a smooth transition from school to work is not the typical model for many youth. Some youth may have been trafficked, child labourers or forced labourers; or have been involved in armed conflict; many are orphaned as a result of HIV/AIDS and are supporting their families or are directly affected by the pandemic and face discrimination in accessing work and training opportunities. Some have family responsibilities with dependants to support. Others have migrated from their countries of origin and seek to earn a living in other countries where they may not be accepted. Some have disabilities influencing their participation in education and training.

73. Transitions through which they pass at this stage of their life cycle include from school to work, but also from a range of other situations – such as from labour exploitation to education, from school to unemployment or inactivity, from wage employment to self-employment or work in cooperatives and vice versa, from employment to unemployment or inactivity, from one job to another, or from active combat to demobilization.

⁵⁴ ILO: *Conclusions of the Tripartite Meeting on Youth Employment*, op. cit.

⁵⁵ Inactivity is defined as those that are neither working nor seeking work (i.e. not in the labour force), *Key Indicators of the Labour Market*, 3rd edition (Geneva, ILO, 2003), p. 8.

⁵⁶ Employment figures for youth tend to be disaggregated by sex and age (e.g. teenagers and young adults).

74. Those young people who face socio-economic disadvantage in accessing decent work are less likely to obtain good basic education, and are often discriminated against on the basis of social class, ethnic origin, gender, or disability. Some of these segments of the population have drawn the attention of ILO standard-setting activities.

Key issue: There are a number of factors that impact on the ability of some young people to get a decent job while not on others. These factors include discrimination, economic hardship and access issues.

Poverty

75. As noted earlier, 238 million young people are living on less than US\$1 a day; some 462 million young people are living on less than US\$2 a day; and over 160 million youth are undernourished.⁵⁷

76. Youth living in poverty are frequently ignored in mainstream development strategies. In addition, they have a second burden of poverty, which gives them fewer choices. Poor young women have a triple burden. There is a need to recognize the challenge of poverty and the right to decent and productive work for young people, the double and triple burden faced by poor youth, the nexus between poverty and unemployment, the vicious cycle of poverty reproduction through unsustainable use of natural and financial resources and the inability to move to good governance without eradicating the worst forms of poverty and providing work for poor youth, in a given time frame.⁵⁸

77. Youth poverty is a serious development problem, not least because of the large numbers of young people living in absolute poverty in developing countries. Youth are more likely to experience poverty compared to other age groups because of the uncertainties and dynamics of the transition from childhood to adulthood, or due to age-based discrimination, particularly in labour markets. In many cases, children born to youth in poverty may be especially susceptible to persistent poverty.⁵⁹ Comprehending what has driven and maintained this poverty is crucial for developing effective policy interventions.

Rural areas

78. Rural youth constitute approximately 55 per cent of the world's young people. With increasing industrialization, rural areas around the world have experienced a decline in employment opportunities. Young people face difficulties in sustaining jobs in traditional agricultural sectors and in gaining access to education and training and tend to migrate to urban areas or overseas.⁶⁰

79. Most poverty in developing countries is located in rural areas, especially among small farmers and landless families. Seventy-five per cent of youth living in poverty are

⁵⁷ R. Curtain: *Youth in extreme poverty: Dimensions and policy implications with a particular focus on South East Asia* (United Nations Department of Economic and Social Development, Department of Economic and Social Affairs, 2004); poverty figures are based on World Bank: *World Development Indicators 2004*, op. cit.; figures on undernourished youth are generated from the *UNDP Human Development Report 2004*.

⁵⁸ P. Wignaraja: *Double burden of poor youth in search of work and dignity*, an issues paper on innovative thinking and practice in mobilizing resources for youth employment (Education Development Center, Inc., 2002); poverty is defined using the "conventional poverty line".

⁵⁹ K. Moore: *Chronic, life-course and intergenerational poverty, and South-East Asian youth* (Manchester, Chronic Poverty Research Centre, 2004).

⁶⁰ Oxfam International Youth Parliament, 2002: *Global issues*: <http://www.iyp.oxfam.org/issuesindex.asp> , accessed in February 2005.

in rural areas.⁶¹ Much urban poverty is, in turn, the consequence of rural deprivation and rural economic decline, which creates distress migration to the cities.⁶² Rural youth are most likely to have begun working in childhood, are most vulnerable to recruitment by militant extremist movements, and are the main victims of human trafficking and sexual exploitation.⁶³

80. It has been suggested that rural youth should be at the forefront of interventions aimed at reducing poverty, particularly in light of the current large-scale migration of young people to urban areas⁶⁴ (see Chapter 2, section 2.1.3 for a discussion of employment opportunities for youth in the agricultural sector).

Gender

81. More women than men are unemployed in almost all regions of the world, and the difficulty of finding work is more drastic for young women.⁶⁵ Only in East Asia and sub-Saharan Africa does the regional male unemployment rate exceed that of the female rate. In Latin America and the Caribbean as well as the Middle East and North Africa the unemployment rate for young women is over 7 per cent higher than that for young men. Being female and being young may represent a double source of discrimination – young women face greater barriers in entering the labour market and retaining employment in periods of economic downturn.⁶⁶ If, in addition, young women belong to an ethnic minority groups, or have a disability, for example, discrimination and disadvantage are compounded.

82. As noted earlier, unemployment figures only partially reflect the labour market situation of youth, particularly young women. A review of the data available for industrialized economies reveals that women made up approximately two-thirds of total discouraged workers in Australia, Austria, Belgium, Germany, Greece, Netherlands, Norway and Portugal, and the female share of total discouraged workers was near 90 per cent in Italy and Switzerland.⁶⁷

Disability

83. Over 100 million women and men with disabilities were in the age group 15 to 24 in 2003. They are disproportionately disadvantaged when it comes to employment, comprising on average 21 per cent of “non-employment” among the working population in the OECD countries, with their employment rates varying widely, from over 60 per

⁶¹ UN Economic and Social Council, *Multi-stakeholder dialogue segment of the second session of the Commission on Sustainable Development acting as the preparatory committee for the World Summit on Sustainable Development*, Note by the Secretary-General, “Dialogue paper by youth”, Second Preparatory Session, 28 January-8 February 2002.

⁶² UN General Assembly Economic and Social Council: *World Youth Report 2005*, Report of the Secretary-General (A/60/61 – E/2005/7), Dec. 2004.

⁶³ YES Campaign: *Employment for rural youth in Asia and the Pacific* (Massachusetts).

⁶⁴ *World Youth Report 2005*, op. cit.

⁶⁵ ILO: *Global employment trends model*, 2004; see also Technical note in *Global employment trends for youth*, op. cit.

⁶⁶ L. Brewer, op. cit.

⁶⁷ *ibid.*; “discouraged workers” are defined as individuals who would like to work but who are no longer seeking work because they *feel* or perceive that no suitable work is available. It is therefore a subjective measure, in contrast to the objectively based measure of unemployment (as cited in *Global employment trends for youth*, op. cit.).

cent in Norway and Switzerland to 22 per cent in Spain.⁶⁸ The economic cost of people with disabilities, of all ages, out of work is estimated at between US\$1.37 trillion and 1.94 trillion annually.⁶⁹

The **Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)**, requires member States to introduce a national policy on vocational rehabilitation, training and employment of persons with disabilities based on the principle of equality of opportunity, and of equal treatment between young workers with disabilities and other categories of workers.

It is difficult to get a job because disabled persons are considered to be invalids.

Young disabled jobseeker, Sri Lanka.

84. While some of the barriers these young people face in finding and holding a job may be directly linked to their disability, most are related to aspects of the physical and social environment in which they live. Unequal access to education and training, discriminatory attitudes and assumptions, inaccessibility of the built environment, public transport and information, and the lack of enabling legislation and policies are among the salient factors which prevent youth with disabilities from finding decent work. Young women with disabilities face greater disadvantages than young men in their job search, owing to double or triple discrimination (being young, female and having a disability).

Having a job made a difference to my whole life. I was able to marry and have a family, and my attitude to others became more positive.

Disabled worker, Republic of Korea.

Worst forms of labour

85. An estimated 59 million young people aged between 15 and 18 years are involved in hazardous work, which is one of the worst forms of child labour. Like other disadvantaged youth, poverty means that their prospects for attending school are limited. In some cases, work-related health difficulties also constrain the acquisition of the skills that could enable them to move to decent work. Social acceptance of child labour in some families and societies further inhibits the integration of these young people.

The **Minimum Age Convention, 1973 (No. 138)**, provides for a staged entry into light work and a prohibition on setting a minimum age for entry into regular work before the end of compulsory schooling. The **Worst Forms of Child Labour Convention, 1999 (No. 182)**, aims to end the involvement of all persons under 18 years of age in the harmful activities it lists. It obliges governments to take effective and time-bound measures to prevent the worst forms of child labour and to remove and rehabilitate those who are victims of it.

⁶⁸ OECD: *OECD Employment Outlook: Towards more and better jobs* (Paris, 2003).

⁶⁹ R.L. Metts: *Disability issues, Trends and recommendations for the World Bank* (Washington, World Bank, 2000); this figure refers to persons of all ages with disabilities.

One day, my friends and I were forced by our commanders to kill a family ... Today I am afraid. I don't know how to read; I don't know where my family is. I have no future ... My life is lost.

Kalami, 15 years old, Democratic Republic of the Congo.

86. Young people are also involved in armed conflict, with estimates indicating a total of more than 300,000 child soldiers around the world.⁷⁰ Time spent “in the army” is at the expense of school attendance; when demobilized, they are at a significant disadvantage in terms of their employable skills and employment opportunities compared to young people not involved in the war.

87. The effective abolition of child labour is inseparable from the principle that children’s place is in school and not at work, at least until they finish compulsory schooling. Convention No. 138 (1973) requires a general minimum age for work to be not less than the age of finishing compulsory education, and not less than 15 years in principle. This coincides with the lower limit of the concept of youth for which promotion of employment is a legitimate concern.

After training and thanks to microcredit given through an ILO/WB project, I have been able to set up a chicken-raising micro-enterprise.

Young female ex-combatant, Democratic Republic of the Congo.

88. It is recognized that the first age group of “youth” between 15 and 18 years must be protected from the worst forms of child labour. Often child labour is a precursor of the youth employment problem. The promotion of youth employment and the elimination of child labour should, in turn, be regarded as a viable strategy for development, by better preparing the next generation for productive and decent work.

Ethnicity

89. Young people belonging to ethnic minority⁷¹ groups suffer the same discrimination and exclusion as their elders – discrimination forbidden under national law in all countries, and covered by Convention No. 111 (1958) on employment and occupation, but nonetheless a factor in almost all countries.

The **Indigenous and Tribal Peoples Convention, 1989 (No. 169)**, requires member States to ensure that these peoples benefit equally from the rights and opportunities which national laws and regulations grant to other members of the population, and to adopt policies aimed at mitigating the difficulties experienced by these peoples in facing new conditions of life and work, with the participation and cooperation of the peoples affected.

90. Although labour force statistics do not always reflect the employment situation of indigenous and tribal people, widespread evidence suggests that they are disadvantaged in terms of employment. In Australia, for example, where the statistics include a breakdown by national origin, young people of indigenous origin in the labour force are more than twice as likely to be unemployed (28 per cent) as non-indigenous youth (13 per cent) and significantly more likely to be economically inactive (50 per cent, compared to 34 per cent of non-indigenous youth). Young indigenous women are

⁷⁰ R. Brett and I. Specht: *Young soldiers: Why they choose to fight* (Geneva, ILO, 2004).

⁷¹ In this case minority refers to the status of the ethnic group and not its size.

slightly more likely to be employed than young indigenous men, but considerably more likely to be economically inactive both in comparison to young indigenous men and non-indigenous women.⁷²

HIV/AIDS

91. An estimated 11.8 million young people aged 15 to 24 are living with HIV/AIDS.⁷³ The trend in HIV infection indicates that young people are more susceptible to HIV/AIDS than any other single group and half of all new infections are among young people. HIV prevalence is rising among young women, in particular. In sub-Saharan Africa, for example, 76 per cent of youth living with HIV/AIDS are young women.⁷⁴ The increased burden on HIV-affected households creates pressure on young people – women in particular – to drop out of school to provide financial support and/or care.

92. A combination of economic and social factors underlie this trend, notably high levels of youth poverty, social exclusion, increased mobility in search of employment, and changing structures, including the fragmentation of traditional work patterns and growth in precarious forms of employment.

To include us in the fight against HIV/AIDS is to preserve the future. To exclude us is to jeopardize both the future and the present.

Young person, member of the Barcelona Youth Force from Kenya,
at the XIV International Aids Conference, "AIDS Today"
12 July 2002, Barcelona.

93. In addition, many young people are orphaned as a result of the pandemic. An estimated 13 million AIDS orphans worldwide are growing up without any responsible adult. In the absence of adequate social protection and the breakdown of extended families, many have become heads of households and breadwinners for siblings or sick parents. The declining adult working population has reduced the average age of the labour force. In some countries it is falling as younger workers are called upon to fill the "productivity gap" of those who are sick or have died.⁷⁵ Young people may start work prematurely (e.g. child labour) as a result of economic necessity and may be inadequately prepared in terms of basic skills and training because of the reduced transmission of skills and knowledge from older experienced workers. This not only has an impact on issues of productivity and quality, but may place young people at greater risk of exposure to occupational hazards and render them more vulnerable in terms of bargaining for decent wages or conditions. Moreover, the depletion of the skills and revenue base from AIDS deaths among the working population negatively impacts on other areas of development which disproportionately affects young people and influences their chances of finding decent work. These areas include investment in education (familial and governmental), and the adequate availability of teachers (see also box 1.6, "HIV/AIDS and the educational process").

⁷² Australian Bureau of Statistics, op. cit.

⁷³ *World Youth Report 2003*, op. cit.

⁷⁴ UNAIDS: *Report on the global AIDS epidemic* (Geneva, 2004).

⁷⁵ ILO: *HIV/AIDS and work*, op. cit.

Migration

94. Population decline and ageing in developed countries is provoking a demand for increasing migration of youth (replacement migration) from developing countries to maintain living standards and social security systems. In some cases, young people are highly skilled and invited to work abroad on the basis of their qualifications; others choose to migrate because of a desire for higher wages and better opportunities; others are driven by economic necessity while some are forced to migrate because of famine, poverty, natural disaster, environmental degradation, violent conflict or persecution. Workers who are relocating to fill unskilled jobs in segments of the labour market vacated by native workers who have moved on to better jobs dominate contemporary migration flows.⁷⁶ In their adopted countries, where their status is often irregular, many migrants work in conditions which are abusive and exploitative, and may be characterized by forced labour, low wages, poor working environment, absence of social protection, a denial of freedom of association and union rights, discrimination and xenophobia as well as social exclusion.⁷⁷ To survive or supplement low income, young female migrant workers are particularly vulnerable to being drawn into sex work. They are at higher risk of being trafficked and exposed to infection through sexual exploitation.

95. Unemployment rates for non-European Union nationals aged 15 and 24 youth compared to that of EU nationals of the same age group are systematically higher. For instance, in France, Sweden and Switzerland they are twice as high, and three times as high in Belgium and Portugal. Unemployment rates for immigrant youth are also higher than the rates for the immigrant population as a whole and those of young immigrant women are much higher than those of male youths, except in Austria and Germany. In all countries except Greece, the unemployment rates of young female immigrants are much higher than those of national females.⁷⁸ The higher levels of unemployment among migrant youth often stem from their reduced access to training opportunities, educational options and mainstream programmes and services. For example, second or third generation migrant youth – even as citizens – often face disadvantages in terms of educational attainment and employment, regardless of their legal status.⁷⁹

The **Migration for Employment Convention (Revised), 1949 (No. 97)**, requires that immigrants be treated no less favourably than nationals in respect of certain matters, including apprenticeship and training. The **Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)**, includes an undertaking to declare and pursue a national policy designed to promote and guarantee equality of opportunity and treatment in respect of employment and occupation for migrant workers and their families. The accompanying **Recommendation (No. 151)** confirms that such equality of opportunity and treatment applies to access to vocational guidance and placement services and to vocational training.

96. This brief overview of a number of vulnerable youth groups demonstrates the impact of discrimination and barriers to the socio-economic inclusion of young people. Often the needs of vulnerable youth are not considered because their views are not heard, leaving them with greater hurdles in fulfilling their aspirations. One reason their voices

⁷⁶ ILO: *Towards a fair deal for migrant workers in the global economy*, Report VI, ILC, 92nd Session, 2004.

⁷⁷ *ibid.*, p. 41.

⁷⁸ O. Yoda: *Immigrant youth and employment* (Geneva, ILO, 2004), forthcoming.

⁷⁹ See: *Migrant youth vision: A statement of the Filipino Youth Encounter in Europe*, <http://www.philsol.nl/of/99/FYNE-jun99.htm>, accessed in March 2005.

are not heard is that they are often not represented in trade unions or employers' organizations, and do not belong to political parties; they have even weaker representation than mainstream youth. As a result, decision-makers take little account of their needs and aspirations.⁸⁰ Efforts are now being made to address this situation (see boxes 1.7 and 1.8).

Box 1.7

Developing entrepreneurship: Employers' organization in Mexico

"More and Better Enterprises", a project sponsored by the Commission for Young Entrepreneurs of the employers' organization of Mexico (COPARMEX) aims to promote entrepreneurship among young people through a mentoring scheme; the development of an informational guide for business start-up; the creation of an Internet portal for the different chapters and groups of young entrepreneurs and organizing events and meetings focusing on the development of entrepreneurship with the participation of successful young entrepreneurs. The Commission has established key alliances with some of the most prominent universities in Mexico and has formed alliances with other organizations in countries across Latin America as well as with the Organization of American States and the Inter-American Development Bank.

Source: <http://www.jovenescoparmex.com> .

Box 1.8

Advocating youth policies: Workers' organization in Spain

The Unión General de Trabajadores (UGT) in Spain, recognizing that 40 per cent of Spain's salaried workforce was under the age of 35, established recruitment projects to involve young workers. The union advocates youth policies rather than trade union policies in favour of youth. The resolutions and statutes of the UGT clearly state the need to provide solutions for young workers in temporary and precarious work. A Youth Department, specifically created to deal with the issues of youth employment and youth participation within the various sectors of the union, has two objectives: to make more visible the trade union policies that are geared towards youth employment; and to ensure that youth policies are integrated with all union decision-making bodies and sectors. The union is evaluating its policies and developing good practice guidelines on collective bargaining and youth employment policies.*

* ILO: *Note on the proceedings*, Tripartite Meeting on Youth Employment: The Way Forward, Geneva, 13-15 October 2004 (TMYEWF/2004/8).

97. In recent years, the importance of youth participation is increasingly recognized, as youth organizations have become more and more active in the development of policy and programme recommendations and proposals to tackle the youth employment challenge. Some of the diverse groups of youth have "voice" and elicit a response from policy-makers, typically the articulate and well-educated. Others are less vocal and their needs are frequently ignored. There is a need to hear what all youth have to say about the issues, the obstacles, and the possible solutions. Answers to these key questions are now being sought by increasing numbers of governments, employers' and workers' organizations, so that steps taken to tackle the youth employment challenge are solidly grounded (for examples of this, see Chapter 2).

⁸⁰ ILO: *Starting right*, op. cit., p. 15.

1.7. Youth voice and representation: Roles of employers' and workers' organizations

98. Governments play the key role in assuring that youth issues are on the policy agenda and in remedying the disadvantages that youth face in the labour market. The representation deficit of young people and the complex and multidimensional character of youth employment problems inevitably means that governments should take the lead in youth employment policy.

99. Governments, however, need the cooperation of other main labour market actors, including employers' and workers' organizations. Involving the social partners in the design and realization of policy can have several advantages. It releases government from the role of sole actor; spreads responsibility; furthers joint responsibility; and enhances the quality and efficiency of decision-making by drawing on the knowledge, expertise and experience of the social partners. Their position in, and knowledge of, the labour market, makes employers' and workers' organizations important in the design and implementation of labour market policies, in strengthening the links between education and training institutions and the requirements of the labour market, and in conceiving and implementing sectoral policies and public works, for example.⁸¹

100. In recent years youth employment has become a policy priority for employers' and workers' organizations alike. The policy prescriptions advocated by the social partners at national level differ on a number of counts, but share a common concern about the socio-economic costs of joblessness and underemployment among young people.⁸²

101. Nevertheless, youth form a small part of membership in employers' and workers' organizations, are disproportionately active in the informal economy, or are seen as not fitting enterprise requirements. Greater understanding of the fact that young people are a dynamic human resource would serve to boost the membership, bargaining position, relevance and therefore the overall strength of the social partners. Failure to incorporate youth is also likely to decrease their inclination to become members of workers' and employers' organizations during adulthood.⁸³

Key issue: Extending employers' and workers' organizations' activities to youth in general, and those working in the informal economy, more specifically, would strengthen the position of young workers.

1.8. Summary: Key issues

102. This chapter presented an overview of the youth employment situation, highlighting a number of important issues that should be considered in addressing the pathways to decent work for young people.

⁸¹ ILO: *Improving prospects for young women and men in the world of work*, op. cit., pp. 66-67.

⁸² ILO: *Starting right*, op. cit., p. 41.

⁸³ ILO: *Improving prospects for young women and men in the world of work*, op. cit.

103. Policies and programmes for increasing labour demand and improving the quality of work for young women and men need to consider the following issues:

- Youth face greater barriers than adults in securing decent employment, more so in some regions than others. This is influenced by a number of factors, including the level of and fluctuation in aggregate demand, the employment intensity of growth, an enabling regulatory environment for both workers and enterprises, education and vocational training outcomes and quality, work experience and entrepreneurship options, discrimination and exclusion.
- Low labour demand disproportionately affects young people, who are more vulnerable to the business cycle. In times of economic recession young people are more likely than adults to become or remain unemployed. They are the first to be made redundant during economic downturns, reflecting the “last hired-first fired” practice.
- The availability of data on youth unemployment and a relative absence of information on the nature of the work young people are doing (part-time, casual, seasonal, informal work, for example) means that policies have neglected conditions of work.
- Many young people in countries across the world often work unacceptably long hours under informal, intermittent and insecure work arrangements.
- Young people are often working below their potential, in part-time, temporary, casual or seasonal employment.
- Most of the world’s youth work in the informal economy, both in rural and urban areas. They lack adequate incomes, social protection, security and representation.

104. Policies and programmes to address youth employment must take into account the supply-side issues identified below:

- Literacy and numeracy, alongside core work skills, constitute basic skills that are fundamental for working life. Yet, approximately 96 million young women and 57 million young men are illiterate, most of them in developing countries.
- The “transition gap” between completion of initial education and training, and entry to employment has tended to lengthen; those who find work tend to spend more time in temporary, insecure jobs.
- In some countries, many young people fail to find jobs on completing their education or training, even when they have gone relatively far in the educational system (the “educated unemployed”) because of the mismatch of their skills with labour market requirements.
- Many young people, particularly in developing countries, are training in skills for which there are little or no demand and/or are disadvantaged in terms of core skills required in the current labour market.
- Lack of opportunities for work experience, combined with the absence of adequate labour market information, vocational guidance and counselling, poor job placement mechanisms and inadequate demand exacerbate the problem of getting a decent job.

- There are a number of factors that impact on the ability of some young people to get a decent job while not on others. These factors include discrimination, economic hardship and access issues.
- Extending employers' and workers' organizations' activities to youth in general, and those working in the informal economy, more specifically, would strengthen the position of young workers.

