

INTERNATIONAL EXPERIENCE IN THE FIELD OF YOUTH EMPLOYMENT REGULATION: ANALYSIS AND PERSPECTIVES

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The international experience in the field of youth employment regulation is analyzed in the paper. It highlights the main labour market problems facing youth, policies for its regulation, and perspectives. The main global figures are indicated. Active labour market policies and programmes on this subject are discussed. Perspectives for enhancing youth employment system are outlined.

Keywords: *youth employment, policies and programmes, support to struggling youth, hiring young workers, youth-oriented job creation.*

Economic development in every country cannot take place without young people, and it is equally important that it should be capable to respond the aspirations, expectations, and needs of youth. Young people today build the basis for the economies and societies of future. They bring creativity, talent, and energy to economies and make important contributions as productive workers, entrepreneurs, consumers, and members of civil society. Nevertheless, now young people face many problems in accessing the labour market due to some difficulties, such as: a higher chance of losing their jobs during economic downturns; specific barriers to entry in the labour market, often stemming due to lack of experience; early unemployment increases the probability of subsequent unemployment; etc.

According to the International Labour Organization (ILO): of the world's estimated 207 million unemployed people in 2010, nearly 40% – about 75 million – were aged between 15 and 24. In many countries, this grim unemployment picture is further aggravated by the large number of youth engaged in poor quality and low paid jobs, often in the informal economy. Many youth are poor or underemployed: approx. 228 million working poor youth in the world live on less than the equivalent of US\$ 2 per day.

Meanwhile, unemployment among the youth is a major priority in the world due to its link with political unrest and instability in many countries. In fact, without employment, the young person continues to lead a dependent life out of necessity - dependency may be on family, close community, or the state. For these and other reasons, the problem of employment and unemployment of young people remains one of the crucial challenges for youth policy in general. So, it is one of the most closely monitored aspects of the situation of young people in the world. Available data on this subject indicate that young people go through a prolonged transition period between leaving the educational system and entering the labour market, and that this entry is often problematic. The school-to-work transition of young people is extended and punctuated by frequent spells of unemployment, precarious jobs, attempts to start a business or find work abroad, and combining education with paid work of some kind. Rates of unemployment among young people are very high. Large numbers of jobless young people are discouraged, no longer seek employment, and even are not included in unemployment statistics. The widespread phenomenon of unregistered work in the informal/grey economy with no written contracts, social