105. National initiatives to address the issues raised in this chapter are presented in Chapter 2. Chapter 3 discusses these issues from an ILO perspective, highlighting key policy messages that grow out of the lessons learned from country experiences.

Chapter 2

Creating pathways to decent work for youth: National initiatives

106. Many countries have sought to tackle the youth employment challenge, recognizing its economic, political and social implications, with varying degrees of success. There is no one-size-fits-all approach to tackling the challenge; interventions vary within and across countries. Some give special consideration to youth in national development or national employment strategies, others develop specific initiatives or a combination of initiatives including sectoral development policies, labour market legislation and regulations and/or active labour market policies and programmes (ALMPs). This chapter examines national experiences in creating quality jobs for youth and promoting youth employability.

107. In promoting decent work for young people at the national level, the efforts of governments to create a conducive environment for significant, sustainable and inclusive economic growth creation, decent work and the development of public, private and social enterprises are central.¹ Key lessons can increasingly be identified to inform policy-making, programme design and implementation strategies and to inform the ILO's policy messages on youth employment.

2.1. Creating quality jobs for youth

108. National policies to promote economic growth and development, reduce poverty, protect workers' rights and foster equality of opportunity in society influence the general economic environment and the climate for investment and, thus, the overall level of employment and the opportunities for young people to obtain their first job. If this wider policy environment is conducive to pro-employment growth, youth strategies are more likely to succeed in promoting lasting, high-quality job opportunities for young men and women. If, on the other hand, the wider policy environment is either unfavourable to, or does not focus on employment promotion, or does not seek to foster growth in sectors where young people are likely to find work, youth employment initiatives are less likely to have the desired effect. This section provides national examples of integrated employment strategies, macroeconomic policies, sectoral development policies, micro-level initiatives and labour market policies which have had an impact on the creation of quality youth employment. Key lessons from these experiences are highlighted.

¹ ILO: *Conclusions of the Tripartite Meeting on Youth Employment*, op. cit.

2.1.1. A comprehensive, coherent, integrated approach

109. A coherent integrated policy approach – incorporating provisions for the creation of quality jobs for youth and enhancing youth employability – is required in order to meet the youth employment challenge. This calls for interventions at the macro- and micro-level, focusing on labour demand and supply, and addressing both the quantity and quality of employment.

110. Poverty Reduction Strategy Papers (PRSPs) are prepared by member countries through a participatory process involving domestic stakeholders as well as external development partners, including the World Bank and International Monetary Fund. Updated every three years with annual progress reports, PRSPs describe a country's macroeconomic, structural and social policies and programmes over a three-year or longer horizon to promote broad-based growth and reduce poverty, as well as associated external financing needs and major sources of financing.² In view of their centrality in the development policy of low-income countries, PRSPs can be a major instrument for promoting youth employment. Youth employment issues are beginning to be reflected in PRSPs.³ Although too early to evaluate their impact on youth employment, they serve to indicate the potential of these strategies.

111. The Poverty Reduction Strategy of **Djibouti** notes that youth unemployment results from the combination of several factors: (i) the demographic factor that explains the rapid growth in the working population, its youth-to-adult ratio, and the large number of poor and extremely poor households; (ii) failures in the education system and the generally low level of human capital that explain the predominance on the job market of young unemployed people who have had no schooling and, even more critically, who are unqualified. With regard to job availability, the Strategy notes structural causes: the high cost of labour and its weak productivity, which are obstacles to the development of both private enterprise and productive employment in the informal sector; insufficient infrastructure and an environment unfavourable to private investment, which limits Djibouti's ability to compete for foreign investment in the global market; and poor potential for self-employment. The job market also suffers pressures tied to a large immigration influx. Some measures of stabilization have also contributed to the general imbalance.⁴

112. To address these elements, Djibouti's PRSP promotes a coherent and integrated employment policy to improve the competitiveness and growth of the economy as a means of creating jobs; setting up an effective human resources development policy, through the development of education, the expansion of literacy, and the strengthening of job training; and implementing targeted employment programmes (manual labour-intensive programmes and support for self-employment, microfinance and micro-enterprise, targeting specific segments of the population (such as the unqualified unemployed and women)).

113. Senegal's PRSP explicitly recognizes youth employment. Their employment policy focuses on: (i) "labour management measures" that will help to increase capacities and the possibilities of access to employment for the poor; (ii) improvement of the

² IMF database on <http://www.imf.org/external/np/prsp/prsp.asp>, accessed on 9 February 2005.

³ Some countries have received ILO support in developing their PRSPs; see Chapter 3.

⁴ IMF database, op. cit., *Djibouti: Poverty Reduction Strategy Paper*, IMF Country Report No. 04/152 (May 2004).

management and employability of labour; (iii) greater efficiency and transparency of the employment market; and (iv) promotion of independent employment in rural and urban areas. These measures will be accompanied by the promotion of highly labour-intensive (HLI) activities which offer the possibility of preferential treatment for intensive use of local labour in the construction, rehabilitation and maintenance of productive, economic and social infrastructure facilities. The HLI approach will be initiated by state and local authorities with the assistance of the Municipal Development Agency and the Executing Agency for Works of Public Interest. Properly organized and managed, this approach can be an effective means of combating underemployment among urban young people, which is the main cause of their poverty.⁵

114. **Cameroon's** PRSP seeks to increase private sector participation in the preparation and implementation of a youth training programme to “correct deficiencies in human resources, particularly in the productive sector”. This will embody: (i) the creation of accelerated professional training institutes; (ii) development of applied research programmes in targeted economic and trade areas; (iii) financing large-scale computer learning programmes; and (iv) financing entrepreneurship development programmes in higher and tertiary education.

115. Of particular concern in Cameroon is the employment situation of urban youth. The Strategy points out that their population, like that of many other African countries, is relatively youthful and is concentrated in urban areas, resulting in increased pressure on social services, infrastructure and labour markets, calling for heightened and sustained action. In response, the Government is in the process of drawing up an integrated urban development policy. Its objectives are to improve the living conditions of urban dwellers, a majority of whom live under precarious conditions, and to reinforce the economic role of towns by strengthening urban infrastructures (extension, rehabilitation, and maintenance). This will not only improve living conditions but will support industrial growth and services and help to integrate youth into economic channels.

116. Short-term actions are under way to address the most pressing problems, including: the rehabilitation of basic infrastructures (road maintenance and street lighting); opening up poorly served areas and “reorganizing squatter areas”; the development of urban extension zones and secondary urban centres; sanitation (basic drainage system, rehabilitation of storm water purification plants); the management of household and industrial waste (building garbage dumps, construction of public latrines, removal of pieces of wreckage); low-cost housing; attending to the needs of street children and people with mental disorders; sensitizing prostitutes on the risks of sexually transmitted infections and HIV/AIDS; and combating insecurity.⁶

117. **Zambia's** PRSP has several youth employment-related initiatives, including a repeal or amendment of statutes and regulations that hinder women and youth access to, and control of productive resources such as land, credit, trade information, and technology; to encourage the participation of women and youth in private and public credit schemes; provide business and trade information to micro-, small and medium-sized enterprises (MSMEs) and informal sector entrepreneurs. Other related proposals are: design and implement measures that will facilitate expeditious acquisition of titles to land to ensure improved access to investment finance; facilitate training and retraining in

⁵ IMF database, *ibid.*, *Republic of Senegal: Poverty Reduction Strategy Paper* (May 2002). Senegal is one of the YEN lead countries. See Chapter 3, box 3.1.

⁶ IMF database, *ibid.*, *Cameroon: Poverty Reduction Strategy Paper*, IMF Country Report No. 03/249 (Aug. 2003).

entrepreneurship skills for those falling out of formal employment; support the construction of industrial estates by the private sector for leasing to MSMEs (each municipality will mark out land and advertise it to developers for this purpose); encourage development of intermediate input supply linkages between MSMEs and large-scale enterprises; encourage procurement of goods and services, especially in the health and education sectors; review and harmonize the existing legal and regulatory framework with a view to removing impediments to MSME operations.⁷

118. In **South Africa**, the National Youth Commission (NYC), established in 1997 to coordinate and develop an integrated national youth policy for the country, is based at a senior level of the country's administration – in the Office of the Deputy President. An inter-departmental government structure was formed to ensure uniformity in the efforts of different governmental departments in addressing and servicing youth issues. The NYC has a key coordinating role, with a view to fostering common policies and practices among national government departments, all organs of State including provincial governments and other relevant institutional bodies and authorities. The NYC includes young men and women, nominated through a public process and appointed by the Parliament.⁸ The employment strategy framework aims to “promote youth employment and skills development through youth training subsidies, measures to avoid displacement of existing workers when young workers are taken on, improved career guidance in schools, internships and improved vocational training”. It addresses broader issues relating to youth development including education and training, employment and unemployment, health, public participation and crime prevention. This policy recognizes the broader national context in which it was formulated and is being implemented. In addition, the *Employment Equity Act* of 1998 *prohibits discrimination on a wide range of grounds, including age*, and requires employers to implement affirmative action measures.⁹

We, the Heads of State and Government of the African Union, meeting at the 3rd extraordinary Session of our Assembly in Ouagadougou, Burkina Faso, from 8th to 9th September 2004, pursuant to a proposal to convene an Extraordinary Summit on Employment and Poverty Alleviation in Africa to address the challenges posed by pervasive and persistent poverty, unemployment, and underemployment in our countries; Commit ourselves to ensure equal opportunities for vulnerable and marginalized groups by: developing and implementing strategies that give young people in Africa a real chance to find decent and productive work and encourage African Member States to support, and adopt the Youth Employment Network (YEN) Initiative and implement its recommendations therein with the support of the UN, ILO, the World Bank and other competent agencies as well as development partners.

Source: African Union: Declaration on Employment and Poverty Alleviation in Africa (EXT/ASSEMBLY/AU/3 (III)), 2004.

119. The European Employment Strategy (EES) adopted by the **European Union** is an integrated employment policy approach centred on full employment, promotion of quality and productivity, and strengthening social cohesion and inclusion. The Strategy is implemented through employment guidelines, translated into yearly national action

⁷ IMF database, *ibid.*, *Zambia: Poverty Reduction Strategy Paper* (Mar. 2002).

⁸ National Youth Commission: Government of the Republic of South Africa: *National Youth Policy* (Pretoria, 1997).

⁹ South African Department of Labour: *Accelerating the rate of growth and pace of development through partnership, prioritisation and active participation*, Government's position paper on the Growth and Development Summit, as cited in ILO: *Starting right*, op. cit.

plans and monitored through a multilateral surveillance system. The establishment of common objectives, targets and deadlines has served to mainstream employment into economic and social policies. The guidelines and national action plans incorporate youth-specific issues (see also box 2.1). The targets include: (i) offering a new start in the form of training, retraining, work practice, a job or other employability measure to every unemployed young person before they reach six months of unemployment; (ii) 85 per cent of 22-year-olds will have completed upper secondary education by 2010; and (iii) the average rate of early school leavers should be no more than 10 per cent by 2010.¹⁰

Box 2.1

PRSPs: Youth consultation and representation

In a number of countries youth were consulted in the development of the PRSPs. In **Bosnia and Herzegovina, Guyana, Indonesia** and the **United Republic of Tanzania** and workshops for youth were run during the PRS process. In **Honduras** and **Viet Nam**, large-scale consultations were organized by international non-governmental organizations, leading to the prioritization of child poverty in the Honduras PRSP, and the commitment to allocate PRSP funds to education initiatives for young people, and to two local government initiatives in Viet Nam to involve young people in official processes. In other countries – such as **Lesotho** – representatives of NGOs working with young people are appointed to the PRS committees. In **Uganda**, young people are represented on the committees established to monitor the implementation of the poverty reduction action plan at district level. In **Ghana**, disabled youth have attended training to enhance their capacity to contribute to the process of developing, implementing and monitoring the PRS.

Source: K. O'Malley: *Children and young people participating in PRSP processes. Lessons from Save the Children's experiences* (London, Save the Children, 2004).

Key lesson: Youth employment issues are being integrated into national development plans such as poverty reduction strategies, regional and national employment strategies. These initiatives are adopting macroeconomic, structural and social policies and programmes to promote broad-based growth. Countries are including short-, medium- and long-term actions. Evidence suggests that national initiatives targeting youth focus mainly on youth unemployment, rather than working conditions.

2.1.2. Macroeconomic policy initiatives

120. The importance of having employment-centred macroeconomic policies for addressing employment generally and youth employment in particular is discussed in Chapter 1. Outcomes in countries in implementing this approach are becoming evident.

121. **Slovenia** started to emerge from the crisis of transition to a market economy as early as 1993. Adopting a gradual path of economic reform in combination with an economic policy, which helped keep fiscal, and trade balances under control and inflation low, the Government created a favourable financial environment for domestic and foreign investment contributing significant job generation. At the same time, job mediation and a range of active labour market programmes run by the public employment service, including vocational guidance for young labour market entrants and the unemployed, promotion of small business, internships and local employment initiatives were put in place. In combination, these measures contributed to the reduction

¹⁰ European Union: *Council Decision of 22 July 2003 on guidelines for the employment policies of Member States* (2003/578/EC).

of unemployment in general and among young people. Overall, unemployment declined systematically from 9.1 per cent in 1993 to 5.9 per cent in 2002. Over the same period, the youth unemployment rate declined more steeply – from 32.6 per cent in 1993 to 16.2 per cent in 2001.¹¹

122. Slovenia's Economic and Social Council has contributed to the overall performance of the country, including in terms of employment by seeking industrial stability through tripartite cooperation among the social partners. The latest Tripartite Private Sector Pay Policy Agreement was concluded in June 2000 (there is a similar agreement for the public sector). The overall objective is to set common guidance for pay policy with a view to maintaining a balance between the needs of workers for increasing real wages and the concern of employers and government for enhancing the competitiveness of enterprises and the economy as a whole. As part of its policy to promote employment, the Government provided extensive support to business start-ups, which resulted in the establishment of some 23,000 new enterprises during the 1990s. Also, the hiving off of ancillary activities in the process of restructuring of large companies contributed to the creation of many new small companies, which have become the main new job generators, especially in construction and services.¹²

123. In **Costa Rica**, strong economic growth from 1990 to 2003 improved employment opportunities for both adults and young people and the country managed to achieve a relatively low level of unemployment.¹³ Economic policies giving rise to a stable macroeconomic environment were complemented by policies to attract investment into export-oriented activities using high- and medium-level technology, which required highly skilled workers. At the same time, education policies were strengthened at all levels, training policies were improved and training in low-income sectors was enhanced. Social security coverage, which is the highest in the region, remained stable during the 1990s. The promotion of investment in agriculture, industry and tourism balanced out the negative employment effects of efforts to contain public spending and public employment. From 1995 to 1999, private sector employment rose by 188,000 and public sector employment fell by 3,000. Exports to the United States quadrupled.

124. During the same period, however, the youth labour force participation rate increased significantly and the youth unemployment rate also rose from 8 per cent to 13.4 per cent (in 2001) while the youth-to-adult unemployment ratio rose from 2.9 to 3.7 over the same period.¹⁴ This may have been because the improved employment opportunities encouraged more young people to seek jobs rather than continue in education. At the same time, an increase in the number of discouraged young people and those in self-employment or unpaid family work (from 29 to 31 per cent) was observed. Thus, while the overall macroeconomic trends were favourable, the policies were not sufficient to provide employment for the increased number of young people of working age available for work.

125. The countries of **Indonesia, Malaysia, Philippines, Republic of Korea and Thailand** have effectively used expansionary macroeconomic policies to promote employment, combining a relaxation of monetary policy with the introduction of short-

¹¹ ILO: *Key Indicators of the Labour Market*, op. cit.

¹² C. Harasty (ed.): *Successful employment and labour market policies in Europe and Asia and the Pacific*, ILO Employment Strategy Papers, No. 2004/4 (Geneva, 2004).

¹³ ILO: Multidisciplinary team, San José, cited in GB.286/ESP/2 (box 2).

¹⁴ ILO: *Key Indicators of the Labour Market*, op. cit.

term budgetary stimulus packages. While these measures are successful in considerably dampening the effects of negative external shocks to the economy,¹⁵ these countries continue to highlight youth employment as a primary concern, suggesting that these macro-level policies have not created sufficient decent jobs for this age group and that continuous efforts and attention to youth-specific challenges are required.

Key lesson: Countries that have implemented macroeconomic policy frameworks focusing on employment generation have expanded youth employment opportunities. Effective linkages between macroeconomic and social policy, including education, are important. Continuous efforts to increase aggregate demand and stabilize and encourage economic growth are recognized as well as their need to be associated with micro-level policies targeting young women and men.

2.1.3. Sectoral policies

126. Some countries have paid specific attention to sectoral development with a view to promoting employment-intensive growth. Such policies are more likely to contribute to the expansion of employment opportunities for young people if the focus is on areas which are suited to the skills, interests and experience of young people as well as those sectors with the greatest potential for growth. Countries are targeting a range of sectors including: agriculture and agricultural services; information and communications technology; hotel and tourism, in which opportunities for young people to obtain a first work experience abound; sports; culture and arts; or the health sector; for example. Provision needs to be made to ensure that the working conditions in the sectors being developed are in compliance with fundamental principles and rights at work (see Chapter 3, box 3.2).

127. Development of the *agricultural sector* including agri-based industry and services will have significant impact on poverty and on employment generation, particularly in developing countries, since 75 per cent of the world's poor people live in rural areas, and agriculture employs 40 per cent of the labour force in developing countries. Young people, and particularly young women, will stand to benefit from development and improved productivity in this sector.¹⁶ In a situation where the rural workforce is increasing at a rate higher than employment in agriculture, and young people frequently migrate to seek employment elsewhere, non-farm activities can lower rural unemployment and underemployment and reduce pressures associated with rural to urban migration. The development of this sector will generate increased demand for non-farm products and services, thus contributing to their sustainability.

128. The potential of the agricultural sector to contribute to economic growth in developing countries will increase if land rights are secure and if access to the markets of industrialized countries improves, following the proposed reduction of agricultural subsidies in industrialized countries.¹⁷ In **China**, for example, agricultural reforms introduced in 1978 led to rapid growth in agricultural productivity between 1979 and 1984, with growth continuing at a slower pace from then onwards. Employment in agriculture increased at the same time.¹⁸ In **Thailand**, farmers with more secure land

¹⁵ A. Ghose: *Jobs and incomes in a globalizing world* (Geneva, ILO, 2003).

¹⁶ ILO: *World Employment Report 2004-05: Employment, productivity and poverty reduction* (Geneva, 2004).

¹⁷ World Trade Organization: *Doha Work Programme, Annex A: Framework for establishing modalities in agriculture*, decision adopted by the General Council on 1 Aug. 2004.

¹⁸ ILO: *World Employment Report 2004-05*, op. cit.

rights invested much more in their land than those working on untitled land of the same quality, and had an output 14 to 25 per cent higher.¹⁹ The cut-flower industry in **Colombia** and **Ecuador** provides further examples of developments, which have opened up new employment opportunities for young women workers in particular, although large gender disparities in higher level employment positions are in evidence.²⁰

129. While working conditions in the *hotel, catering and tourism* sector are frequently difficult and precarious, many young people find employment there, as the sector opens opportunities for workers with little or no formal training, people who want to work part time, those who do not seek a long-term employment commitment, migrants from less-developed regions and workers with family responsibilities. In **Croatia**, jobs related to travel and tourism amount to 27 per cent of the total workforce, a proportion that is expected to grow to 34 per cent by 2013. **South Africa** is in the process of creating employment in its travel and tourism sector, as box 2.2 shows.

Box 2.2
Travel and tourism: Potential for youth

In **South Africa**, it is expected that 186,500 direct jobs will be created in the travel and tourism sector by 2012 and up to 407,300 if indirect jobs are included. In developing countries, the development of tourism helps to stem the flow of migrants from rural to urban areas and internationally. Half of the labour force in the tourism sector are aged 25 or under, while between 13 and 19 million people under 18 years of age work in an occupation related to tourism. Women make up 70 per cent of employees in this sector.

Sources: ILO: *Facts on the hotel, catering and tourism industry*, www.ilo.org/public/english/bureau/inf/download/wssd/pdf/tourism.pdf, accessed in March 2005; World Travel and Tourism Council: *South Africa. The impact of travel and tourism on jobs and the economy* (London, 2002)

130. *Information and communications technology* (ICT) has the potential to generate employment opportunities for young people of every educational level, in countries where the necessary telecommunications infrastructure is in place. The ILO has presented both conceptual and empirical arguments that technological change has, historically, been the main force behind the growth of new products, processes and markets and, accompanying these, jobs and earnings.²¹ Opportunities include software engineering for young people with high-level technical skills; employment in call centres and remote data processing centres providing services directly to customers or to service providers between countries, open to young people with upper secondary or tertiary qualifications more generally; and opportunities linked to the expanding market for mobile phones to generate income or by providing access to a wider range of ICT services such as faxes and the Internet through tele-centres or cyber cafes, for those with basic education. In order to promote this sector, governments in some countries – **Hong Kong (China)**, **India**, **Republic of Korea** and **Malaysia** – are investing in public infrastructure or public services to generate ICT-related employment, attracting the knowledge and expertise as well as investment funds required to operate complex ICT facilities.

¹⁹ World Bank: *World Development Report 2005*, op. cit., p. 5.

²⁰ C.S. Dolan and K. Sorby: *Gender and employment in high-value agriculture industries*, Agriculture and Rural Development Working Paper No. 7 (Washington, DC, World Bank, 2003); K. Deininger: *Land policies for growth and poverty reduction* (Washington, DC, World Bank, 2003); see also, G. van Liemt: *The world cut flower industry: Trends and prospects* (Geneva, ILO, 1999).

²¹ ILO: *World Employment Report 1995; 1996-97; 2001 and 2004-05* (Geneva).

131. Young people are well placed to benefit from such initiatives in terms of improving their employment prospects, particularly where they involve the transfer of knowledge and expertise from private sector partners, where these are involved.²² The quality of social dialogue is important in determining whether technological change results in more jobs and better earnings, especially in periods of rapid technological change, which are associated with higher rates of job destruction as well as job creation. Research on the impact of “advanced manufacturing technologies” in the 1980s revealed that collective bargaining structures positively influenced the use and diffusion of technology.²³

132. The *sports sector* has potential in addressing the youth employment challenge. Not only does it create employment opportunities, it often provides for training in core skills such as self-discipline, teamwork and leadership, and opens opportunities to promote the social inclusion of marginalized youth. Recently, cooperative efforts between the International Olympic Committee (IOC), international federations, and certain non-governmental organizations (NGOs) have created an effective tool for poverty reduction through sport. Various international sport federations such as the International Federation of Football Association (FIFA), the International Federation of Rowing (FISA), the International Federation of Volleyball (FIVB), the International Paralympic Committee (IPC), and the IOC have accepted this methodology and the World Federation of the Sporting Goods Industry (WFSGI) has indicated that this framework is an integrated approach that would foster social, economic, and sport development in a holistic and unified manner. The WFSGI is collaborating with the ILO common framework on joint funding and providing sporting goods to the field.²⁴ In this context, the WFSGI developed a code of conduct incorporating the principles of the ILO Declaration for all its member companies, and FIFA applied the same principles to their licensing agreements.

133. Valued at US\$36 billion worldwide in 1999 and predicted to expand by 3 to 5 per cent annually, this sector generates employment in the manufacture of sports goods, sport-related services, infrastructure development and sports events, along with related opportunities linked to spectators, sponsors, vendors and the media.²⁵ In the **United Kingdom**, for example, the value added of sports activities is estimated to be 1.7 per cent of GDP, with sport-related turnover comparable to that of the automotive and food industries. In **Lithuania**, the development of recreational zones increased employment opportunities for unemployed youth and includes vocational training and work experience in the environmental field, teaching skills increasingly demanded in the region. In **Albania**, sport is a means to assist young people to cope with and overcome youth unemployment of up to 25 per cent, drug abuse and widespread poverty. Through a network of youth sports centres, young people are provided with advice, counselling and support in their search for jobs.

134. *Culture and the arts*, including music, performing arts, film and artisan crafts attract young people from all walks of life who wish to work in environments providing

²² R. Curtain: *Generating youth employment through information and communication technologies: Best practice examples in Asia and the Pacific* (Newton, MA, Education Development Centre, 2002).

²³ G. Vickery and D. Campbell: “Technology, flexibility of manufacturing and industrial relations”, in *OECD Science, Technology and Industry Review*, No. 6 (Paris, OECD, 1989).

²⁴ World Federation of the Sporting Goods Industry: *Official International Handbook, 2004, Corporate Social Responsibility Issue* (Verbier, 2004).

²⁵ United Nations Inter-Agency Task Force on Sport for Development and Peace: *Sport for development and peace: Towards achieving the Millennium Development Goals* (New York, 2003).

scope for creativity. Youth involved in the cultural industries comprise a heterogeneous group, ranging from those with high levels of formal education and familiarity with how ICT can be used in these industries (often well-paid, competitive and high value added tasks or jobs) to those who reject conventional school curricula and become marginalized in the labour market. Many countries seek to develop this sector through proactive policies such as direct resource allocation, as well as through the establishment of institutions and agencies, and the inclusion of arts and culture in educational curricula. In **Ireland**, for example, the cultural sector was promoted through direct funding by the central Government and local authorities, resource allocation from a national lottery, tax relief measures to stimulate greater arts of patronage, income tax exemptions as well as an innovative scheme for the benefit of artists and a policy of promoting art in public places.²⁶ In **Canada**, the Cultural Human Resources Council (CHRC), a partnership between government, employers' and workers' organizations and educational institutions, offers career development tools and information to jobseekers interested in working in this sector. The employment potential of cultural industries can only be realized effectively, however, if measures in support of the arts are combined with measures to support their economic contribution and job-creating potential. Such measures include providing space for artists to display their goods and services, business counselling and training, improved market access opportunities and support or tax relief for developing the necessary infrastructure not only to produce but also to commercialize and distribute cultural goods and services more widely.

135. Development of the *health sector* is a pressing need in countries where scarcity of health-care workers and inadequate levels of investment makes it difficult to provide general health services to the urban and rural population. Migration of health-care workers from some developing countries to better-off countries compounds the problem. The potential for young people to work in health services as health professionals, paraprofessionals or emergency assistants in urban and rural areas is being explored, through collaboration between national medical services and youth unemployment programmes. Social dialogue at national levels involving the ministries of labour and health, and employers' and workers' organizations could facilitate the development of national policies and subsequent employment campaigns. In **China**, the National Development and Reform Commission and the Ministry of Health have started a new programme to provide "door-to-door" health service to rural residents with mobile hospitals. This programme is largely based on a similar system successfully implemented in the 1970s. Young paramedics are trained as "barefoot doctors", aiming to support primary health care in rural areas and promote public health campaigns. In **India**, the Barefoot College is a leader in sustainable, community development. Founded in 1972, the College trained, among many other professions, numerous barefoot doctors and midwives for service in rural areas. Employment generation and improving community health has thus contributed to preventing migration to urban areas.

Key lesson: Countries are focusing on sectoral development to create employment for their young citizens; some have been able to combine this with training, which has potential for longer-term benefits. The sectors being promoted are country-specific. Involvement of the social partners in sectoral planning is beneficial.

²⁶ www.culturelink.org/culpol/ireland.html , accessed in March 2005.

2.1.4. An enabling regulatory environment

136. International labour standards provide a sound base from which to develop legislation to promote the creation of quality jobs. Enabling regulations for both workers and enterprises is recognized as a key factor influencing the opportunities for young people to obtain decent work. Some countries have sought to create such an enabling environment – protecting workers’ rights and promoting enterprise.

137. The rights of young persons are assured in national labour law (including provisions on remuneration, recruitment and dismissal procedures, occupational safety and health among other matters); employment protection legislation (covering working time and hours, social security and unfair dismissal among other matters) and in minimum wage regulations. Many developing countries have introduced labour legislation in line with international labour standards, with ILO technical support. The implementation of these laws is central to assuring the rights of young workers and the quality of their working conditions. Thus, the role of the labour inspectorate is vital. The Labour Inspection Convention, 1947 (No. 81), was ratified by 134 countries (the Protocol of 1995 to the Labour Inspection Convention, 1947 (No. 81), was ratified by ten countries). In many developing countries, however, labour inspection is at an early stage of development. Box 2.3 gives the ratification of Conventions relevant to youth employment.

Box 2.3	
Ratification of Conventions relevant to youth employment	
	Ratifications*
Unemployment Convention, 1919 (No. 2)	55
Night Work of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 79)	20
Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 78)	39
Labour Inspection Convention, 1947 (No. 81)	134
Employment Service Convention, 1948 (No. 88)	87
Protection of Wages Convention, 1949 (No. 95)	96
Employment Policy Convention, 1964 (No. 122)	95
Minimum Wage Fixing Convention, 1970 (No. 131)	46
Human Resources Development Convention, 1975 (No. 142)	62
Labour Administration Convention, 1978 (No. 150)	62
Occupational Safety and Health Convention, 1981 (No. 155)	42
Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)	6
Night Work Convention, 1990 (No. 171)	9
Private Employment Agencies Convention, 1997 (No. 181)	17

* As of January 2005.

138. Some countries have introduced laws specifically dealing with *youth employment*. In Latin America, **Chile, Costa Rica, Colombia, Ecuador** and **Uruguay** have introduced such laws in recent years (box 2.4) and Bolivia has drafted a bill on this issue. In Asia, the **Republic of Korea** has recently enacted the special Act on reducing youth unemployment, which will be enforced on a temporary basis until 2008. In Europe, **France** introduced a law on the development of youth employment (Law No. 97-940) in

October 1997; a further law on the promotion of youth job creation in enterprises in 2002 (Law No. 2002-1095); and is currently discussing a new law on social cohesion, along with a proposed new youth job-creation programme. None of these countries relies solely on these laws to deal with the promotion of youth employment; they have introduced a wide range of measures to give effect to the legal provisions, as well as re-examining the formal education and training systems in the programmes offered and the institutional structure in which they are provided.

Box 2.4

Law on youth training and labour market insertion

In **Uruguay**, Law 16.783 of 1997, also referred to as the Youth Employment Law, provides the legislative framework for the insertion of youth in the labour market. Provisions are made for youth to do an internship/apprenticeship in an enterprise for a maximum of one year as a way to gain professional experience and skills required by the labour market. Participating enterprises benefit by exoneration of their contributions to social security and pension plans. The law also provides for grants to be offered to low-income youth.

139. Many countries have long-standing laws that *prohibit discrimination on the basis of age*,²⁷ a provision which is also included in their constitutions in many cases. The ILO Committee of Experts on the Application of Conventions and Recommendations have noted that 12 countries adopted or revised their legislation on age discrimination between 1996 and 2004 – **Australia, Belgium, Brazil, Bulgaria, Chile, Croatia, Czech Republic, Eritrea, Finland, France, Guatemala** and **Honduras**. Member States of the European Union are obliged to introduce legislation prohibiting discrimination on the basis of age, sex, racial or ethnic origin, religion or belief, disability or sexual orientation at the latest by 2006, and to put in place action plans to give effect to this legislation.²⁸ Other countries with legal prohibition of age discrimination include **Benin, Canada, Costa Rica, Côte d’Ivoire, Chad, El Salvador, Hungary, Israel, Mauritania, Mali, Niger, South Africa** and **Ukraine**.

140. The **United States** legislation of 1967 and the **Australian** legislation of 2004 focus solely on age discrimination. Laws of this kind are important in setting the legal framework for policy and programme measures, although even in countries where such laws are adopted, there is still little conclusive proof of its effectiveness in practice.²⁹ For example, youth wages might be regarded as a form of age discrimination, and such wages exist both in Australia, and on a limited basis in the United States.³⁰

141. Laws and regulations influencing the climate for investment and expansion of enterprises include those covering business registration and licensing, operating rules

²⁷ Age discrimination is not specifically prohibited by ILO Convention No. 111, though it is possible to bring it under the Convention’s coverage if governments decided to do so in consultation with employers’ and workers’ organizations.

²⁸ European Union: *Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation*.

²⁹ See, for example, G. Wood, M. Harcourt and S. Harcourt: “The effects of age discrimination on workplace practice: A New Zealand case study”, in *Industrial Relations Journal* (Oxford), Vol. 35, No. 4, July 2004, pp. 359-371.

³⁰ See Chapters 1 and 3 for a discussion of minimum wage and employment protection legislation and their effects on youth employment.

(including recruitment and dismissal, trading, contracting, protection of investors and dispute settlement), property rights, taxation and credit regulations.³¹

142. Regulations concerning the *establishment and operation of business* have significant implications for young entrepreneurs starting out and those working to develop their enterprises, as well as for enterprises seeking to create jobs for young people. If regulations for registration are easier to comply with, informal economy enterprises are more likely to formalize. Evidence suggests that small enterprises which comply with registration requirements create more employment over time than those that do not.³²

143. Countries vary enormously in the way in which they regulate business. In **Haiti**, for example, registering a new business takes 203 days, and in Maputo 153 days compared to around 90 days in **India** and two days in **Australia**, with much variation in between.³³ Procedures involved in enforcing a contract range from 15 in **Denmark** to 53 in **Lao People's Democratic Republic**. Reform of these regulations is shown to have a significant impact on business. In Lima, for example, enterprise registration more than tripled from 1,100 to 4,000 between 1998 and 2000 after a municipality within the city simplified procedures, reducing 45 bureaucratic steps to 12 and the length of time taken from 70 days to one day. In **Bolivia**, a law on simplification of the registration of business introduced a registration card that gave applicants access to affordable management training courses.³⁴ When it comes to registering property, an important prerequisite for access to credit in many countries, procedures may be simple (in Norway, one procedure is involved) or more burdensome (in Algeria, for example, 16 steps are involved). Similar variations are observed in relation to contract enforcement, protection of investors, and access to credit.

Key lesson: Countries are introducing legislation and regulations that deal specifically with youth employment or prohibit discrimination on the basis of age, or promote the establishment of enterprises. Labour inspection is an essential aspect to ensuring the rights of young workers and the quality of their working conditions.

2.1.5. Micro-level initiatives

144. In several countries in Africa, a public works agency (AGETIP) creates jobs for young people without qualifications through *labour-intensive programmes* in construction, infrastructure maintenance and public services such as rubbish disposal and health services.³⁵ AGETIP is a not-for-profit organization which is delegated by government to manage contracts on behalf of municipalities and communities in the countries where it operates. The programme was initiated in **Senegal**, where 350,000

³¹ Commission on the Private Sector and Development: *Unleashing entrepreneurship: Making business work for the poor* (New York, UNDP, 2004).

³² G. Reinecke and S. White: *Policies for small enterprises: Creating the right environment for good jobs* (Geneva, ILO, 2004).

³³ *World Development Report 2004-05*, op. cit.; IBRD: *Doing business in 2005: Removing obstacles to growth* (Washington, DC, World Bank, International Finance Corporation and Oxford University Press, 2005).

³⁴ *ibid.*

³⁵ M. Wade: "Overview of Senegal's AGETIP Model For Jobs Creation", Meeting on Youth and Employment in West Africa (12-13 February 2004). See <http://www.ilo.org/public/english/employment/strat/yen/download/agetip.pdf>, accessed in March 2005.

short-term jobs and 6,000 permanent jobs were created between 1989 and 1996.³⁶ The AGETIP approach has since been replicated in 15 African countries: **Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Djibouti, Gambia, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Niger** and **Togo**.³⁷ Similar programmes are being planned for **Congo** and **Gabon**. The Government of **South Africa** initiated a project to repair and maintain gravel roads in Limpopo Province, using employment-intensive work methods and executed by small emerging contractors.³⁸ Young people are among those who benefited from the project, in terms of both training and employment.³⁹ If public works projects of this kind are integrated into overall investment policies at national level, they can have a long-term beneficial effect on the economic development of the country.⁴⁰

Key lesson: Employment-intensive programmes are creating both short-term and permanent jobs. Often, these programmes are accompanied by training. To date, they are often not systematically integrated into overall investment policies at national level.

145. The development of *micro-, small and medium-sized enterprises* to expand employment opportunities can provide jobs for some young people. While policies aiming to create an environment conducive to the expansion of enterprise, both private and public, do not specifically focus on young entrepreneurs, some programmes target micro- and small entrepreneurs in the informal economy, where many young people in a number of developing countries work. Business development advisory and support services are put in place and, in some countries, initiatives are being undertaken to ensure that young entrepreneurs have access to credit to start or develop their businesses.

146. One of the key issues in encouraging the creation of enterprises by young people is to identify youth with entrepreneurial potential. Many national programmes seek to develop strategies that will reduce risk of failure, for example by using psychological tests or contests that enable them to select participants.⁴¹ Once participants are selected, programmes use combinations of different services and approaches to maximize positive results: information networks, basic training, technical training, technical assistance in the development of entrepreneurial projects and microcredit to support the new undertakings.

147. **Sri Lanka**, in response to the high rates of unemployment, low incomes and poverty among the youth population (Central Bank estimates that more than 70 per cent of the unemployed are youth), focuses its PRSP on the development of an entrepreneurial culture and attitude among youth; creating economic opportunities for enterprising activities and the development of an entrepreneurship-related curriculum in the vocational and secondary schools. The Government proposed the launching of the National Youth Corps (NYC) to provide vocational training and career guidance to

³⁶ M.D. Sarr: *Poverty reduction strategy and youth employment in Senegal*. See http://www.un.org/esa/socdev/poverty/papers/urban_sarr_prsp.pdf, accessed in March 2005.

³⁷ M. Wade, op. cit.

³⁸ P. Paige-Green: *Alternatives to conventional gravel wearing courses on low volume roads*, Paper presented at the 10th Regional Seminar for Labour-based Practitioners, Arusha, United Republic of Tanzania (October 2003). See <http://www.ilo.org/public/english/employment/recon/eiip/asist/arusha/paige.pdf>, accessed in March 2005.

³⁹ ILO: *Employment-intensive investment programme (EIIP)*. See <http://www.ilo.org/public/english/employment/recon/eiip/countries/africa.htm>, accessed in March 2005.

⁴⁰ P. Auer; U. Efendioglu; J. Leschke: *Active labour market policies around the world* (Geneva, ILO, 2004).

⁴¹ Information provided by the ILO Regional Office for the Americas, Lima.

unemployed youth aged 17-22. In addition to vocational skills development, the NYC training will inculcate leadership qualities while providing personality development and career guidance to these young men and women.⁴²

148. In some countries of Latin America, incubators or nurseries for developing new enterprises are established, sometimes in industrial and technological estates. Vocational training institutions set up such incubators in **Colombia** (SENA) and in **Brazil** (SENAI). These incubators provide a relatively protected setting that also allows costs of common services, such as communications, secretarial services, administration or marketing costs, to be shared. In addition, registration in a technological or industrial estate allows access to applied research services, consultancy and technical and technological assistance, and vocational training services. In a situation where there are high failure rates of youth enterprise due to the lack of business and technical skills, the lack of access to support services and, especially, the difficulties involved in developing entrepreneurial cooperation networks, such incubators are all the more important (see box 2.5 for another initiative in South Africa targeting disadvantaged youth).

Box 2.5
Promoting employment creation and skills development
for disadvantaged youth

In **South Africa**, the Umsobomvu Youth Fund (UYF) was established in 2001 by the Government to promote employment creation and skills development for young South Africans aged 18 to 35 years, who are not in education and face particular disadvantage. As part of its Enterprise Education Programme, the UYF, in partnership with two microfinance providers, arranges access to funding for unemployed, underemployed and self-employed youth to aid them in creating new micro- or cooperative enterprises or expanding existing businesses. Funds are made available through UYF partnerships with two microfinance providers. In addition, UYF sponsors the Government's Youth Entrepreneurship Programme, providing small-scale entrepreneurs with access to finance in partnership with two separate development capital funds and a UYF fund, and to business development services through Youth Advisory Services across the country. Also, a UYF "Take it to the People" project aims to combat poverty by creating income-generation and self-employment opportunities for young people in 21 rural and urban areas designated as "poverty pockets".

Source: Umsobomvu Youth Fund web site: <http://www.uyf.org.za/Inveloper.asp> .

149. In **Kenya**, a Micro and Small Enterprise Development Fund was established with World Bank funding to advance entrepreneurship development in the private sector and, more immediately, to overcome the barriers to employment and income-generation opportunities in the informal micro- and small enterprise sector in Kenya.⁴³ The Fund supports the financing of the Training Voucher Programme and the Contract Training Scheme in order to pay for short-term skills upgrading courses and enterprise-based attachments for entrepreneurship and artisans. SMEs involved in the Training Voucher Programme are able to purchase vouchers to train their owners or workers in technology, business development and microfinance, at 10 to 30 per cent of the total cost of training. Through the Fund, young people are trained in basic technical skills, entrepreneurship and management skills, accessing external funds, business planning and development,

⁴² IMF database, op. cit., *Sri Lanka: Poverty Reduction Strategy Paper* (Dec. 2002).

⁴³ H.C. Haan: *Training for work in the informal sector: New evidence from Kenya, Tanzania and Uganda*, InFocus Programme in Skills, Knowledge and Employability (Geneva, ILO, 2002).

specialized technical skills, product improvement and problem solving.⁴⁴ In the period 1997-2001, 37,606 training vouchers were issued and 32,606 people trained, 60 per cent of whom were women).⁴⁵

150. In **Singapore**, the *Technopreneurship 21* programme makes it easier for new enterprises to obtain start-up funding through a US\$1 billion venture fund to support local entrepreneurs or to fund foreign entrepreneurs attracted to Singapore. Related to this is a review of existing laws and regulations, such as those governing the taxation of stock options. The programme also improved the physical infrastructure for start-ups, for example, by enhancing technology park facilities. Another programme to assist young entrepreneurs in particular is the *Technopreneur Home Office Scheme*, focused on technology-based and knowledge-intensive business activities. This scheme makes it easier for technology entrepreneurs to use their residential premises as home offices and hence reduce costs significantly.

151. Young people in many countries are involved in *cooperatives* and in social firms as a first step in their working careers. Many cooperatives have outreach programmes to educate young people in cooperative principles. In **Bulgaria**, the Central Cooperative Union promotes the idea of cooperatives among young people and supports and trains them to become involved in cooperative societies. The Union creates and offers jobs to young people in cooperatively run restaurants, retail stores, and other cooperative initiatives.

152. In **Canada**, the British Columbia Institute for Co-operative Studies (BCICS), at the University of Victoria is a centre of research, learning and teaching about cooperative practice, focusing on how the cooperative model functions within different contexts, how it can contribute to meeting economic and social needs and empower people and communities. A “Building Co-op Futures Youth Forum” organized by the BCICS in May 2003 was attended by 75 youth delegates from nine countries, reflecting the widespread interest in cooperatives as an option for young people. A wide variety of cooperatives were represented – consumer cooperatives, worker cooperatives, credit unions, student cooperatives and social, marketing, youth, agricultural and community cooperatives.

Key lesson: Many countries are striving to create more jobs for youth through support for entrepreneurship training and the encouragement of youth lending strategies, incubators and cooperatives.

2.2. Enhancing youth employability

153. Active labour market policies and programmes (ALMPs) comprising a range of measures including labour market services, education and training for un(der)employed, and job-creation initiatives such as those described in the previous section under micro-level initiatives. ALMPs are the most commonly used to address the employment deficits of youth in general and, through targeted programmes, vulnerable youth. Recognizing that high youth unemployment can persist despite high rates of economic

⁴⁴ X. Liang: *Kenya: Micro and small enterprise training and technology* (Washington, DC, World Bank, 1996). See http://www.worldbank.org/education/economicsed/finance/demand/case/kenya/kenya_index.htm , accessed in March 2005.

⁴⁵ H.C. Haan, 2002, op. cit.

growth and expansion, this section looks at national measures to address youth employability.

2.2.1. Integrating training, work experience and labour market services

154. In the **United Kingdom**, the *New Deal for Young People* offers a package of services and supports to young people aged 18 to 24 unemployed for at least six months,⁴⁶ including job seeking and career advice and guidance, basic education, skills training, work experience or further learning options. Job placements are subsidized, and follow-up support is provided. As a result of the New Deal, 518,200 young people have moved into employment.⁴⁷

155. Responding to the needs of disadvantaged youth, **Canada's Youth Employment Strategy** aims to help young people access information, acquire skills, and gain work experience and the abilities they need to make a successful transition to the workplace.⁴⁸ The programme involves a range of government departments and agencies working in partnership with employers' and workers' organizations and civil society groups. It offers work experience, learning and skill-building opportunities, basic and advanced employment skills programmes and services, and assistance in finding career-related summer jobs, primarily to young people who face particular disadvantage in finding employment. Employers are offered wage subsidies for job placements. Following a successful two-year trial period, this programme was permanently established in 1999.

156. **Japan**, recognizing that the persistence of high youth unemployment represents a significant loss not only to the young people themselves but also to Japanese economy and society, developed a multi-sectoral initiative – the Young People's Self-Support and Challenge Plan. The plan is diversified across four ministries – Education, Culture, Sports, Science and Technology; Health, Labour and Welfare; Economy, Trade and Industry; and Economic and Fiscal Policy and takes a holistic approach to promoting independence based on employment for all motivated youth.⁴⁹

Key lesson: Youth employment strategies that have had positive results focus on a spectrum of factors (skills development; work experience; the provision of labour market services) involve a range of relevant government departments, work in conjunction with employers' and workers' organizations and other agencies and include marginalized youth.

157. Box 2.6 shows how the African region is creating pathways to youth employment in African cities by boosting employability, improving access to finance and strengthening the commitment of the social partners.

⁴⁶ New Deal official web site: <http://www.newdeal.gov.uk> , accessed in March 2005.

⁴⁷ Government of Scotland web site: <http://www.scotland.gov.uk/stats/bulletins/00362-00.asp> , accessed in March 2005.

⁴⁸ Government of Canada: Human Resources and Skills Development Canada web site: <http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/epb/yi/yep/newprog/yesprograms.shtml&hs=yze> , accessed in March 2005.

⁴⁹ ILO: *Symposium on globalization and the future of youth in Asia*, op. cit.

Box 2.6
Creating strategies for youth employment in African cities: Recommendations

The 2004 Youth Roundtable explored practical strategies to solve the pervasive problem of youth unemployment in their cities. It recommended that effective youth policies and programmes should bear in mind the issue of gender equality in seeking to:

- create entry-level positions and opportunities for youth to gain the critical experience required to secure decent jobs in the formal economy, through certified internship and learnership programmes, job placement and matching services provided under public-private sector partnership, job-creation programmes linked directly to labour market demands and mechanisms;
- provide accessible and practical skills training that is developed with youth input, either additionally or independently of formal education, with particular assistance to uneducated youth in finding ways to translate their talent to skills that can further be developed and therefore used to secure a job. Specific skills identified as being critical to employability in several fields include: basic entrepreneurial skills, basic financial management, access to and management of information and knowledge, project planning and implementation, and impact assessment and measuring outcomes;
- improve access to financing for youth-led employment initiatives;
- strengthen the commitment and support of institutional partners, such as those involved in the Youth Employment Network, as well as national and local government players that are pro-youth in their approach by, among other measures, developing regional guides or toolkits that would support youth working with their various levels of government and other partners on the creation, implementation and review of national action plans for youth employment;
- increase youth participation and involvement in macroeconomic policy decision-making, especially as it affects youth employment, through capacity building, and involvement in the creation and implementation of the New Partnership for Africa's Development, poverty reduction strategies and other development agendas;
- give greater access to information and involve youth concerning decisions that are being made to benefit them;
- pay particular attention to youth employment problems in the urban context;
- address the special needs of youth at risk, taking account of their different requirements, including young people living with HIV/AIDS and those living with a disability;
- address the pervasive gender inequality that continues to disadvantage young women in both formal and informal economies.

Source: Outcomes and recommendations from the Youth Roundtable of the Expert Group Meeting on Creating Strategies for Youth Employment in African Cities, Nairobi, Kenya, 21-25 June 2004.

158. **France's** *New Services, New Jobs Programme 1997-2003*, introduced in the framework of the law on the development of youth employment of October 1997, offered wage subsidies up to 80 per cent of the minimum salary per job per year, for five years, to employers who employ young people under contract. Mentors were assigned within the enterprises to provide support and guidance. Attention was paid to creating new jobs in social areas of everyday life not currently catered to by business or services – such as personal assistance, improvement in the quality of life, security, access to culture, educational support and environmental protection. The Programme was open to unemployed young people between the ages of 18 and 25, individuals with disabilities under the age of 30 and unemployed young people between the ages of 26 and 30 who do not qualify for employment benefits. By September 2000, almost 300,000 young people were recruited under the scheme. Following a review of employment policy in 2002, *New Services, New Jobs* was phased out from 2003, and may be replaced by a new

youth job creation programme currently under discussion which will aim to cater to 800,000 persons. In addition to *New Services, New Jobs*, the *TRACE programme (Trajets d'Accès à l'Emploi)* was introduced in 1997 to cater for socially excluded young people and long-term unemployed. In 2003, this programme was merged into a new programme, *CIVIS (Contrat d'insertion dans la vie sociale)* which aims to support unemployed young people aged 18 to 22 in undertaking social or humanitarian activities over a three-year period. The CIVIS programme targets young people with low levels of education and skills.

159. In the **Republic of Korea**, the Youth Work Experience Programme aims to provide work experience to youths to enhance their understanding of jobs and careers. This programme comprises a work experience support system and an employment support system. Under the work experience support system, college students or graduates are employed as interns in public institutions or private companies, so as to gain hands-on job experience, as well as receive help in making job choices in the future. Furthermore, ways to award college credit for internship are being sought in order to facilitate the implementation of the programme. Under the employment support system, enterprises employing youths as interns can receive wage subsidies for three months. Firms which hire interns as regular workers can receive wage subsidies for another three months. In this way, enterprises are being encouraged to hire more youth.⁵⁰

160. **Hong Kong (China)** has introduced pre-vocational training in the form of the Youth Pre-Employment Training Programme (YPTP), offering training in interpersonal skills (leadership, self-discipline and team-building), computer literacy and vocational skills to school leavers aged 15 to 19, combined with subsidized on-the-job training opportunities in order to increase their employment opportunities. Employers are commissioned and subsidized to appoint mentors to guide trainees throughout their on-the-job training.⁵¹ This programme operates alongside the Youth Work Experience and Training Scheme (YWETS), providing on-the-job training opportunities to young people aged 15 to 24 years with education levels below degree level. Counselling and support services are available to participants in both the YWETS and YWETS trainees to facilitate them in their search for jobs. The YWETS has established strategic partnerships with employers and training institutes to identify and implement various special projects catering to the needs of employers/industries concerned. One example is the *Information Technology Seeds Project* under which 600 young people were offered positions as IT-teaching assistants, IT-administrative assistants and IT-technical support assistants to assist in teaching and administration work in 300 schools, and attended formal training in IT one day a week.⁵² Since 1999, 45,000 young people have taken part in the YPTP, of whom 70 per cent entered employment. Over 13,000 young people were employed under the YWETS scheme in 2002-03 and a further 8,200 participants acquired jobs in the open labour market.⁵³

161. The National Service for Training and Employment (SENCE) is in charge of the coordination and operation of *Chile Joven*, whose primary objective is to increase the probability that unemployed youth from families with low incomes and youths who face

⁵⁰ ILO: *Symposium on globalization and the future of youth in Asia*, *ibid.*

⁵¹ Economic and Employment Council: *Tackling youth unemployment: Hong Kong vis-à-vis other economies*, Second Meeting of the Economic and Employment Council, EEC Paper IN 2/04 (Hong Kong, 2004).

⁵² Government of the Hong Kong Special Administrative Region (Labour Department): *Youth Work Experience and Training Scheme*. See http://www.ywets.labour.gov.hk/eng/intro/intro_deliverables.htm.

⁵³ Economic and Employment Council, *op. cit.*

difficulties of social and economic integration in **Chile**, can be inserted into the job market through job training. The programme includes various complementary, flexible sub-programmes that expand the options available to young people: an on-the-job training and work experience component, a two-track learning component and a self-employed workers' component. The labour practice component has to be carried out in a firm or enterprise especially engaged for that purpose by the executing unit according to the trade imparted. The enterprise assumes a tutoring role under the supervision and responsibility of the executing unit. In some variants, oriented towards self-employment, this internship is replaced by the supervised implementation of an independent productive project. One of the main characteristics of the programme is that it is highly decentralized and relies on over 1,000 training providers (including private training centres and non-profit organizations). The Ministry of Labour signs execution agreements with training providers and evaluates both the courses and the job placements. The programme relies heavily on employers to provide in-house work experience: this means that current, relevant information on employer demand is available and that training can be readily adapted to local labour market demand. The programme has benefited over 200,000 disadvantaged youth since 1991. The model is reproduced in **Argentina, Colombia, Peru and Uruguay**.⁵⁴

162. In **Spain**, *workshop schools* in Barcelona assist marginalized young people who have never worked, have no qualifications and are looking for a manual job. The programme includes training in basic vocational and job-search skills as well as basic management skills to help them become self-employed, and activities to develop self-confidence and self-esteem. Jobseeking support is provided by a local development agency, *Barcelona Activa*.⁵⁵

Key lesson: Active labour market policies and programmes are being implemented to create jobs for young people and/or to increase their employability. In some cases these are successfully used to address the particular needs of disadvantaged youth.

2.2.2. Education and training

163. The diverse educational experience of young people is discussed in Chapter 1 of this paper, highlighting the serious deficit in the basic education and skills levels of many young people in current labour markets. The fact that many young people have reached working age without acquiring basic skills, including literacy and numeracy, is taken into account in many national programmes seeking to improve the employment prospects of their young citizens.

164. Some of the initiatives aim to revamp national training schemes, to develop apprenticeship schemes or to update their curricula in order to deal with existing mismatches between education, training and the needs of the labour market. Others address issues such as accessibility of schools, cost, quality and relevance of education to work in the local area, and find innovative ways to engage those who have not benefited from formal educational methods. Remedial education is provided in programmes designed for early school leavers and those who have not attended formal education.

⁵⁴ ILO: *Revision of the human resources development Recommendation* (CD-ROM, 2003); and *Programmes for the training and employment of young people in Latin America* (Montevideo, CINTERFOR, 2004).

⁵⁵ ILO: *Learning and training for work in the knowledge society*, Report IV(1), Geneva, ILC, 91st Session, 2003.

165. The *National Open Apprenticeship Scheme* (NOAS) in **Nigeria** uses innovative means of providing vocational education and training of unemployed youth in over 100 occupations. The programme utilizes production facilities such as workshops and technical instructors in private industries, government institutions and, by way of a subcontracting arrangement, wayside crafts and trades people (informal economy operators). An offshoot of NOAS is the School-on-Wheels (SOW) programme, a mobile training scheme designed to provide vocational training to school leavers and other unskilled persons in rural areas. Since its inception in 1987, nearly 600,000 unemployed youth have received training in 80 different trades under the scheme. Around 400,000 of these started their own micro-enterprises. Over 21,000 youth have benefited from the programme Schools-on-Wheels since its launch.⁵⁶

166. Several countries have reformed their apprenticeship system to meet the demand for higher and different skills, combined with a better understanding of the broader economic and social context of occupations, work and industry.

167. The *Vocational Training: The Mubarak-Kohl Initiative* in **Egypt** is a large-scale project that aims to institutionalize the dual system of training and practice and the concept of joint public-private management and cost-sharing in all technical education countrywide. In order to meet this objective, pilot projects were established to demonstrate the opportunities and challenges of the dual system, to gain knowledge on the local adaptability of the system and to encourage the private sector to participate (i.e. internships, funding and management). The system has since been formalized.⁵⁷

168. With youth unemployment a daunting challenge facing **Namibia**, the Government embarked on a programme of employment creation. The Ministry of Higher Education, Training and Employment Creation, in collaboration with non-governmental agencies including the National Youth Council, has initiated a number of programmes which include: the creation of National Service to provide for civic education and production skills; the establishment of community skills centres to provide for skills development and entrepreneurship; and vocational and technical education to enhance youth technical competence and employable skills.⁵⁸

169. In **Brazil**, the Ministry of Education is modernizing vocational education, adopting a competency-based approach and developing systems of certification in order to facilitate continuous education and labour market integration. The Act on basic guidelines for education (No. 9394 of 1996) and the Decree on national curricular directives for vocational education (No. 2208 of 1997) provide for the development of vocational education curricula. Vocational education is complementary to basic education, and can be acquired in schools, specialized institutions or the workplace. In order to encourage further study, the law provides for pathways between various levels of education and access to certification through the recognition of knowledge and skills gained at work. Vocational education has become more generic, and definition of trades has been discontinued. Local education authorities are free to develop curricula

⁵⁶ G. Kanyenze; G.C.Z. Mhone; T. Sparreboom: *Strategies to combat youth unemployment and marginalisation in Anglophone Africa*, ILO/SAMAT Discussion Paper No. 14 (Geneva/Harare, ILO/SAMAT, 2001).

⁵⁷ *ibid.*

⁵⁸ Ministry of Higher Education, Training and Employment Creation, Namibia: <http://www.ilo.org/public/english/employment/strat/yen/download/namletter.pdf>, accessed in March 2005.

according to local needs and circumstances, on the basis of occupational areas defined in the directives.⁵⁹

170. In **South Africa**, the new *learnerships* are a flexible form of apprenticeship. They have, in common with apprenticeship, the addition of workplace learning to the programme and a practical assessment of competence. Replacing the narrow, craft-based apprenticeships of the past, learnerships can take place in different work contexts – the public sector, enterprises, or universities. They combine theory with practice, are broader in scope, and cover a vast array of qualifications. Therefore, they appeal to different learners.⁶⁰

171. A few countries, such as **India** and **Pakistan**, apply compulsory apprenticeship training schemes. Employers' training responsibilities are recognized legally. In **India**, the apprenticeship training scheme (the Apprentices Act, 1961) is an important source of skilled workers in the country. Employers are obliged to engage a certain number of trade apprentices based on the number of employees and type of industry. Enterprises are required to impart on-the-job training while theoretical instruction is offered in state training centres. In 2000, some 17,800 establishments engaged some 165,500 apprentices (150,000 in 1996) covering some 254 industries (218 in 1996) and 138 designated trades (130 in 1996). On completion of training, trade apprentices have to pass the All India Trade Tests conducted by the National Council of Vocational Training (NCVT). Apprentices receive stipends, paid by the employer, which increase with each year of training. There are also apprenticeships for engineering and technology graduates and for students graduating from the vocational stream of general education schools ("technician (vocational) apprentices"). In addition, the Apprentices Act encourages employers to offer places to people representing disadvantaged groups. In 2000, the statistics for graduate, technician and technician (vocational) apprentices were broken down as follows: scheduled castes accounted for 7 per cent of places, scheduled tribes 1 per cent, minorities 7 per cent, physically disabled persons 0.14 per cent, and women 20 per cent.⁶¹

Key lesson: The dual system combining school-based education with work-based training and apprenticeship continues to be an effective learning model. Social partner involvement in programme design and implementation helps ensure effectiveness.

172. In **Singapore**, the Skills Development Fund has actively encouraged employers to enrol their employees in non-formal, recognized basic education programmes that are administered by the Institute of Technical Education. These include the Basic Education for Skills Training (BEST) Programme, which provides basic literacy and numeracy training, and the Worker Improvement through Secondary Education (WISE) programme for adults to improve their competency in English and maths.⁶²

173. In **Thailand**, many government departments, state and private enterprises, NGOs and schools run non-formal education programmes lasting from three months to one year, which target students who have completed primary education but have no secondary

⁵⁹ ILO: *Learning and training for work in the knowledge society*, op. cit.

⁶⁰ A. Bird: *National monograph on technical and vocational training in South Africa*, 2001. See <http://www.ilo.org/public/english/employment/skills/recomm/publ/006.htm>, accessed in March 2005.

⁶¹ Ministry of Labour, India: *Annual Report of the Directorate General of Employment and Training* (2000); S.K. Batra and A. Chandra: *Vocational education and training for employment in India* (New Delhi, ILO/SAAT, 1998).

⁶² ILO: *Learning and training for work in the knowledge society*, op. cit.

education. Pre-employment courses include basic skills training in electrical, automotive and construction technology and an industry-training component. In 1995, the two government departments responsible for major non-formal education programmes enrolled some 375,000 students. However, these programmes do not allow progression in the formal education system.⁶³

174. Box 2.7 describes an educational incentive for girls, young women and men in **Somalia**.

Box 2.7
Reaching out to disadvantaged youth

The Somali Educational Incentives for Girls and Young Men (SEIGYM) in **Somalia**, supported by the Africa Educational Trust (AET), uses vouchers to encourage disadvantaged youth to gain essential reading and work skills. Technical and vocational training institutions invariably demand that entrants have school qualifications. The vouchers allow disadvantaged youth to pay for literacy and numeracy training before they go on to skills training for employment. More than 5,000 disadvantaged girls, young women and young ex-militia men have been given literacy, numeracy and/or vocational training. SEIGYM uses a variety of providers of non-formal education and training for carpenters, driving instructors, painters, tailors and nurses. Vouchers are redeemable through AET only if it has inspected the provider and certified its standard of training.

Source: J. Oxenham et al.: *Strengthening livelihoods with literacy*, study undertaken for the World Bank (2001). See <http://www.iiz-dvv.de/englisch/Publikationen/Weltbank/inhalt.htm>, accessed in March 2005.

175. **Mali's** Ten-Year Programme on Education (PRODEC) is supported by the Project for Consolidating Vocational Training (*Projet de consolidation de la formation professionnelle/PCPP*), created by the Malian Government with the support of the World Bank. Implemented in 1997, it is aimed at assisting the transformation of technical and vocational education by assigning it the responsibility for job-related training. The approach gives priority to the demand for training arising from the manufacturing sector (businesses and crafts) and has three elements: improve the public training "supply" by supporting Business Training and Support Units (UF AE); contribute to the regulation of the training market by providing assistance to the Fund for Supporting Vocational Training and Apprenticeship (FAFPA); and mobilize resources and energy to support grass-root initiatives.⁶⁴

176. In **Bangladesh**, various forms of training for self-employment are provided to young people in rural areas. Approximately 341,677 youths have entered self-employment out of a total of 555,004 youths, who received training from as many as 301 training centres run by the Department of Youth between October 2001 and March 2004. These centres offer training in pisciculture, poultry rearing, beef fattening, livestock rearing, food processing, kitchen gardening, handicrafts and leather work. At the Upazila or district level (the first level of referral in the primary health-care system), are 475 mobile training centres. Under the Ministry of Labour and Employment, 15 technical training centres and the Bangladesh Institute of Marine Technology offer training to 15,000 trainees each year. Three more development projects are under way to set up

⁶³ ILO: *Learning and training for work in the knowledge society*, *ibid.*

⁶⁴ D. Atchoarena and P. Esquieu: *Private technical and vocational education in sub-Saharan Africa: Provision patterns and policy issues* (Paris, International Institute for Educational Planning/UNESCO, 2002), pp. 177-179.

20 more technical training centres. When these projects are completed, as many as 40,000 young people will have received training in various skills.⁶⁵

177. In the **Republic of Korea**, to further develop the vocational ability of youths, *tailored vocational training* concentrated on knowledge-based IT industries is being offered to unemployed college graduates. In addition, training focused on manufacturing businesses, such as shipbuilding and auto mechanics, is being offered to unemployed high-school graduates. As a solution to labour shortages in SMEs and youth unemployment, a *Youth Employment Package Project* is being implemented, which aims to strengthen the linkage between customized vocational training and employment services for SMEs on an industry-specific basis.⁶⁶

178. The Confederation of **Swedish** Enterprise (CSE) aims to educate young people on the importance and value of entrepreneurship. It arranges an annual career theme day, focusing on motivating, inspiring and helping young people to see their own future role in the labour market. Around 40,000 high-school students aged 17-18 attend these theme days. CSE has published a guide that is distributed to all 18-year-olds, including information about what an employment agreement should cover, how to start a company, and advice on how to negotiate wages.⁶⁷

179. In **Australia**, the *Traineeship Programme* initiative was established in 1998 to assist young people, especially those at high risk of long-term and frequent unemployment, in acquiring work experience and training leading to qualifications. Apprenticeships, traineeships and job placements were organized for over 70,000 young people from 1998 to 2004. The scheme addressed skills shortages by providing subsidies for private sector apprenticeships and traineeships in the relevant skills areas. Its success has led to the Government undertaking the *Breaking the Unemployment Cycle Initiative 2004-07*, including a *Trainees and Apprentices Programme* and an *Education and Training Pathways Programme*.⁶⁸

Key lesson: Targeted training programmes to enhance youth employability are under way in a number of countries, often in combination with employment services and placement opportunities. Successful practices in this regard have been established.

2.2.3. Labour market information and services

180. Public employment services (PES) are central to ensuring that young jobseekers have easy access to the information they need in seeking jobs suited to their skills, abilities and interests. In recent years, employment services have developed and changed, to better cater to the diversity of need among young jobseekers. Innovations include the increasing availability of “self-service” options such as one-stop shops; computerized data which jobseekers can access themselves, sometimes through the Internet; computerized aptitude and interest programmes which jobseekers can use in identifying their work targets; and support services available to those facing particular difficulties. Many of the recent national initiatives include career development and guidance as an

⁶⁵ ILO: *Symposium on globalization and the future of youth in Asia*, op. cit.

⁶⁶ ILO: *Symposium on globalization and the future of youth in Asia*, ibid.

⁶⁷ Confederation of Swedish Enterprise: at their web site: http://www.svensktnaringsliv.se/index_english.asp , accessed in March 2005.

⁶⁸ Queensland Government: *Breaking the unemployment cycle*. See http://www.trainandemploy.qld.gov.au/client/about/programs_strategies_policies/employment_programs.htm , accessed in March 2005.

integral part of the range of services provided, reflecting the recognition that labour market information is a key factor in creating the right pathways to youth employment.

181. A survey conducted by the World Association of Public Employment Services (WAPES) in 2002-03 showed that public employment services in at least 36 countries (75 per cent of the 60 country respondents) operate special employment programmes for youth, in addition to the universal or mainstreamed labour exchange and career information/guidance services provided to jobseekers in general.⁶⁹

182. In 2001, the **United Kingdom** introduced *Connexions Direct*, an advisory and support service for young people aged between 13 and 19 to guide them through the options and opportunities available.⁷⁰ Building on the work of careers and youth services, *Connexions Direct* aims to monitor young people and alert personal advisers to early difficulties. The service is managed locally by Connexions Partnerships that bring together all the key youth support services. Young people are actively involved in its design and delivery so that it can better address their needs and goals.

183. In **Canada**, *Job Futures* is an innovative tool developed by Human Resources Development Canada to provide up-to-date detailed labour market information, focusing on the link between the educational system and labour market outcomes. In addition to facilitating occupational choices, *Job Futures* also makes a valuable contribution to education and training decisions, such as choosing the level of education or field of study. A variant of the tool is used in **Australia** and **New Zealand** and introducing a service based on this model in **Azerbaijan** is proposed as part of its poverty reduction strategy. Another useful facility is the *Job Bank*, an electronic listing of jobs, work or business opportunities provided by employers from all over **Canada**. This information can be accessed from free public Internet sites provided in human resource centres, public libraries and community centres.

184. Box 2.8 shows labour market services in the **Republic of Korea** responding to unemployed youth.

Box 2.8
One-stop labour market services

In the **Republic of Korea**, a *one-stop service system* is currently being established to provide job referral, job counselling and job guidance services through Youth Employment Support Rooms at the Employment Security Centres throughout the country. Short-term jobs are provided to youth who are unlikely to be employed in the immediate future through participation in the *Vacancy Seeking Programme*, which allows unemployed youth to work while seeking longer term job offers.

Source: Republic of Korea Country Paper presented at the Symposium on Globalization and the Future of Youth in Asia, Tokyo, Japan, 2-3 December 2004, paper forthcoming on ILO web site www.ilo.org/youth.

185. Examples of initiatives in different countries to promote the employability of young people and support them in getting jobs are numerous. But there are relatively few examples of systematic monitoring and evaluation exercises which set out to identify good practice and lessons learned and which draw conclusions to inform policy and programme decisions.

⁶⁹ <http://www.ilo.org/public/english/employment/skills/download/pesprogram.pdf>, accessed in March 2005.

⁷⁰ Government of United Kingdom, Department for Education and Skills: http://www.dfes.gov.uk/consultations/downloadableDocs/38_2.pdf, accessed in March 2005.

2.3. Summary: Key lessons

186. There are some important lessons that can be drawn for consideration by policy-makers from the national responses to the factors affecting youth employment.

- Youth employment issues are being integrated into national development plans such as poverty reduction strategies, regional and national employment strategies. These initiatives are adopting macroeconomic, structural and social policies and programmes to promote broad-based growth. Countries are including short-, medium- and long-term actions. Evidence suggests that national initiatives targeting youth focus mainly on youth unemployment, rather than working conditions.
- Countries that have implemented macroeconomic policy frameworks focusing on employment generation have expanded youth employment opportunities. Effective linkages between macroeconomic and social policy, including education, are important. Continuous efforts to increase aggregate demand and stabilize and encourage economic growth are recognized as well as their need to be associated with micro-level policies targeting young women and men.
- Countries are focusing on sectoral development to create employment for their young citizens; some have been able to combine this with training, which has potential for longer-term benefits. The sectors being promoted are country-specific. Involvement of the social partners in sectoral planning is beneficial.
- Countries are introducing legislation and regulations that deal specifically with youth employment or prohibit discrimination on the basis of age, or promote the establishment of enterprises. Labour inspection is an essential aspect to ensuring the rights of young workers and the quality of their working conditions.
- Employment-intensive programmes are creating both short-term and permanent jobs. Often, these programmes are accompanied by training. To date, they are often not systematically integrated into overall investment policies at national level.
- Many countries are striving to create more jobs for youth through support for entrepreneurship training and the encouragement of youth lending strategies, incubators and cooperatives.
- Youth employment strategies that have had positive results focus on a spectrum of factors (skills development; work experience; the provision of labour market services) involve a range of relevant government departments, work in conjunction with employers' and workers' organizations and other agencies and include marginalized youth.
- Active labour market policies and programmes are being implemented to create jobs for young people and/or to increase their employability. In some cases these are successfully used to address the particular needs of disadvantaged youth.
- The dual system combining school-based education with work-based training and apprenticeship continues to be an effective learning model. Social partner involvement in programme design and implementation helps ensure effectiveness.
- Targeted training programmes to enhance youth employability are under way in a number of countries, often in combination with employment services and placement opportunities. Successful practices in this regard have been established.

Chapter 3

The ILO: Building pathways to decent work for youth

187. The growing recognition of the implications of the youth employment crisis is reflected in global and national initiatives. This chapter looks at the role the ILO plays to contribute to the initiatives at both the national and international level.

188. Global commitment to develop and implement strategies that give young people everywhere a real chance to obtain decent and productive work is expressed in the Millennium Declaration of September 2000, following the Millennium Summit, the largest ever meeting of Heads of State and Government.¹ The ILO is playing a leading role in international action to promote youth employment in the framework of the Youth Employment Network (YEN), set up as a joint initiative of the Secretary-General of the United Nations, the Director-General of the ILO and the President of the World Bank (box 3.1). The ILO is well positioned to assume this role because of its tripartite structure, history of commitment to youth employment,² international collaboration network, life-cycle approach and its Decent Work Agenda.

Box 3.1

YEN: National action plans on youth employment

The Youth Employment Network (YEN) was established in 2001 to give effect to the global commitment of “developing and implementing strategies that give young people everywhere a real chance to find decent and productive work”, resolved in the United Nations Millennium Declaration in 2000. A partnership formed by United Nations Secretary-General Kofi Annan, the ILO Director-General Juan Somavia and World Bank President James Wolfensohn, the YEN is the first global alliance under the umbrella of the ILO’s Global Employment Agenda. It brings together policy-makers, employers and workers, young people and other stakeholders to pool their skills, experience and knowledge in an attempt to find new, durable policy and programme solutions to the youth employment challenge.

¹ United Nations General Assembly: United Nations Millennium Declaration (A/RES/55/2), 18 Sep. 2002, para. 20.

² The ILO’s considerable experience on this issue is gained through its standard setting and accumulated knowledge built up through the World Employment Programme from the 1970s, the Action Programme on Youth Unemployment (1996-97) and the Action Programme to Combat Youth Marginalization and Unemployment (1998-99).

The YEN developed policy recommendations on youth employment policy (“Roadmap”) in four areas – employability, equal opportunities, entrepreneurship and employment creation (known as the “four Es”). The operations of the YEN are supported by two United Nations General Assembly resolutions, the December 2002 resolution on promoting youth employment (A/RES/57/165) and resolution A/RES/58/133, of January 2004, concerning policies and programmes involving youth. These resolutions encourage countries to prepare national action plans (NAPs) on youth employment with the assistance of the ILO, the United Nation and the World Bank as well as other specialized agencies – and with the participation of young people themselves. In 2004, a YEN Youth Consultative Group (YCG) was launched, comprising representatives of large international and regional youth organizations.

As invited by the YEN High-Level Panel in their policy recommendations in 2001, ten countries have stepped forward to volunteer as lead countries for the YEN: Azerbaijan, Brazil, Egypt, Indonesia, Islamic Republic of Iran, Mali, Namibia, Rwanda, Senegal and Sri Lanka.

3.1. Youth Employment Network: Giving youth a real chance at decent work

189. The ILO is committed to the achievement of the United Nations Millennium Development Goals (MDGs), particularly Goal 8, which addresses ways in which a global partnership can be established between developed, and developing countries to achieve the MDGs, including the halving of world poverty by 2015.

190. Reflecting the significance the ILO attaches to youth employment, the International Labour Conference (ILC) adopted five resolutions³ concerning youth since 1978; the most recent directly concerned with youth employment (box 3.2).⁴

Box 3.2	
Recent resolutions concerning youth employment	
Resolution concerning youth employment	ILC, 64th Session, 1978
Resolution concerning follow-up to the World Employment Conference	ILC, 65th Session, 1979
Resolution concerning young people and the ILO’s contribution to the International Youth Year	ILC, 69th Session, 1983
Resolution concerning young people, with a detailed set of conclusions	ILC, 72nd Session, 1986
Resolution concerning youth employment	ILC, 86th Session, 1998

191. The most recent of these resolutions,⁵ adopted in 1998, called for the prioritization of youth employment leading to a general discussion at the ILC; ILO proposals on the development of strategies to combat youth marginalization and unemployment, with a view to drawing up an international youth employment strategy; and to cooperate with

³ The ILC adopts resolutions, which serve as guidelines for the ILO’s general policy and future activities. Resolutions are followed by the Governing Body to ensure that the measures and activities adopted correspond to the expectations of the Conference.

⁴ In 2002, the ILC adopted the resolution concerning decent work and the informal economy. While not directly related to youth employment, it has important implications considering that many young women and men work in this economy; adopted at the 90th Session of the ILC in 2002.

⁵ ILO: *Resolution concerning youth employment*, adopted at the 86th Session of the ILC in 1998.

other international bodies to promote international action on youth employment. This provision is particularly significant in light of the establishment of the YEN, two years after the resolution was adopted.

192. In terms of *international collaboration* on youth employment, the ILO assumes a lead role in the YEN (see box 3.1) In addition, the ILO works directly with constituents, intergovernmental organizations, different United Nations agencies, international financial institutions and donor countries in its research, advocacy and technical cooperation activities across a range of subject areas. In this way, the effectiveness of the Office's work is increased and its impact broadened.

193. The *life-cycle approach* to youth employment recognizes that what happens at one stage of life is affected by and in turn affects opportunities at other stages – so that, for example, if individuals face discrimination, poverty or inequality when they are young, they are more likely to be disadvantaged in adulthood. This approach also makes it possible to take account of the variations between countries in how youth are defined and in the timing of transitions from childhood to youth, and from youth to adulthood. By focusing on the individual in the context of the family and wider society, an employment life-cycle approach offers a basis of intergenerational solidarity and a means of linking measures to improve youth employment prospects with broader social and economic development measures.⁶

194. Although the concept and its methodology are a new approach, many of the underlying notions were evident in earlier ILO research. In the early 1980s, for example, the ILO observed that some people were virtually deprived of their youth – the normal time of training and transition between childhood and adulthood – since they had to start working as adults as soon as they emerged from childhood. A later report presented youth as a biological group that lasted a few years; the problems of youth, therefore, were the problems of society.⁷

195. A distinguishing feature of the ILO approach to employment in general is its concern with the quality, as well as quantity of jobs, both in terms of those seeking employment and those in employment. The ILO's *Decent Work Agenda* provides the context for ILO work to promote freely chosen, productive employment for youth.⁸ It is formulated on the ILO's four strategic objectives – achieving universal respect for fundamental principles and rights at work (see box 3.3); creating greater opportunities for women and men to secure decent employment and income; extending social protection; and promoting social dialogue and tripartism. The recent report of the World Commission on the Social Dimension of Globalization reiterates the objectives of the Decent Work Agenda, promoting decent work as a global goal.⁹

⁶ ILO: *Starting right*, op. cit.

⁷ For a historical look at this issue, see D. Freedman, *Youth employment promotion. A review of ILO work and the lessons learned*, ILO (forthcoming).

⁸ ILO: *Conclusions of the Tripartite Meeting on Youth Employment*, op. cit.

⁹ *A fair globalization: The role of the ILO*, Report of the Director-General on the World Commission on the Social Dimension of Globalization, 92nd Session of the ILC, Geneva, 2004.

Box 3.3
Youth and fundamental principles and rights at work

The Declaration on Fundamental Principles and Rights at Work is an important instrument for addressing issues surrounding youth employment. All member States of the ILO (even those who have not ratified the ILO fundamental Conventions) have an obligation to respect, promote and realize the fundamental principles and rights at work embodied in eight Conventions:

- ❑ freedom of association and the effective recognition of the right to collective bargaining (Conventions Nos. 87 and 98);
- ❑ the elimination of all forms of forced or compulsory labour (Conventions Nos. 29 and 105);
- ❑ the effective abolition of child labour (Conventions Nos. 138 and 182); and
- ❑ the elimination of discrimination in respect of employment and occupation (Conventions Nos. 100 and 111).

In its preamble, the ILO Declaration on Fundamental Principles and Rights at Work insists on the special attention to be given to the problem of unemployed workers with special social needs. In this respect, fundamental principles and rights at work should also play an important role to ensure that, in the context of a global strategy for economic and social development, youth employment issues are adequately integrated. The fundamental principles and rights at work are universal and applicable to all people in all States, regardless of the level of economic development. The rights and principles contained in the Declaration are applicable to all young workers without distinction. The Declaration furthermore calls for specific measures to be developed bearing in mind the needs of specific groups or subgroups of the population such as, for example, youth with disabilities or indigenous young people.

A campaign to promote the Conventions covered by the Declaration, initiated in 1995 following the Social Summit, involves social dialogue through information-sharing and consultation, technical cooperation activities, research, and reporting on progress towards the observance of fundamental principles and rights at work. Global reports are prepared in turn on four areas of principles and rights. The promotional campaign resulted in a significant increase in the ratification of the eight core Conventions, from 936 in 1999 to 1,223 in March 2004.

196. The *Global Employment Agenda* provides several policy pillars for the ILO's work to promote youth employment opportunities in conformity with fundamental principles and rights at work, placing employment at the centre of economic and social policies. Its ten core elements, outlined, include the four global priorities for national action to promote youth employment ("four Es") identified by the YEN – employability, equal opportunities, entrepreneurship and employment creation (see box 3.4).

197. For young workers, the wages they receive, the type of contract they have, their working hours, safety and health aspects of the work, work organization, and arrangements to adapt working life to the demands of life outside work contribute to their sense of *social and economic security*, which is central to decent work. This in turn affects their work motivation and productivity. Other key elements of economic security are protection against unfair and arbitrary dismissal, access to redress in cases of dispute, and access to social security should they become unemployed.

Box 3.4
**Global Employment Agenda: Promoting employment,
 economic development and social justice**

- ❑ Promoting trade and investment for productive employment and market access for developing countries.
- ❑ Promoting technological change for higher productivity, job creation and higher standards of living.
- ❑ Promoting sustainable development for sustainable livelihoods.
- ❑ A call for policy integration to ensure macroeconomic policy for growth and employment.
- ❑ Decent work through entrepreneurship.
- ❑ Employability through improving knowledge and skills.
- ❑ Active labour market policies for employment, security in change, equality, and poverty reduction.
- ❑ Social protection as a productive factor.
- ❑ Occupational safety and health – synergies between security and productivity.
- ❑ Productive employment for poverty reduction and development.

Source: ILO: *Global Employment Agenda* (Geneva, 2003).

198. The process of *social dialogue* is central to the ILO approach in ensuring that youth employment policy, regulations and programmes reflect the views and experiences of all stakeholders. At a basic level, social dialogue can involve exchange of information, implying no real discussion or action on the issues concerned, yet an essential starting point towards more substantive social dialogue. It may involve consultation, a means by which the social partners not only share information, but also engage in more in-depth dialogue about issues raised. Frequently, social dialogue involves negotiation, for example in the form of collective bargaining leading to collective agreements. In some countries, social dialogue is used as a means for seeking consensus between governments, employers' and workers' representatives on all major national economic and social policy issues, resulting in social pacts.¹⁰

Our challenge now is to move from the excellent policy work that has been done to a new phase of action at the country level. In the process of finding solutions to the problem of youth unemployment and underemployment, I hope that we will give a much-needed boost to the achievement of the Millennium Development Goals. Let us not forget, in the Millennium Declaration, world leaders committed themselves not only to the MDGs, but also to giving young people everywhere a real chance to find decent and productive work.

Kofi Annan, UN Secretary-General,
 Second Meeting of the YEN High-Level Panel,
 Geneva, ILO, 30 June 2003.

3.2. Developing youth employment strategies through the Decent Work Agenda

199. The ILO implements the Decent Work Agenda through its standards, and its knowledge-building, advocacy and service activities. The Office's wealth of knowledge on youth employment is being built up through ongoing policy analysis and other

¹⁰ J. Ishikawa: *Key features of national social dialogue: A social dialogue resource book* (Geneva, ILO, 2003).

research work since the 1960s and through monitoring of the application of international labour standards. Knowledge-building on youth employment receives Office-wide focus. In addition to the work of technical departments, research and policy analysis is conducted by the Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR), the Asian and Pacific Skills Development Programme (APSDEP), the International Training Centre, Turin, which provides training in subjects that further the ILO's pursuit of decent work for all, as well as through the ILO's field structure. The ILO knowledge base informs the support it provides to constituents in developing and implementing strategies to create freely chosen productive employment and income-earning opportunities for young people, to enhance youth employability and improve their working conditions. It is also reflected in the technical cooperation projects implemented to develop, test and demonstrate innovative approaches to skills development and employment promotion.

3.2.1. International labour standards and youth employment

200. A central focus of international labour standards is the promotion of full, freely chosen, productive employment which respects the fundamental rights and freedoms of all workers. Early ILO Conventions focused on the protection of young workers, including the regulation of minimum age for admission to employment in various types of economic activity, and a requirement for compulsory medical examination to establish their fitness to work. International labour standards now also include concern with the promotion of employment opportunities, including entrepreneurship and self-employment. Some Conventions explicitly mention young workers, such as those dealing with minimum age, training, working conditions (including pay, working time, night work and medical examinations), occupational safety and health at work and labour inspection. Others are of general application, dealing with wider policy issues including employment policy, or discrimination in employment and occupation and include young people in their scope. Some standards specifically target disadvantaged groups in the population, such as people with disabilities, migrant workers, child labour and indigenous groups, and cover employment considerations among other matters – these too are of relevance to young people. These interlinked and interdependent international labour standards form the basis of ILO activities to promote youth employment, focusing on both the quality and quantity dimensions. Boxes 3.5 and 3.6 present international labour standards and their application to youth employment strategies.

201. Concerted activities to promote ratification and implementation of certain international labour standards include the campaign for the ratification of the Conventions referred to in the Declaration on Fundamental Principles and Rights at Work; the promotion of Convention No. 144 on social dialogue; of Recommendation No. 189, concerning general conditions to stimulate job creation in small and medium-sized enterprises; of Conventions relating to gender, and of Recommendation No. 193 on the promotion of cooperatives. Follow-up to the Declaration on the Fundamental Principles and Rights at Work includes the preparation of annual reviews and Global Reports, and as well as technical cooperation programmes, all of which will continue to generate information on and attention to efforts being made to ensure universal respect for these principles and rights.

Box 3.5
International labour standards: Employment promotion

ILO support to constituents in developing a youth employment strategy is set in the framework of the **Employment Policy Convention, 1964 (No. 122)**, the key ILO Convention dealing with employment promotion. This Convention is described in Chapter 1. Currently, 95 countries have ratified it. The comments of the ILO supervisory bodies emphasize that while the objective of full, productive and freely chosen employment as put forward by the Convention is almost universally accepted and most countries have adopted policies designed to pursue this objective, many countries, and their development partners, do not make the promotion of employment a major goal.*

Guidance on the implementation of Convention No. 122 is given through the **Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)**. In relation to young people, the Recommendation emphasizes the importance of effective vocational guidance and training services adapted to improving their employment prospects. Examples of active labour market programmes given in this Recommendation include school-to-work transition programmes, post-compulsory education, skills training, subsidized temporary employment, training and work experience schemes, and business creation schemes.

The **Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)**, is a further legal tool of ILO policy advice to constituents. This Recommendation is discussed in more detail in the section on entrepreneurship below, along with ILO activities to promote it.

The **Promotion of Cooperatives Recommendation, 2002 (No. 193)**, suggests that measures should be adopted to promote the potential of cooperatives to create and develop income-generating activities and sustainable decent employment. The principles and values of cooperatives are particularly appealing to young people.

The **Human Resources Development Convention, 1975 (No. 142)**, and the **Human Resources Development Recommendation, 2004 (No. 195)**, give direction relating to skills development and vocational guidance for young people.

Working conditions of young people fall within the ambit of the Conventions concerning public and private employment services: the **Employment Service Convention, 1948 (No. 88)**, and the **Private Employment Agencies Convention, 1997 (No. 181)**, as well as the **Labour Administration Convention, 1978 (No. 150)**. Conventions Nos. 88 and 181 spell out the role of employment services in organizing the labour market and require special arrangements for youth to be initiated and developed within the framework of the employment and vocational guidance services (Convention No. 88); provide for the protection of the rights of workers – with a specific emphasis on migrant workers – using their services, in particular the right to freedom of association and to collective bargaining (Convention No. 181). Convention No. 150 specifies the functions of the Labour Administration, including participation in the preparation, administration, coordination, checking and review of the national employment policy.

* ILO: *Promoting employment: Policies, skills, enterprises*, Report III (Part IB), ILC, 92nd Session, Geneva, 2004, p. 130.

Box 3.6
International labour standards: Protection of young workers

The question of decent wage levels and fair labour remuneration practices remains historically central to ILO action; its international labour standards seek to guarantee and protect workers' rights in respect of wages. The **Protection of Wages Convention, 1949 (No. 95), and its Recommendation (No. 85)** were the first international labour instruments dealing in a comprehensive manner with all practical aspects of labour remuneration, seeking to accord the fullest possible protection for workers' earnings. The issue of working time is covered by various sectoral Conventions and Recommendations, as well as in specific instruments intended to promote the reduction of daily and weekly working hours, including the various instruments adopted more recently which relate directly or indirectly to working time (special programmes for young persons, workers with family responsibilities, occupational safety and health).

Other instruments of general application provide for special measures for young workers. The **Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)**, contains provisions aiming to ameliorate the employment situation for young people, in particular first-time jobseekers. This instrument provides for specific measures to promote the entry of young persons into employment.

Similarly, provisions relating to youth are contained in instruments on labour inspection, working time, wages, occupational safety and health and social security, such as the **Labour Inspection Convention, 1947 (No. 81), the Minimum Wage Fixing Convention, 1970 (No. 131), the Night Work Convention, 1990 (No. 171), the Occupational Safety and Health Convention, 1981 (No. 155), and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)**. Many countries integrated the provisions contained in these international labour standards into their national labour legislation.

Young working women and men frequently find themselves working under poor conditions, often including long hours at low wages, or working under precarious, short-term contracts, frequently in the informal economy with no social security or other benefits. Against this decent work deficit, ILO Conventions and Recommendations call for specific protective measures for young workers in relation to areas such as minimum age, working conditions (e.g. pay, working time, night work and medical examinations), occupational safety and health, and labour inspection. Certain international labour standards especially target young people, such as: the **Night Work of Young Persons Convention, 1946 (No. 79), and the Medical Examination of Young Persons Convention, 1946 (No. 78)**. These Conventions are ratified by 20 and 39 countries, respectively, but some preliminary discussions are proposed, probably resulting in their being updated.

Key message: International labour standards are the base from which strategies to promote full, freely chosen, productive work for youth are formed.

202. The specific aspects of these Conventions and other instruments relevant to youth employment have never been the focus of a campaign of implementation where youth are concerned and, indeed, some of these Conventions are not yet widely ratified (see Chapter 2). It should be noted in this context that there is a proposal before the Governing Body to give preliminary consideration to revising all the instruments covering night work and medical examination, following the review of standards concluded in 2002.

203. Box 3.7 shows ILO tools on conditions of work.

Box 3.7
ILO tools: Conditions of work

Codes of practice, containing practical recommendations intended for all those with a responsibility for occupational safety and health in both the public and private sectors, are produced for a number of sectors, covering a range of public safety and health issues (<http://www.ilo.org/public/english/protection/safework/cops/english/index.htm>).

The *code of practice on managing disability in the workplace* guides employers in the management of disability-related issues in the workplace (Geneva, ILO, 2002).

The *code of practice on HIV/AIDS and the world of work* contains fundamental principles for policy development and practical guidelines from which concrete responses can be developed at enterprise, community and national levels. It covers prevention of HIV/AIDS; management and mitigation of the impact of HIV/AIDS on the world of work; care and support of workers infected and affected by HIV/AIDS; and elimination of stigma and discrimination on the basis of real or perceived HIV status (Geneva, ILO, 2001).

The *informal economy resource database* contains over 400 ILO entries directly or indirectly related to the informal economy. Each entry contains information about the resource, which usually includes a brief summary of the contents, see the informal economy resource database: <http://www.ilo.org/dyn/infoecon/iebrowse.home>.

3.2.2. Strengthening the knowledge base on youth employment

204. As box 3.8 shows, data collection and analysis of employment and unemployment trends¹¹ through the Key Indicators of the Labour Market Programme (KILM), the ILO Bureau of Statistics and through the Statistical Information and Monitoring Programme on Child Labour (SIMPOC) project enables the Office to base its policy and technical advice to constituents regarding youth employment on the most up-to-date information possible. The ILO continues to refine a school-to-work transition survey, which allows for information-gathering on the current labour market and aspirations of young people in different countries, as well as the factors that influence their transition. Surveys are completed in Indonesia, Jordan, Sri Lanka and Viet Nam, with further surveys under way in China, Kosovo and Kyrgyzstan.

205. Statistically speaking, much is known about youth unemployment; disaggregation of statistics by age is a commonly used variable. Statistics are systematically available by gender, enabling a better understanding of the significant differences in the labour market experience of young women and young men. Data on the employment experience of diverse groups of youth are sparse, however, so that attention is not equally drawn to their employment-related requirements. Disaggregation is needed to reflect their situation, with a gender breakdown in each case.

¹¹ This work has led to such publications as *Global employment trends for youth*, op. cit.

Box 3.8
ILO tools: Data collection and analysis

The ILO *Bureau of Statistics* gathers a wide range of labour statistics (including employment, unemployment, wages, hours of work, etc.) from countries and disseminates these into LABORSTA, a database on labour statistics for over 200 countries and territories, and other media.

The *Key Indicators of the Labour Market* (KILM), with its Indicator 9, on youth unemployment, consists of four measurements: youth unemployment rate (youth unemployment as a percentage of the youth labour force); ratio of youth unemployment rate to the adult unemployment rate; youth unemployment as of total unemployment; and youth unemployment as a proportion of the youth population.

The *school-to-work transition survey* is an information-gathering tool on the current labour market and aspirations of young people in different countries and the factors that influence their transition (see box 3.6).

The *Statistical Information and Monitoring Programme on Child Labour* (SIMPOC) project, launched in 2000 (IPEC), investigates the worst forms of child labour through rapid assessments conducted to provide relevant information in a relatively quick and cost-effective way to serve as an essential tool for public awareness, programming and in-depth research.

206. It is also essential to ensure that appropriate indicators (box 3.9) be applied to measure the diversity. In response to this identified need, the ILO is making efforts to develop measures that are more far-reaching, to complement existing statistical information on unemployment. Indicators of the youth employment challenge, which adequately reflect the working conditions of young people across the range of work situations, and the labour market vulnerability of many young people, are as yet at an early stage of development.

Box 3.9
The ILO: Developing indicators

The *youth labour market exclusion rate* is proposed as an indicator of the problems faced by young people in the labour market. This indicator would reflect the percentage who are unemployed or involuntarily outside the labour force as well as the percentage who are working as self-employed or unpaid family workers, and thus excluded from wage employment.

The *school-to-work transition survey*, a tool designed by the ILO to be used at the national level, measures the realities of young people's experience as they enter the labour market, as a tool for use at national level. The survey allows countries to quantify the number of young people who successfully completed the transition from school to work and are in a job that is both satisfactory on a personal level and meets the demands for job security; the number of young people who are still in transition, that is, either unemployed or employed in a job that is temporary or unsatisfactory; and the number of young people who remain in school or are outside of the labour market with no plans to work in the future. The survey allows for analysis of determinants such as how the education/training system and the aspirations of young women and men meet the demands of the labour market, the perceptions and goals of young people entering the labour market, how they actually conduct their job search, whether they prefer wage or self-employment, the barriers to and supports for entry into the labour market, attitudes of employers towards hiring young workers. The survey is designed to capture the experiences of female and male interviewees from five target groups: in-school youth, jobseekers, young employees, young self-employed and own-account workers, youth who are neither in school nor in the labour market, and employers and managers of young people. The information generated should provide an important starting point for assessing the needs of young people and the programmes available to facilitate the transition from school to work for youth.

Note: KILM, internal document: *Youth employment problems: In search of an alternative indicator.*

Key message: It is essential to have good quantitative and qualitative data on youth employment on a national level, disaggregated by age and sex, and by other variables relevant in individual countries, such as ethnicity, geographic location, residency status, before embarking on policy decisions.

207. Rapid assessments of the situation of child and youth workers involved in hazardous occupations and in other forms of child labour indicate that many young people work long hours frequently in adverse conditions and suffer fatigue or exhaustion; face health and safety risks including physical, sexual or verbal violence; are at risk of HIV/AIDS (sex work and cases of sexual violence or drug use), exposure to contaminants and bacteria (mining, rag pickers), wounds, injury, skin disease or animal bites (fishing, rag pickers, garbage dumps, commercial agriculture), malnourishment (porters, sex workers).

208. Policies, strategies, programmes and targeted initiatives, which aim to improve employment prospects for young people are analysed and documented. The ILO, under the umbrella of the YEN, is called upon to carry out a global analysis and evaluation of progress made in the elaboration of national reviews and action plans on youth employment. Since youth employment is an integral part of the international community's strategy for the implementation of the Millennium Declaration, this analysis will also contribute to the five-year review of the implementation of the Millennium Development Goals in 2005.¹² This global analysis will allow for more precise guidelines on moving from best practice to best performance.

209. Several studies of the informal economy add to the understanding of the status and working conditions of young people in informal work. More information is needed on the type of work youth are doing, their working conditions, wages, hours of work, protection, security and their rights, in order to establish a solid basis for policy decisions and programme design and inform the policy debate on how the informal economy can be used as a vehicle to create decent work for young people.

210. Better knowledge of youth working conditions will also facilitate informed decisions regarding the extent to which protection of young workers may be legally imposed, with possible implications on employer decisions whether to hire young persons.¹³

Key message: Information on the working conditions of young women and men, in both the formal and informal economy, is necessary for the development of youth employment strategies to ensure the quality aspect of work.

3.2.3. ILO advocacy for youth employment

211. In supporting the development of youth employment strategies at national level, the ILO promotes consultation and information-sharing through tripartite meetings and through the involvement of social partners in the development of national youth employment strategies and action plans.

212. The YEN, as a network, acts politically, concentrating on educating, mobilizing and engaging a broad spectrum of partners to act in concert on youth employment as a

¹² United Nations General Assembly: *Promoting youth employment*, Report of the Secretary-General (A/58/229, Aug. 2003).

¹³ In terms of the two fundamental Conventions on child labour (Nos. 138 and 182), this is a matter for national determination following tripartite consultation.

common development agenda. A coordinated, integrated approach to youth labour market issues means that governments, enterprises, employers' and workers' organizations, youth organizations and training institutions foster cooperation with dialogue to build networks and partnerships that optimize combined resources, knowledge and expertise and reinforce each other's activities. To better understand each other's position, actors need to meet regularly to discuss youth issues in the labour market. Jointly devised solutions will strengthen their collective commitment. Consultation and cooperation can help to signal and anticipate undesirable developments and avoid conflict and increase the likelihood that policy decisions are properly implemented.¹⁴

Key message: The involvement of social partners in the design and implementation of youth programmes and policies is key to their success.

213. Several ILO tripartite regional, subregional and national meetings on youth employment have been held in different regions in recent years (box 3.10). Youth representatives have generally been invited to take part as concerned parties.¹⁵

Box 3.10

Tripartite meetings: Advancing the youth employment agenda

In collaboration with the Government of Japan, a Tripartite Regional Meeting on Youth Employment in Asia and the Pacific was held in Bangkok from 27 February to 1 March 2002. In preparation for this Meeting a series of research studies were completed and country workshops were conducted to increase awareness of issues relating to youth employment in the region.^a A second ILO/Japan meeting took place in December 2004, the Symposium on Globalization and the Future of Youth in Asia, where representatives of 13 countries of the region presented country studies and youth articulated their experiences and needs.

The Tenth African Regional Meeting in Addis Ababa, December 2003 included a session on "Decent work for youth" at which the importance of job creation for young women and men was stressed and a comprehensive resolution adopted (*resolution on decent work for youth in Africa*). This resolution called on the ILO to support governments and the social partners in developing and implementing practical measures for youth employment as a high priority within the context of decent work, poverty reduction and the Global Employment Agenda.^b

In October 2004, the ILO facilitated a session on youth, education and unemployment at the African Development Forum on Youth and Governance organized as a forerunner to the ADF meeting in 2005 which will be devoted to youth issues. The importance of action to provide job opportunities for young people was highlighted in the Declaration of the Ouagadougou Summit on Employment and Poverty Alleviation, 8-9 September 2004, which called on the ILO to technically support member States to develop coherent strategies, policies and plans of action in which employment will be central in development frameworks.

In the Arab States, a Tripartite Meeting of Experts on Youth Employment in Amman in April 2004, called for a range of measures to improve the employability of young persons, promote equality of opportunities and foster entrepreneurship.

In Latin America, national seminars were organized during 2003 in Argentina, Brazil, Chile, Paraguay and Uruguay on the topics of youth employment, vocational training and strategies for organizing young people with a view to creating more work opportunities and increasing income for women and men.^c

¹⁴ ILO: *Improving prospects for young women and men in the world of work*, op. cit.

¹⁵ Most recently, the Seventh European Regional Meeting, Budapest, held in February 2005. See Report of the Director-General (Vols. I and II).

Using an innovative approach, the CINTERFOR/ILO Youth Employment Network conducted two virtual seminars on youth training and employment in November and December 2002. The topics were *Youth and training for employability*; *Development of key occupational competencies*; and *Impact evaluation in experiences of vocational training for young people*. These seminars provided a forum for the exchange of views on concerns common to the different countries of the region.

Sources: ^a ILO: ILO/Japan Tripartite Regional Meeting on Youth Employment in Asia and the Pacific, ILO Regional Office for Asia and the Pacific, Bangkok, 2002. ^b GB/289/5, 289th Session (March 2004), report and conclusions of the Tenth African Regional Meeting, Addis Ababa, 2-5 December 2003. ^c See: <http://www.oit.org.pe/spanish/260ameri/oitreg/activid/proyectos/actrav/proyectos/semjuven.html> , accessed in March 2005.

214. The result of tripartite dialogue, the conclusions and recommendations of these meetings frequently call for action on the part of the ILO to support governments and the social partners in their efforts to improve youth employment prospects (box 3.11). In the case of the Tenth African Regional Meeting a comprehensive *resolution on decent work for youth in Africa* was adopted.

Box 3.11
Conclusions and recommendations on youth employment
from recent ILO tripartite meetings

- ❑ Develop integrated economic and social policies.
- ❑ Place employment creation as an explicit and central objective of economic and social policies.
- ❑ Develop action plans, in interaction with youth, covering decent work and including rights, employment, entrepreneurship and training.
- ❑ Empower the poor and the vulnerable.
- ❑ Intensify the fight against HIV/AIDS, tuberculosis, malaria and other related infectious diseases.
- ❑ Ensure equal opportunities for vulnerable and marginalized groups.
- ❑ Promote social dialogue and partnership among governments, social partners, civil society and the private sector.

Source: *Declaration on employment and poverty alleviation in Africa*, Third Extraordinary Summit on Employment and Poverty Alleviation in Africa, Ouagadougou, Burkina Faso, 8-9 September, 2004 (EXT/Assembly/AU/3(III)).

215. Recommendations such as those appearing in box 3.9 inform the Office of constituent needs and, thereby, set the stage for the next level of action in the countries concerned – developing strategies to address the concerns raised. The examples in box 3.12 indicate how the social partners are taking collaborative initiatives to tackle issues of concern without delay, following information-sharing and consultation.

Box 3.12
Social dialogue for youth employment

After the second meeting of the High-Level Panel of the Secretary-General's Youth Employment Network at the ILO (30 June-1 July 2003), in response to a recommendation on "Social dialogue for youth employment", the International Confederation of Free Trade Unions (ICFTU) and International Organisation of Employers (IOE) wrote a joint letter to the ILO Director-General proposing their common support to assist governments in the preparation of national reviews and action plans as called for by the United Nations General Assembly.

Collaborative action arising from social dialogue on HIV/AIDS and the World of Work

The ICFTU and the IOE jointly recognize the direct impact of the HIV/AIDS pandemic on the world of work, asking their affiliates, member enterprises and trade unions to give the issue the highest priority. Their work in this area will be built around the *ILO code of practice on HIV/AIDS and the world of work*, developing a strategy to target groups that are at high risk of contracting the virus, such as young people between the ages of 15 and 24, particularly young women. As part of their joint commitment, both the ICFTU and the IOE will explore opportunities to identify and develop joint action programmes, in partnership with their national members, building on the efforts and initiatives taken to date at the workplace. At the international level, they seek to increase both the awareness profile of the problem as well as the resources available to fight the pandemic.

Source: IOE and ICFTU Joint Statement: *Fighting HIV/AIDS together: A programme for future engagement*, May 2003.

3.2.4. Youth employment: ILO services to constituents

216. The Office provides support services to constituents in implementing strategies to promote decent work for young people through technical advisory papers and technical cooperation projects funded by donor countries. Technical advisory briefs are frequently specifically focused on youth (see examples for Indonesia in the following section). In recent years, this work took place largely through the Decent Work Pilot Programmes (DWPP),¹⁶ as well as through support to the development of Poverty Reduction Strategy Papers (PRSPs).¹⁷ The ILO actions have assisted countries in the development of their National Action Plans (NAPs) linked to the YEN.¹⁸ In some countries, work on the DWPP, the PRSPs and the NAPs are closely interlinked. Several also have time-bound programmes for the elimination of the worst forms of child labour (Brazil, Indonesia, Senegal and the United Republic of Tanzania). Technical cooperation projects to promote employability through vocational training or entrepreneurship development often include youth among the targeted beneficiaries (see also box 3.23). The relevant international labour standards and the Global Employment Agenda provide the basis for the policy and technical support provided by the Office in the development of national youth employment strategies (box 3.13 draws attention to ILO tools on youth employment).

¹⁶ In Bahrain, Bangladesh, Denmark, Ghana, Kazakhstan, Morocco, Panama and the Philippines.

¹⁷ Cambodia, Honduras, Mali, Nepal, United Republic of Tanzania (the original pilot countries) plus Bangladesh, Ethiopia, Ghana, Indonesia, Pakistan and Viet Nam.

¹⁸ Azerbaijan and Indonesia, for example.

Box 3.13**ILO tools: Policy recommendations related to youth employment**

Improving prospects for young women and men in the world of work: A guide to youth employment^a summarizes the problems of youth in the labour market, overviews the international initiatives on the issue and provides policy advice on addressing the concerns.

Meeting the youth employment challenge: A guide for employers^b outlines a number of simple and effective initiatives all employers and employers' organizations can take to stimulate youth employment.

Juventud y empleo: Guía sindical^c a toll by trade unions to disseminate concepts and notions on youth employment among members, as a basis for the workers' movement to carry out positive action in this area.

^a Geneva, ILO, 2004. ^b Geneva, ILO, 2001. ^c Geneva, ILO, 2001 (English forthcoming).

217. In **Indonesia**, for example, the ILO worked with the constituents to develop a number of strategies that directly or indirectly impacted on youth employment in the country. Support was provided to the PRSP process, as part of the Indonesia Tripartite Action Plan for Decent Work 2002-05, through capacity building for constituents and through technical contributions to the drafting process.¹⁹ These included 12 technical briefing notes²⁰ and a comprehensive report with policy recommendations addressed to government. Youth employment is a focus of attention in this report. In addition, technical support was provided to the *Indonesia Youth Employment Network (IYENetwork)*, set up in 2003 under the leadership of the Ministry for Economic Affairs and the Ministry of Manpower and Transmigration. It involves senior policy-makers, representatives of the private sector and civil society as well as youth organizations. Technical support activities included research on the school-to-work transition of young people, a survey of best practice, a survey and report of *best practice* programmes, which took place as part of an action agenda in 2003 through a technical cooperation project on *Addressing the challenges of youth employment in Indonesia*, with funding from the Government of the Netherlands. The ILO also conducted a series of consultations with stakeholders including young women and men which provided valuable information in the preparation and development of the Indonesia Youth Employment Action Plan.²¹ Box 3.14 provides another example of ILO action.

¹⁹ Tools developed by the ILO relating to the PRSP process include guidelines on the integration of a disability component into the PRSP. Similar guidelines are planned for child labour. A manual giving guidance on the PRSP process includes a section on youth employment.

²⁰ Technical briefing notes dealt with the following topics: Employment dimensions of macro and sectoral policies; Decentralization and decent work: Making the connection to the MDGs; Job creation and enterprise development (SMEs and local economic development); Youth employment: Pathways from school to work; Rural development: Access, employment and income opportunities; Rural development access, employment and income opportunities; Skills development for economic growth and sustainable livelihoods; Promoting the Declaration on Fundamental Principles and Rights at Work; Eliminating the worst forms of child labour; Promoting good governance in the labour market by strengthening tripartism and social dialogue; Migration: Opportunities and challenges for poverty reduction; Gender and poverty.

²¹ Indonesia Youth Employment Network: *Unlocking the potential of youth, Indonesia Youth Employment Action Plan, 2004-07* (Jakarta, 2004).

Box 3.14
Making a difference in Sri Lanka

Sri Lanka was one of the first lead countries of the Youth Employment Network in 2002. Since then, a multi-stakeholder platform has been created to formulate a National Action Plan on Youth Employment. The ILO has supported this initiative by preparing a background report and recommendations as a basis for developing the Plan of Action. It has also supported the Government of Sri Lanka in setting up a YEN secretariat. In addition, a database of all projects and programmes related to youth employment and a geographical information system (GIS) will make information available to policy-makers on youth employment (rates of unemployment, facilities such as schooling, vocational education, and business development services) covering all districts with a special focus on gender. Furthermore, the Sri Lanka YEN now publishes a quarterly newsletter and has a YEN web site. A major campaign on changing perceptions and promoting employment opportunities for youth is planned.

The ILO continues to strengthen the capacity of the focal ministry, the Ministry of Skills Development and Vocational and Technical Education, through the dissemination of the results of the ILO school-to-work transition survey, which identifies hurdles encountered by youth seeking employment, providing evidence for policy interventions and the introduction of ILO's Know About Business (KAB) training package to help students in vocational schools develop the skills to set up a business or work productively in a small and medium-sized enterprise.

JobsNet, a public-private partnership to provide employment services, has been established and 17 centres are operational, providing key placement and counselling services. In the aftermath of the recent tsunami, the project trained 95 students to survey 1,440 households in the affected areas for targeted employment creation and social protection programmes. In light of the urgent need for skilled labour for rehabilitation and reconstruction the YEN secretariat has collaborated with JobsNet to develop an information database on availability of skilled youth in the country.

Furthermore, the ILO reinforces the high profile of youth employment on the national development agenda, linking it to the PRSP (see Chapter 2, section 2.1.5 for a discussion of Sri Lanka's PRSP focus on youth employment) and MDGs as well as promoting youth employment among YEN collaborating partners and international donors.

218. In **Ghana**, the DWPP contributes to the development of the Ghana Poverty Reduction Strategy through a tripartite policy seminar in December 2003, at which agreement was reached on the policies for employable skills, entrepreneurship and employment development through public procurement. In an interesting initiative which might be replicated for youth in general, youth with disabilities were among those attending capacity-building training organized by the ILO to enable people with disabilities to contribute effectively to the development, implementation and monitoring of the Strategy.

219. A further example is **Bahrain**, where the Government is seeking to develop manufacturing and service industries so as to diversify the economy from its reliance on oil, the integration of young Bahrainis into the emerging labour market is a key priority. The DWPP, drawn up following a multidisciplinary situation analysis and consultations with national partners includes a programme to improve youth employability and development.

220. In **Morocco**, the DWPP includes a focus on strengthening the national system of youth apprenticeships, while the Decent Work Action Plan in the **Philippines** places youth employment in the framework of a policy on employment and competitiveness; poverty reduction through local economic development and improvement of productivity and income in the urban informal economy.

221. In **Egypt**, the ILO was invited to advise on key policy and institutional issues of relevance to the development of a national employment agenda to tackle its persistently high unemployment. Given the high proportion of young people among the unemployed, the Government launched a comprehensive Youth Employment Programme in 2001. The ILO conducted a review of two components of this programme, training and job creation in artisan workshops, with a view to making recommendations for improvement.

3.3. Creating quality jobs – The ILO perspective

222. Meeting the objectives of decent work requires a range of integrated economic and social policies designed to promote quality productive employment. The Global Employment Agenda calls for policies beyond traditional labour market policies, placing employment at the heart of economic and social policy. The Global Employment Agenda's emphasis on alliances and partnerships as a means of achieving policy coordination and coherence serves to strengthen the process. To reach this policy objective, greater consistency within the multilateral system, close coordination among the relevant government ministries, combined with committed, strong, democratic, and accountable local institutions, is needed.²²

223. The ILO recognizes that the goal of employment generation for young people, as for workers in general, needs to go hand in hand with quality work conditions and, in particular, fundamental workers' rights. The ILO provides international guidance on youth working conditions through the core Conventions and through Conventions specifically dealing with working conditions of young people – the Night Work of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 79), and the Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 78). Other instruments of general application provide for special measures for young workers, such as those concerning labour inspection, working time, wages, occupational safety and health, while those dealing with public and private employment services have provisions which can influence working conditions. These Conventions form a solid basis on which constituents can base national legislation on working conditions.²³ See also box 3.12 on the ILO codes of practice on conditions of work.

3.3.1. Employment-centred macroeconomic policies

224. The Global Employment Agenda underscores the need for an employment strategy that provides for the forces of change in today's global economy, enhances productivity growth (trade and investment, technological change, sustainable development and macroeconomic policy) and combines them with policies to manage change in a socially acceptable and non-discriminatory manner (through entrepreneurship promotion, skills development, active labour market policies, social protection, occupational safety and health, productive employment for poverty reduction and development).²⁴ The intention is to permit a more active expansionary macroeconomic policy stance conducive to employment growth, particularly on the financial side, without running into inflation or balance of payment problems.

²² World Commission on the Social Dimension of Globalization: *A fair globalization: Creating opportunities for all* (Geneva, ILO, 2004).

²³ Some Conventions – those dealing with night work and medical examination – may be revised in the near future.

²⁴ *Starting right*, op. cit., p. 39.

225. Macroeconomic policies, through fiscal, monetary and exchange rate instruments, play a key role in shaping the economic environment through investment, growth and job creation, such that greater job opportunities for young jobseekers also come about. Macroeconomic policies, which were often constrained to focus only on the goals of macroeconomic stability and adjustment during the past two decades, yielded inadequate economic growth, had limited impact on poverty reduction and employment generation.²⁵ Not only was economic growth slow but in many instances “jobless growth” was observed. Even where a growth in employment generally was observed, this did not necessarily lead to an improvement in youth employment rates, particularly among disadvantaged groups in society.

Key message: A coherent, integrated approach to policy development, involving different ministries of government as well as representatives of the social partners and other concerned groups, and especially young people themselves, is an essential requirement if the youth employment issue, in its diverse forms, is to be effectively tackled. The strategy for youth employment promotion should be linked to a macro policy that promotes economic growth, through an employment-oriented development programme, and include measures to tackle both the supply and demand sides of the labour market.

The prevailing policy advice on youth employment is not working. If it were we would not have the level of unemployment of youth we see today. We cannot expect economic growth to bring jobs naturally, to succeed we have to put job creation and enterprise creation at the very forefront of policy-making.

ILO Director-General Juan Somavia,
Second High-Level Panel Meeting of the YEN,
July 2003, Geneva.

226. The ILO supports governments in the design of employment strategies to enhance productive employment, with the involvement of social partners. This work is largely carried out through macroeconomic policy reviews, under the umbrella of the DWPPs and support to the PRSP process, with direct advice provided in countries dealing with the aftermath of financial crisis (for example, Argentina, Brazil, and Mexico).

3.3.2. Sectoral development policies

227. Promoting high employment-absorbing sectors and methods of production can be key to generating employment opportunities for young persons, particularly in developing countries and transition economies.²⁶ Sectors likely to contribute to the expansion of employment opportunities for young people are country or regionally specific. It is very important that social partners be involved in identifying sectoral development strategies with potential for quality jobs, as they are well placed to do so and also because attention needs to be paid from the outset to ensuring that the fundamental worker rights of young people employed in these sectors are observed. In Cambodia, for example, the ILO Garment Sector Working Conditions Improvement Project monitors and reports regularly on the working conditions in Cambodia’s garment sector, noting improvements made on the basis of project suggestions.²⁷

²⁵ ILO: GB.291/ESP/1, op. cit.

²⁶ ILO: *Conclusions of the Tripartite Meeting on Youth Employment*, op. cit.

²⁷ Nearly all – 85-90 per cent – of the 270,000 garment factory workers are young women aged 18-25 years old. ILO press release, Wed., 9 Feb. 2005.

228. Some countries look to the promotion of export processing zones (EPZs) in promoting employment opportunities. National and international concern is expressed about working conditions in many EPZs and their failure to comply with international labour standards. In addition, while women have improved access to employment through the EPZs, they are often employed in the least-skilled and worst-paid categories of work, with limited potential for advancement, and little opportunity for training. In promoting EPZs as an option for young workers, the goal of employment generation must go hand in hand with ensuring quality working conditions and, in particular, fundamental workers' rights.²⁸

3.3.3. Labour market regulations

229. Labour market regulations are key policy levers in the promotion of efficiency and equity in the distribution of income and assets. Youth wages and employment protection legislation are often the focus for policy-makers addressing youth employment.

230. The main ILO instruments on *minimum* wages are the Minimum Wage-Fixing Machinery Convention, 1928 (No. 26), the Minimum Wage Fixing Convention, 1970 (No. 131), and the Minimum Wage Fixing Recommendation, 1970 (No. 135). Minimum wage legislation is an instrument for protecting vulnerable workers because of its links to certain basic social security benefits. It has an effect on the wage hierarchy and can be used to combat discrimination and improve the standard of life of workers at the bottom of the pay scale. During periods of growth, "appropriate increases in the minimum wage have no real significant effect on unemployment, and, as for their effect on inflation, this is far from convincing". The ILO thus advises a refocus on the use of the minimum wage to protect the lowest paid wage earners and fight wage inequality.²⁹

231. As far as *employment protection legislation* (EPL) is concerned, some argue that EPL increases youth unemployment by making labour too expensive. Certain types of labour regulation, especially concerning lay-offs, are thought to discourage employers from hiring workers they cannot dismiss during an economic downturn. Labour protection, however, is a question not just of rights and moral obligations but also of productivity and development. The central concern is to identify mechanisms that strike a fair balance between increased market competitiveness and workers' rights to security and dignity at work.

232. It is argued that stricter EPL increases dismissal costs and reduces the flexibility of enterprises to adjust to the economic cycle. This would negatively affect employment, and youth employment in particular, by favouring those who are already employed to the detriment of those who are seeking employment. On the other hand, EPL is thought to ensure fairness and basic security, to increase incentives for employers to invest in human capital³⁰ and encourage cooperative labour relations, leading to improvements in productivity, competitiveness and overall efficiency (see also box 3.15). The question becomes how to overcome the disadvantage for young people. Other mechanisms to facilitate integration should therefore be explored.³¹

²⁸ ILO: GB.286/ESP/3, 286th Session, Geneva, March 2003.

²⁹ ILO: GB.291/ESP/5(& Corr.), 291st Session, Geneva, November 2004, paras. 45-46.

³⁰ Recent studies on participation in employer-sponsored training in OECD countries indicate that employers prefer to invest in training of prime-age rather than young workers. See *OECD Employment Outlook*, 2003, op. cit.

³¹ ILO: *Improving prospects for young women and men in the world of work*, op. cit.

Box 3.15

ILO tools: Equal employment opportunities through legislation

Achieving equal employment opportunities for people with disabilities through legislation: Guidelines (Geneva, ILO, 2004) is intended for policy-makers and drafters of legislation, to assist in improving the effectiveness of national laws regarding training and employment of persons with disabilities.

233. Alternative policy approaches within Europe show that employment and social protection policies can support flexibility for firms while ensuring income and broader social security to workers at the societal level. The ILO has responded to the flexibilization debate and concerns by launching a new project entitled “Flexicurity”; this project comprises research and publications addressing both macroeconomic and microeconomic issues, as well as their interactions, and look for synergies between social and economic development, to form a basis for cross-country exchange of experience and cooperation.³²

Key lesson: Laws and regulations can influence economic growth and development, and at the same time, protect worker rights and social interests more generally. Laws and regulations designed with the involvement of the social partners are more likely to ensure that employment promotion and enterprise development do not compromise workers’ rights.

3.3.4. Active labour market policies

234. Through its technical cooperation programmes, the ILO supports the development of active labour market policies and programmes in the form of *employment-intensive projects* in many developing countries (box 3.16). The focus of the ILO’s Employment-Intensive Investment Programme is poverty reduction through infrastructure investment in developing countries, providing support to over 40 countries in Africa, Asia and Latin America in the establishment of labour-based infrastructure programmes since the 1980s. Such programmes include labour-based road rehabilitation and maintenance, improvement of pathways, footpaths and foot bridges in rural areas development of water-based or other low-cost means of transport; water and soil conservation and urban livelihood improvements. These programmes have significant potential for the employment of young women and men. Many of those employed under these programmes, such as the ILO-supported collaboration with the Dar es Salaam city council on solid waste disposal, are disadvantaged young people.³³

Box 3.16

ILO tools: Employment-intensive development

Employment-intensive infrastructure programmes: Labour policies and practices (Geneva, ILO, 1998): targeting government ministries responsible for civil works, labour and employment as well as the social partners, the guide deals with practical implementation of a policy on decent work, and on the role played by different stakeholders in this process, including the social partners. While the employment of young people is not specifically mentioned, this guide is highly relevant for countries seeking to tackle the youth employment challenge in this way.

³² Balancing flexibility and security in Central and Eastern Europe: “Flexicurity” project: <http://www.ilo.org/public/english/region/eurpro/budapest/employ/flex/>, accessed in March 2005.

³³ ILO: GB.289/ESP/1, 289th Session, Geneva, March 2004.

235. The *development of small and medium-sized enterprises* (SMEs) by and for young people represents an essential source of employment creation for youth. Supports to enterprise development among young people should include access to credit, financial, business development services and management assistance, training and the provision of free or low-cost premises and workshops, and mentor support.

236. The *Job Creation in Small and Medium-Sized Enterprises Recommendation*, 1998 (No. 189), emphasizes the fundamental role that SMEs should play in the promotion of full, productive and freely chosen employment, greater access to income-earning opportunities and increased economic participation of disadvantaged and marginalized groups. It advocates the adoption of a detailed policy and legal framework conducive to the development of SMEs, the development of an enterprise culture and the development of an effective service infrastructure. It calls on States to consider specific measures and incentives for young persons aspiring to become entrepreneurs (see box 3.15).

237. A recent ILO review of how the policy and regulatory environment affects employment and investment growth in micro- and small-scale enterprises (MSEs) highlighted areas in need of reform. The study examined national business laws, taxation, labour regulations, and trade and finance policies in seven countries (Chile, Guinea, Pakistan, Peru, South Africa, United Republic of Tanzania and Viet Nam) and assessed their direct and indirect impact on the MSE sector. The findings provided the basis for national action plans in each country, designed to address current policy deficiencies, in consultation with relevant national stakeholders. The assessment tools and survey instruments were adapted for use in other countries, including Egypt, India, Islamic Republic of Iran, Paraguay and the Philippines.³⁴

238. The Office also supports the development of enterprise through initiatives in collaboration with social partners and other groups (see also box 3.15). In relation to young entrepreneurs, for example, the ILO collaborated with the International Organisation of Employers, the Employers' Federation of the Philippines, Philippine Business for Social Progress, the Rotary Club of Manila and Rotary International in establishing the Philippine Youth Business Foundation (PYBF). Through the PYBF, young people who establish their own small enterprises have access to mentoring by experienced business people, and are assisted in gaining access to credit.³⁵

239. *Cooperatives* are an attractive option to many young people starting out, particularly if they are unable to enter formal employment or do not wish to do so. The principles and values of cooperatives – including solidarity, equity, equality, self-help and democracy – are often shared by young people. The double nature of a cooperative – as an enterprise and an association – contributes to making them congenial workplaces for youth. In addition, the group solidarity in a cooperative reduces the risk that the individual must take to become an entrepreneur, and is a means of overcoming the problem of access to start-up capital required to start a business and that of securing collateral as a precondition to obtaining credit from financial institutions to develop and expand a small enterprise.

³⁴ G. Reinecke and S. White: *Policies for small enterprises: Creating the right environment for good jobs* (Geneva, ILO, 2004).

³⁵ ILO: "Decent employment through small enterprises: A progress report on SEED activities" (Geneva, 2003), p. 75.

240. Adopted in 2002, ILO Recommendation No. 193 concerning the promotion of cooperatives suggests that measures should be adopted to: promote the potential of cooperatives in all countries, irrespective of their level of development; create and develop income-generating activities and sustainable decent employment; improve social and economic well-being; contribute to sustainable human development and establish an active relationship with concerned governmental and non-governmental agencies with a view to creating a favourable climate for the development of cooperatives. While not specifically targeting young people as potential beneficiaries of cooperatives, youth stand to benefit for the reasons outlined above. Within 18 months of its adoption, over 20 ILO member States had used the instrument as a basis for new cooperative policies and/or laws.³⁶

241. The potential of cooperatives to empower informal economy workers is illustrated by the ILO/SYNDICOOP programme in Rwanda, Uganda and the United Republic of Tanzania. Involving collaboration between national trade union organizations and cooperative movements, the programme was developed to organize informal economy workers into cooperatives, paving the way for their unionization in many cases. Through further technical cooperation projects, the ILO works with indigenous people to promote awareness of the potential of self-help organizations and cooperatives in strengthening traditional livelihoods and job creation among ethnic groups in Asia.

242. With the International Co-operative Alliance and the IOE, the ILO recently agreed to promote the concept of shared-service cooperatives – businesses which pool resources and purchasing power and reduce operating costs through the joint use of equipment, to increase their competitiveness.³⁷ These cooperatives are enabling many small enterprises in Europe, Japan and North America to withstand global competition. The shared-service concept may prove valuable for young entrepreneurs (see also box 3.16 for ILO tools on enterprise development).

243. Young entrepreneurs frequently face difficulties in accessing credit to start and develop businesses, as they do not have collateral, nor do they have a business reputation. To support countries in overcoming this obstacle, the *ILO works to combine entrepreneurship training with access to microfinance*. This includes inviting microfinance representatives to present their programmes to Start Your Business (SYB) participants and then having the representatives listen to and comment on the participants' business plans. In Uganda, when SYB was provided through an NGO that also handled microfinance, the enterprise start-up rate was as high as 67 per cent. For Improve Your Business, the emphasis is on job preservation as the training helps inefficient firms to survive and thrive through better management. In Peru, for example, the ILO is working with a private financial institution to effectively bundle finance and IYB and thereby increase enterprise viability (see box 3.17).

³⁶ ILO: GB.289/ESP/1, op. cit.

³⁷ *ibid.*

Box 3.17 ILO tools

Enterprise development

Guide to ILO Recommendation No. 189 informs constituents of the issues and strategies and presents the widest range of possible actions, from which the most feasible in each national context can be selected.

Work Improvements in Small Enterprise (WISE) programme aims to improve working conditions by owners and managers of small and medium-sized enterprises. Support materials are available in the form of manuals and related publications. A training programme developed for workers is based on the WISE approach.^a

Improving Business Performance through Better Working Conditions: geared to entrepreneurs, this training package focuses on the working conditions of employees and provides innovative suggestions on how owners can meet the objectives of decent work and improve profitability at the same time.

Guide to ILO Recommendation No. 193 (in conjunction with the United Kingdom's Co-operative College and the International Co-operative Alliance (ICA))^b explains how to help ensure an enabling environment in which cooperatives may flourish, by identifying the key components of law and policies on cooperatives. It also shows how and why there is a need to campaign for such legal frameworks for cooperatives.

Entrepreneurship development

Know About Business (KAB) programme is specifically designed for youth in vocational training institutes, informing them about the world of business and opportunities to create their own businesses in the future. Providing young people with insights into entrepreneurship and enterprise, it aims to help them realistically consider the options of starting a small business or of self-employment.

Generate Your Business Ideas (GYB) training tool encourages aspiring entrepreneurs to think more deeply about their business ideas, in particular the feasibility of turning a business idea into a profitable venture.

Start Your Business (SYB) course is designed for new entrepreneurs, introducing the basic elements of starting and managing a new business.

Improve Your Business (IYB) training package focuses on ways to improve the performance and productivity of businesses.

Gender and Entrepreneurship Together (GET Ahead for women in enterprise) training programme combines entrepreneurship with a gender perspective, targeting poor women intending to start in business.

^a *Job creation in small and medium-sized enterprises. Guide to ILO Recommendation No. 189* (Geneva, ILO, 2004). ^b In 2004, the ILO and the International Co-operative Alliance signed an agreement to implement a "Common Cooperative Agenda" aimed at creating decent jobs and reducing poverty, as well as seeking to address the UN Millennium Development Goals. Under the terms of the partnership, the ILO and ICA will jointly organize a funding campaign among major multi-bilateral donors and other development partners to finance the common activities foreseen.

The capital that is available to youth is very limited and largely inaccessible. There is so much red tape, bureaucracy and corruption that face youth in the form of demands for security, collateral and experience, which in most cases young people do not have. Youth who come from poor communities and families can definitely not afford to fulfil any of these requirements.

Youth Roundtable, Expert Group Meeting on Creating Strategies for Youth Employment in African Cities, Nairobi, Kenya, 21-25 June 2004.

244. The Office prepared several training packages dealing specifically with social finance, most of which are generic, with one focusing specifically on youth (see box 3.18). Capacity-building programmes are implemented in developing countries and

transition economies to support national efforts to enhance self-employment and micro- and small-enterprise development through the introduction of microfinance strategies and the extension of local microfinance services to a wider range of clients, including young people and with a particular focus on women.

Box 3.18
ILO tools: Social finance

Revolving loan and guarantee funds: Checklist for a better design and management of revolving loan and guarantee funds in ILO technical cooperation programmes: guides the necessary investigations to be undertaken before a credit or guarantee fund can be set up. It reviews some of the major points to be taken into account in contracts and agreements with local financial institutions and gives suggestions on fund management and accounting standards.

Microfinance for self-employment in industrialized countries: Good practice guide: provides managers in charge of self-employment promotion schemes with the tools to enhance the performance of their programmes.

Microfinance in conflict-affected communities (in collaboration with the United Nations High Commissioner for Refugees): aims to bridge the gap between relief and development programmes in conflict-affected countries and deals with the use of microfinance as one of the tools to support self-reliance. Programmes, delivered worldwide by experts with extensive experience in working in conflict-affected communities, take into account young people as well as other vulnerable groups.

Note: Available at <http://www.ilo.org/public/english/employment/finance/index.htm> , accessed in March 2005.

Key lesson: Government and social partner support and investment in labour-intensive development projects and programmes, micro, small and medium-sized enterprise development, social enterprises and cooperatives, including the encouragement of an entrepreneurial culture, can be effective in creating quality jobs for young people.

3.4. Enhancing youth employability: The ILO perspective

3.4.1. Education and training

245. “Education, training and lifelong learning contribute significantly to promoting the interests of individuals, enterprises, the economy and society as a whole, especially considering the critical challenge of attaining full employment, poverty eradication, social inclusion and sustained economic growth in the global economy.” Furthermore, “education, training and lifelong learning are fundamental and should form an integral part of, and be consistent with, comprehensive economic, fiscal, social and labour market policies and programmes that are important for sustainable economic growth and employment creation and social development”.³⁸

246. Education and training are key factors in preparing young people for the world of work. In general, the least-educated and the least-skilled are more likely to be unemployed, although some countries face the problem of the “educated unemployed”. Exclusion from education and training is often systemic. It is also at the root of child labour, low-paid and poor-quality jobs, labour market segmentation and the vicious circle of intergenerational poverty and social exclusion. Early school leavers and other

³⁸ Preamble, Human Resources Development Recommendation, 2004 (No. 195).

at-risk young people are disproportionately drawn from disadvantaged ethnic, social and regional groups.³⁹

247. The universal right to education by 2015 is pledged in the Millennium Declaration and the UNESCO Education for All Initiative. Education levels have risen in all regions in the past decade; today's young people have more formal education than any other generation in history. Yet, many developing countries face the challenge of providing their school-age children with basic education. Many countries have to change their investment priorities in favour of basic education. Initiatives to boost literacy and numeracy⁴⁰ and basic education for young people (e.g. non-formal and informal learning, distance learning and adult literacy programmes) can supplement national efforts to reach the MDG targets.⁴¹ These initiatives would require a significant increase in educational expenditure, especially in the least developed countries, which would need to quadruple current annual government spending and official development assistance on education to achieve universal primary schooling by 2015.⁴²

248. The aim of *vocational education and training* (VET) is to prepare young people to participate effectively in the labour market and integrate fully into economic and social life. In several countries training systems are strongly school-based, often providing standardized, supply-driven education and training that do not always meet today's rapidly changing labour market requirements. VET reforms, under way in many countries, endeavour to bridge the gap between formal education and training for the world of work.

249. The Human Resources Development Convention, 1975 (No. 142), and the Human Resources Development Recommendation, 2004 (No. 195), are the key to providing guidance to constituents on how to strengthen and adapt vocational training systems to effectively equip trainees with the core and technical skills and knowledge required for work in the knowledge society.⁴³ See box 3.19 for ILO tools for human resource development initiatives.

Box 3.19

ILO tools: Initiatives in human resource development

Infobase on HRD: includes 496 national initiatives from 76 countries (as well as international instruments), across a range of topics, including access to education and training; institutional framework: vocational and career guidance; counselling; lifelong learning; and people with special needs.

Note: Available at http://www.logos-net.net/ilo/150_base/en/countries/compil.htm, accessed in March 2005.

250. VET reforms have often focused on integrating vocational and general education by merging various types of educational institutions, increasing the general studies content of vocational streams, or integrating vocational subjects into general upper-secondary education. The duration of compulsory education has been extended in many

³⁹ ILO: *Starting right*, op. cit., p. 30.

⁴⁰ See Chapter 1 on literacy and numeracy deficits of young women and men.

⁴¹ See ILO: *Starting right*, op. cit., p. 30; and United Nations: *World Youth Report 2003*, op. cit.

⁴² UNDP: *Human Development Report 2003* (New York, Oxford University Press, 2003).

⁴³ A promotional campaign for this Recommendation will involve meetings at national and regional level, a database on current practice and the development of support materials such as thematic guides on specific subjects.

countries. Initial training is provided in schools and specialized institutions, and it increasingly includes workplace-based learning. The development of core work skills is an important element of VET reforms. These non-vocational skills, often termed “higher and different skills” (e.g. communication and interpersonal relations, learning-to-learn, problem solving, and ICT) are portable across occupations, enterprises and sectors. They build upon skills developed in basic education and are essential for employability and lifelong learning.⁴⁴

251. ILO research demonstrates that many countries are also introducing broad, competency-based training programmes that meet the requirements of adaptability and flexibility in rapidly changing labour markets. Systems for recognition of prior learning (RPL) – whether formal, non-formal or informal – have been introduced in a number of countries.⁴⁵ RPL improves employability and facilitates entry and re-entry into education, training and employment. Qualification frameworks allow individuals to acquire, at their own pace, competencies leading to a full qualification. These frameworks provide a clear reference to young people for their learning and future careers and facilitates their mobility in the labour market.

252. Two emerging features of recent VET reforms are the increasing involvement of the social partners in planning, monitoring and evaluating education and training and/or the devolution of these tasks to regional and local levels. They aim to make education and training more relevant to national and local labour market requirements and improve their responsiveness to socio-economic needs.⁴⁶

253. The importance of *education, work-based training*⁴⁷ and *work experience* is highlighted in the Human Resources Development Recommendation 2004 (No. 195), which calls on governments to promote the expansion of workplace learning and training through: the utilization of high-performance work practices that improve skills; the organization of on- and off-the-job training with public and private training providers, and making greater use of information and communication technology; and the use of new forms of learning together with appropriate social policies and measures to facilitate participation in training.

254. The ILO contributes to the knowledge base on workplace learning through the compilation of case studies and reviewing enterprise-based youth schemes in vocational education, training and skills development. Lessons learnt from this research will inform the campaign to promote Recommendation No. 195.

255. Historically, *apprenticeship* has been the principal means of training semi-skilled and skilled workers. Systems of apprenticeship have evolved and adapted to meet industry needs. It continues to be the most common method of training for semi-skilled

⁴⁴ See ILO: *World Employment Report 1998-99, Employability in the global economy: How training matters* (Geneva, 1998); and ILO: *Learning and training for the knowledge society*, op. cit.

⁴⁵ RPL could be used to promote labour mobility of young workers in regional integrated areas, helping them move from the informal to the formal economy, as well as improving opportunities and the quality of employment of migrant workers. See ILO: *Lifelong learning in Asia and the Pacific*, ILO Regional Tripartite Meeting, Bangkok, 8-10 December 2003 (Geneva, 2003).

⁴⁶ N. Bowers; A. Sonnet; L. Bardone: *Giving young people a good start* (Paris, OECD, 2000); A.G. Mitchell: *Strategic training partnerships between the State and enterprises*, Employment and Training Papers No. 19 (Geneva, ILO, 1998).

⁴⁷ For the purpose of this report, work-based training covers workplace learning (formal and non-formal), on-the-job and off-the-job training, in-company training, addressing both employees and trainees and includes apprenticeships and internships.

trades, crafts and occupations. In some industries and in some countries, it has become much more complex and structured, as in the “dual system”, which combines on-the-job apprenticeship with school-based education.⁴⁸ In Austria, Denmark, Germany and Switzerland, relatively low youth unemployment is often attributed to the apprenticeship system which successfully provides large numbers of young people with quality education and training for recognized qualifications demanded by employers. The involvement of the social partners in programme design and implementation ensures that apprenticeship programmes meet labour market requirements.⁴⁹ Apprenticeship training can also be narrow and rigid. It is sometimes slow to adapt to rapid changes in technology and work organization.⁵⁰

256. In many developing countries, traditional apprenticeship is the largest provider of skills for the – mostly informal – labour market, far surpassing the output of formal education and training institutions. Its design and organization vary between societies. In most cases, skills are transferred through the observation and replication of tasks carried out by an experienced worker (see box 3.20). In many traditional apprenticeships, training is limited to the practical skills of a trade. If not properly monitored, there is often a danger that apprenticeships could degenerate into exploitation or child labour. Some efforts are under way to modernize the system (see Chapter 2). While traditional apprenticeships are the only option for many young people seeking to improve their livelihoods, there is concern that the advantages of this form of training are outweighed by its numerous disadvantages (box 3.21).⁵¹

Box 3.20

Traditional apprenticeships for people with disabilities

Prejudice and lack of training mean that disabled people in **Cambodia** find it hard to obtain work. The ILO/APPT (Alleviation of Poverty through Peer Training) project overcomes this by finding successful small entrepreneurs willing to offer one-on-one training, offering options to young people with disabilities to lift themselves out of poverty.

Tok Vanna was once reduced to begging on the streets. The landmine that tore away his hands also took his occupation and his income. After the accident, he left Pursat Province for Siem Reap, hoping to find a job in the tourist trade. But with few skills to offer doubtful employers, his search was fruitless. Long days begging on the pavements brought few rewards and decimated his self-esteem. Tok’s life changed when he met staff from the ILO/ APPT training project in Siem Reap, who matched him up with a successful business operator. His mentor taught him the book trade, while the project helped him draw up a business plan, and offered a small loan to cover the cost of a sales cart and stock. Today, Tok Vanna’s business is thriving, with evening English classes helping him hone his sales pitch to foreign tourists. He is just one of a growing band of successful entrepreneurs. Others include a group of musicians, who, like Tok Vanna, once had no option but to beg on the street.

Source: ILO Subregional Office for East Asia, Bangkok.

⁴⁸ For a broad review of apprenticeship systems see P. Ryan: “Is apprenticeship better? A review of the economic evidence”, in *Journal of Vocational Education and Training*, Vol. 50, No. 2, 1998.

⁴⁹ N. O’Higgins: *Youth unemployment and employment policy: A global perspective* (Geneva, ILO, 2001), p. 103.

⁵⁰ See also ILO: *Learning and training for work in the knowledge society*, op. cit., p. 36.

⁵¹ H.C. Haan: *Synthesis report on informal economy training*, Geneva, ILO (forthcoming).

Box 3.21
Traditional apprenticeships: Strengths and weaknesses

Strengths:

- ❑ a means of providing skills training at a suitable level of technology, using the equipment currently in use in the trade;
- ❑ cover vocational skills and to a small extent organizational, management and business skills, including costing, marketing, and supplier and customer relations;
- ❑ provide apprentices with opportunity to build up social and economic networks that will serve greatly later on in establishing and running an informal enterprise.

Weaknesses:

- ❑ where training is provided, the quality varies and there is no guarantee that a definite set of vocational skills will indeed be transferred;
- ❑ the skills taught are often incomplete as important aspects, such as resource utilization, customer orientation and occupational safety and health issues are not given adequate attention;
- ❑ there is no certification process so that apprenticeship graduates in the same trade do not necessarily have uniform skills;
- ❑ training is based on traditional technologies and does not readily allow for the introduction of new product designs and production techniques;
- ❑ lack of clear contracts, relevant legislation and monitoring mean that in some cases, unscrupulous employers exploit the apprentices as cheap labour without administering any training.
- ❑ they are available in a small number of trades.
- ❑ they benefit young men more than young women.

257. The drawbacks of traditional apprenticeships are widely recognized, yet for many informal economy workers this type of apprenticeship may prove to be the first and often the only available step towards working out of dire poverty. An example of how apprenticeships can improve the incomes of young people is provided by the ILO Alleviation of Poverty through Peer Training (APPT) project, which involves arranging of traditional apprenticeships for people with disabilities in rural areas of Cambodia (box 3.20). The project methodology builds on the success-case replication methodology, tested in countries of Asia by the Economic and Social Commission for Asia and the Pacific in collaboration with the Food and Agriculture Organization.⁵²

258. To strengthen its policy advisory and technical cooperation capacity to assist in developing the *skills of youth and adults working in the informal economy*, the Office is currently building the knowledge base on the process of skills development and the skills-related needs of informal economy workers, including young people. Country studies of skills development in the informal economy were commissioned for countries in Africa (Kenya, United Republic of Tanzania and Uganda), Asia (China, India and the Philippines), America (Colombia and Jamaica) and transition economies (Russian Federation and Belarus).⁵³ A synthesis report of these studies, currently in preparation, will provide an overview of the types of training available and evaluate the alternatives. This information will contribute to ILO work to improve the working prospects of informal economy workers. In addition to the country studies, an informal economy

⁵² J.B. Orsini: *Success case replication – A manual for increasing farmer household income by mobilizing successful farmers and groups to train their peers* (Bangkok, ESCAP/FAO, 2000).

⁵³ Data from the ILO Skills and Employability Department.

information base containing more than 400 relevant documents was developed,⁵⁴ a continuation of the mapping process initiated after the general discussion on decent work and the informal economy at the 90th Session of the International Labour Conference.

259. The ILO's International Programme for the Elimination of Child Labour places increasing emphasis on skill formation and apprenticeship programmes that tie in with the preparation of youth for decent employment, for those young people who are old enough for it. The time-bound programmes (TBPs) for the elimination of the worst forms of child labour, in particular, include a strong skills training component, which draw on ILO models of training and experience.

Key message: To maximize effectiveness in preparing trainees for the labour market: skills training needs to be geared to the existence of market opportunities, and be broad-based, flexible and responsive to changing conditions; training for young people should be continuous and involve retraining to enable workers to cope with technological and occupational change; training in core work skills and competencies is essential to enable young people to cope with rapidly changing labour markets; closer links need to be established between formal and non-formal education as well as between classroom instruction and workplace learning; a combination of work experience and vocational training is the most effective strategy, with most success arising from placements with private sector employers rather than through temporary placements in public sector job-creation projects; in developing countries, basic skills training and traditional apprenticeships are particularly important.

3.4.2. Active labour market training programmes enhance employability

260. Active labour market training programmes (ALMPs) aim at increasing the employability of young people through skills development. Increasingly, they target especially disadvantaged young people by offering a package of services including literacy and remedial education, vocational and job-readiness training, job search assistance, career guidance and counselling, and other support services. The implementation of these programmes involves public employment services, local authorities and other partners, including private employment agencies and training providers, frequently working under contract to the public sector. Programme design and delivery vary according to country and local context, and many programmes link training with work experience.

261. Evaluations suggest that youth labour market training programmes are more effective if they are well targeted and combine skills training with other support services. Many evaluations carried out in industrialized countries indicate that labour market training programmes for young people often produce temporary rather than sustainable solutions.⁵⁵ Although the debate on active labour market policies and programmes highlights both economic and social goals, most evaluations focus on short-term results such as labour market insertion and earnings, ignoring medium- and long-term impact such as social benefits and the associated economic returns.

262. Recommendation No. 195 calls for innovative approaches to equip people with knowledge and *skills directed towards economic and employment growth at the local*

⁵⁴ <http://www.ilo.org/dyn/infoecon/iebrowse.home> , accessed in March 2005.

⁵⁵ See N. O'Higgins: (2001), op. cit.; N. Bowers, A. Sonnet, L. Bardone, op. cit.; and ILO: *Starting right*, op. cit.

level, recognizing the particular needs of some groups such as post-school youth and child labourers. ILO research and practical experience underlines the importance of integrated approaches, such as those embodied in the community-based training (see box 3.22) and training for rural economic empowerment (TREE) approaches, which are of particular relevance to the informal economy in developing countries where many young people are at work (see box 3.23 for an example of this methodology in practice).

Box 3.22

ILO tools: Community-based training

Community-based training methodology, developed on the basis of field experience in Africa and Asia, is a generic approach to skills training for self-employment and income generation which is shown to provide project beneficiaries – the unemployed and underemployed, particularly out-of-school youth and women, many of whom are poor – with new skills of particular use in secondary activities to supplement household income.

The ILO, in collaboration with the World Health Organization and UNESCO, is developing a model of *community-based rehabilitation* to promote equal opportunities for children, youth and adults with disabilities, including the provision for vocational rehabilitation and training, and employment promotion.

263. Building on lessons learned in community-based training projects in the past, the TREE methodology was developed to link local economic development approaches to training with the range of other inputs that contribute to an effective employment and decent work strategy, such as credit and product development. Disadvantaged groups are targeted in the TREE approach, which particularly benefits young people (see box 3.23).⁵⁶

264. *National public employment services* (PES) are the principal public institutions that implement active labour market policies. The Employment Service Convention, 1948 (No. 88), is the chief ILO standard that defines the role and activities of public employment services, but the role and activities of public employment services are related to or referenced in a number of ILO Conventions, including the Unemployment Convention, 1919 (No. 2), the Employment Policy Convention, 1964 (No. 122), the Labour Administration Convention, 1978 (No. 150), the Human Resources Development Convention, 1975 (No. 142), and the Private Employment Agencies Convention, 1997 (No. 181).

265. The ILO undertakes various activities to support the activities of PES, including youth employment activities. PES management assessments were conducted in the past few years in the Republic of Korea, Indonesia, Jordan and South Africa. For example, one of the recommendations in the South African review is to strengthen the participation of labour bureaux (PES offices) in the implementation of the Learnership Programme (a youth programme) and this recommendation is successfully implemented. ILO work in this area is closely linked to ongoing analysis of current trends and issues in employment services and information gleaned from supervisory work on Conventions Nos. 88 and 181.

⁵⁶ V. Korovkin: *Working out of poverty towards decent work: Training for local economic empowerment (TREE)*, Paper presented at the Technical Meeting on Community-Based Training, Employment and Empowerment, Turin, 20-23 September 2004.

Box 3.23
Training for Rural Economic Empowerment (TREE) Project

The ILO Training for Rural Economic Empowerment (TREE) Project, based on the community-based training methodology (box 3.22) aims to create an alternative model for income generation and employment creation for the most marginalized groups in diverse, geographical areas in two different countries. Peace and security issues have long affected the rural populations of Pakistan and the Philippines, a lack of jobs or foreign investment and limited government capacity to address poverty. In Pakistan, the target areas are the North-West Frontier Province (NWFP) and Punjab Province. In the Philippines, the target areas are five provinces and one city in the Autonomous Region in Muslim Mindanao (ARMM). For both countries, the target groups are the rural poor, specifically, women, disenfranchised male youth and people with disabilities. The project's strategic development objective is to increase economic opportunities and security in both target areas.

The project pursues its task through the development and implementation of the TREE methodology, a comprehensive training package that identifies and assesses local economic opportunities, designs and delivers community-based skills training, and provides post-training services. TREE builds the capacity of government and private sector partners to implement its methodology. Implementation arrangements are different in both countries and are adapted to their unique socio-cultural characteristics and prevailing local conditions.

The project is making substantial progress toward the achievement of the strategic development objective, as evidenced by its results, benefits to target groups, and impact to date. Mid-term evaluation findings confirm its success in addressing poverty, unemployment, security, and peace by means of skills training and local institutional capacity building. The project is generating a strong demand for skills training and has the unqualified support of government, donors, partners and the target groups.

Source: United States Department of Labor and the ILO: *Mid-term evaluation report*, prepared by A.K. Webb, Management Systems International (MSI), Washington, DC.

266. In addition to its efforts to strengthen national employment services and programmes, the ILO promotes the principles established in Convention No. 181, which balances the recognition of the constructive role played by private employment agencies in modern labour markets with the need to maintain adequate protection for workers. As many young workers are employed by private employment agencies – particularly those dealing with temporary work and overseas placement – the terms of this Convention may influence their working conditions.

267. Countries devastated by natural disaster or emerging from military conflict often request the ILO for assistance in establishing emergency employment services so that people who have lost their livelihood or who are displaced by a natural or human-made event can find employment opportunities. At the same time, in areas where substantial reconstruction efforts are being undertaken, the need is equally urgent for public and private organizations to find labour.

268. In countries where a PES infrastructure exists, the need is to strengthen it or reorient it to new tasks. Since 2000, the ILO assisted in developing emergency employment services in Afghanistan, Argentina, Kosovo and Sierra Leone. Most recently, the ILO has been heavily engaged in reconstruction and recovery activities following the Indian Ocean tsunami disaster, including the establishment of an emergency employment services centre in Aceh, Indonesia, and the extension of the Sri Lanka JobsNet programme to tsunami-affected regions. ILO activities to strengthen PES are currently under way in Ethiopia, India and the Russian Federation. While not specifically targeted at young jobseekers, youth benefit from these activities because the PES is frequently the sole source of information on occupations and job vacancies.

269. Box 3.24 gives the ILO tools for assisting young women and men into the labour market.

Box 3.24
ILO tools: Labour market services

Building on the experience gained in countries emerging from conflict or other crises, the ILO-produced *Guidelines for establishing emergency public employment services* offers practical guidelines in English and Arabic.^a

Assisting people with disabilities in finding employment: A resource book for trainers of employment service personnel^b provides overviews of approaches and strategies to improve job opportunities for jobseekers with disabilities.

Assisting disabled persons in finding employment: A practical guide (available for Asia-Pacific, Caribbean and Latin American regions)^c is intended for vocational guidance and placement personnel in mainstream and specialist employment services in governmental and non-governmental organizations.

Placement of jobseekers with disabilities: Elements of an effective service (available for Asia-Pacific, Caribbean and Latin American regions)^d examines the strategies which an effective placement can adopt and the key components which it should include.

^a ILO, 2003. ^b ILO, 2004. ^c R. Heron and B. Murray, ILO, 1997, 2003. ^d B. Murray and R. Heron, ILO, 1999, 2003.

Key message: Active labour market programmes are more likely to be effective when: they are small scale, well targeted, well designed and effectively organized; they meet the specific requirements of the intended beneficiaries, based on a careful analysis of the local employment situation and participant characteristics; they are sited in enterprises; and they include measures to improve the competencies and skills of participants (the supply side of labour), the demand side (available jobs or work experience) or both the supply and demand side in a balanced fashion.⁵⁷

3.4.3. Combating discrimination and disadvantage through targeted initiatives

270. The ILO recognizes that basic education and training, combined with labour market information and services play a key role in influencing a young person's employability. Ideally, these requirements are met through national and local institutions. Sometimes, though, in the case of young people who drop out of school or training, or those trapped in low-skilled, poor prospect jobs, targeted initiatives are introduced to address these labour market supply-side needs.

271. In developing programmes and ALMPs to enhance employability, the ILO emphasizes the importance of paying attention to the gender dimension; often young men are over-represented in programmes. Data also show that women need an average of four additional years of schooling to achieve the same earnings as men, and an average of two additional years to have the same chances of attaining a job in the formal sector. This is the case, even though ILO data for Latin America and the Caribbean, for example, show that young girls have higher levels of employability than their male counterparts in many areas.⁵⁸

⁵⁷ P. Auer, U. Efendioglu, J. Leschke, op. cit.

⁵⁸ ILO: *2000 Labour Overview* (Lima, 2000).

272. Age discrimination is perhaps the most observable form of discrimination which young people face. This is often compounded by discrimination based on other criteria – such as gender, ethnicity, socio-economic status, disability, and migrant or refugee status, which in turn are frequently linked to educational level and skill qualifications.

273. A central way in which discriminatory practices are overcome is through affirmative action measures – some of the special measures to provide special support and assistance to people facing discrimination for reasons such as age which Convention No. 111 allows for States to adopt.⁵⁹ ALMPs are a prime example of such measures, targeting both the supply side and the demand side of the labour market. Specific examples of ALMPs that fall under the provisions of Convention No. 122 and which are further developed in the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), are: school-to-work transition programmes; post-compulsory education; skills training; subsidized temporary employment; training and work experience schemes; and business-creation schemes.

274. Box 3.25 shows how skills development can contribute to social inclusion of disadvantaged youth in an ILO programme in Kosovo.

Box 3.25

Youth employment and social inclusion in Kosovo

Promoting the employability of disadvantaged youth is the main objective of a programme implemented in Kosovo since 2001. The focus is on developing and strengthening the capacity of training centres to provide an integrated skills development service which aims to promote social inclusion, break the cycle of discrimination, redress gender inequalities, and increase the employability of persons with disabilities, low-skilled workers and (former) detainees. The integrated approach includes vocational education and training, employment counselling and career guidance, and self-employment promotion.

This approach is now embedded in the vocational training strategy adopted by the Ministry of Labour and Social Welfare in 2003. A network of seven regional vocational training centres has been established, applying competency-based training approaches. Training programmes are available for over 20 priority occupational profiles and include core employability and technological skills, job-search techniques and entrepreneurial skills. By mid-2004, over 2,300 jobseekers had been trained by the programme and 40,000 unemployed had received counselling and guidance. While tracer studies to compile data on trainee outcomes are not yet completed, initial indications show that the skills development programme leads to employment or self-employment in many cases.

275. Good practices for disadvantaged youth include innovative approaches to skills acquisition, employment and income generation. They include procedures for systematically identifying employment- and income-generating opportunities, designing and delivering appropriate training programmes, and providing necessary post-training support services, including credit, technical assistance and market information. They include such things as needs-based assessment; coordination, cooperation and commitment; labour market and social support services; financial support mechanisms; information sharing and awareness raising; and physical infrastructure. They must be gender sensitive and recognize the heterogeneity amongst and between young men and women. An integrated programme generally requires the support of several government

⁵⁹ The Tripartite Meeting on Youth Employment: The Way Forward, October 2004, agreed on the need for targeted initiatives and incentive schemes to raise labour demand for young people, especially disadvantaged youth, without decreasing the quantity and quality of work for others.

ministries and the social partners, to help to ensure that the methodology is transferred into national policies.⁶⁰

276. Importantly, ALMPs should not be seen as replacements for effective programmes and services provided by national vocational education and training institutions and the employment services as part of their ongoing activities.

277. While some evaluations were carried out and their findings are widely available, more systematic analysis is required, if examples of best practice in promoting youth employability through vocational training and enterprise development are to be identified. Some progress in this direction was made by the ILO in recent years (box 3.26).

Box 3.26

CINTERFOR: Observatory of good practice on training

Centro Interamericano de Investigación y Documentación sobre Formación Profesional (CINTERFOR) runs an observatory of experiences in training for the employability of young people, as a means of assembling best practices in this area. Access is provided to the main public and private ongoing initiatives in the different national and local contexts and their respective recipes for success. Approximately 70 regional case studies are published on the CINTERFOR web site, and provision is made for comparative follow-up and evaluation of programmes and the underlying methodologies. The information available through the Observatorio can be used to improve and adapt future programmes and to build on experiences and lessons learnt through youth training and employment programmes in Latin America.

278. An ILO review of good practices in training programmes and policies for youth at risk provides systematic information on 50 initiatives, including ALMPs developed for young people facing a variety of barriers in obtaining work. In compiling this guide, 11 criteria were applied to the programmes; innovation, feasibility, gender sensitivity, responsiveness, relevance, ethics, effectiveness, efficiency, sustainability, replicability and whether the programme is able to upscale. Similarly, a review of enterprise-based schemes in vocational education, training and skills development was completed, examining common denominators of successful practices.⁶¹ In addition, an ILO compilation of awareness and promotion programmes in formal and non-formal education concerning youth entrepreneurship was completed, in which 100 examples were identified.⁶² The promotion of youth employment also features in *Success Africa* – a compilation of 30 successful activities to promote employment generation and other aspects of decent work as a means to reducing poverty in countries of Africa.⁶³ These guides provide useful information for governments, the social partners and non-governmental organizations. To further advance the youth employment agenda and to translate national and international policy commitments into practice, however further research and evaluation is required so that good-practice examples can be identified with confidence and this information widely disseminated.

⁶⁰ L. Brewer, op. cit.

⁶¹ M. Axmann: *Facilitating labour market entry for youth through enterprise-based schemes in vocational education and training and skills development*, IFP/SEED Working Paper No. 48 (Geneva, ILO, 2004).

⁶² K. Haftendorn and C. Salzano: *Facilitating youth entrepreneurship. Part I. An analysis of awareness and promotion programmes in formal and non-formal education*, ILO/SEED Working Paper No. 59 (Geneva, ILO, 2003).

⁶³ ILO: *Success Africa: Reducing poverty through decent work. 30 Stories*, an ILO contribution to the Social Partners Forum, 3-4 September 2004, Ouagadougou, Burkina Faso.

3.5. Summary: Key messages

279. Through its activities to promote youth employment through international labour standards, its knowledge-building, advocacy and service activities, the ILO identifies key messages for consideration by policy-makers and social partners in developing policies, programmes and initiatives to improve decent work opportunities for young people. Generic tools and methodologies have also been developed, some of which specifically target youth and all of which are of potential benefit.

- International labour standards are the base from which strategies to promote, full, freely chosen, productive work for youth are formed.
- *It is essential to have good quantitative and qualitative data on youth employment on a national level, disaggregated by age and sex, and by other variables relevant in individual countries, such as ethnicity, geographic location, residency status, before embarking on policy decisions.*
- Information on the working conditions of young women and men, in both the formal and informal economy, is necessary for the development of youth employment strategies to ensure the quality aspect of job creation.
- The involvement of social partners in the design and implementation of youth programmes and policies is key to their success.
- A coherent, integrated approach to policy development, involving different ministries of government as well as representatives of the social partners and other concerned groups, and especially young people themselves, is an essential requirement if the youth employment issue, in its diverse forms, is to be effectively tackled. The strategy for youth employment promotion should be linked to a macro policy that promotes economic growth, through an employment-oriented development programme, and include measures to tackle both the supply and demand sides of the labour market.
- Laws and regulations can influence economic growth and development and, at the same time, protect worker rights and social interests more generally. Laws and regulations designed with the involvement of the social partners are more likely to ensure that employment promotion and enterprise development do not compromise workers' rights.
- Government and social partner support and investment in labour-intensive development projects and programmes, micro-, small and medium-sized enterprise development, social enterprises and cooperatives, including the encouragement of an entrepreneurial culture, can be effective in creating quality jobs for young people.
- To maximize effectiveness in preparing trainees for the labour market: skills training needs to be geared to the existence of market opportunities, and be broad based, flexible and responsive to changing conditions.
- Training for young people should be continuous and involve retraining to enable workers to cope with technological and occupational change; training in core work skills and competencies is essential to enable young people to cope with rapidly changing labour markets.
- Closer links need to be established between formal and non-formal education as well as between classroom instruction and workplace learning; a combination of

work experience and vocational training seems to be the most effective strategy, with most success arising from placements with private sector employers rather than through temporary placements in public sector job-creation projects; in developing countries, basic skills training and traditional apprenticeships are particularly important.

- Active labour market programmes are more likely to be effective when: they are small-scale, well targeted, well designed and effectively organized; they meet the specific requirements of the intended beneficiaries, based on a careful analysis of the local employment situation and participant characteristics; they are sited in enterprises; they include measures to improve the competencies and skills of participants (the supply side of labour), the demand side (available jobs or work experience) or both the supply and demand side in a balanced fashion.⁶⁴

280. The ILO targets youth in its knowledge building, advocacy and services activities. Young people are also included in the broader population of beneficiaries. Some gaps in the knowledge base need to be filled to further promote decent and productive work for young people. Some specific tools to address youth employment have been developed but there is considerable scope to develop many more. Furthermore, existing generic tools and the methodologies developed for a general population can be drawn upon.

⁶⁴ P. Auer, U. Efendioglu, J. Leschke, op. cit.

Chapter 4

Pointing the way forward

281. The difference between the youth employment challenge and the general employment challenge is that helping young people get the right start helps to ensure they follow a pathway to decent work. The longer it takes to get on that path, or if a pathway does not exist, the challenge becomes more difficult.

282. Policies for youth, therefore, must focus on what it takes to support young women and men in making a successful transition from childhood and education to adulthood and work. This said, the first step is a solid education, followed by real opportunities for decent jobs. There is a need to look at a range of policies with a youth focus, combined with the development of an appropriate institutional structure and favourable climate for youth employment that maintains that focus and allows us to successfully tackle the challenge.

283. Countries around the world are seeking to promote opportunities for decent jobs for their young citizens, recognizing that creating pathways to decent work for young women and men benefits everyone – individuals, families, communities and society. Governments and social partners, as well as intergovernmental organizations, civil society agencies and international organizations are concerned about the persistence of youth unemployment at more than double the adult rate, and the fact that, when young people are in employment, they are often working in less than adequate conditions, in the informal economy or in insecure jobs in the formal economy. The significant economic, social and political implications of this situation fuels this concern, heightened by the likelihood that, if nothing is done, the current situation will continue, or worsen, given that the youth labour force will continue to grow in developing countries in the foreseeable future and that youth unemployment has remained high in countries even where the youth cohort has decreased in size.

284. If poverty is to be reduced, the gains from globalization widely and equitably shared, and young people given the opportunity to realize their dreams and aspirations, pathways need to be created to convert global opportunities into productive, freely chosen jobs for young people as well as for the labour force in general.¹ Whether it is in countries where there is greater reliance on the youth population to contribute to the economy and support dependent family members – such as countries in the sub-Saharan African region where the HIV/AIDS epidemic has devastated the productive capacity of the labour force, or countries emerging from armed conflict, where young people have the potential to make an important contribution to reconstruction or to act as a destabilizing element in society or those with an ageing workforce, anticipating an

¹ World Commission on the Social Dimension of Globalization: *A fair globalization. Creating opportunities for all*, op. cit., p. 64.

aggravated shortage of qualified and experienced workers in the future, as older people retire – the need for effective policy and programme interventions is pressing.

4.1. Points for discussion

1. What are the major disadvantages faced by young people in the labour market? What are the consequences of their lack of access to decent work?
2. What are the components of the package of policies and programmes that encourage decent work for young people?
3. What are the respective roles of governments, employers' and workers' organizations in promoting pathways to decent work for young women and men?
4. What is required to ensure that international labour standards address youth employment?
5. What should be the priorities for the ILO's policy, research, advocacy and technical assistance with regard to promoting decent and productive work for youth?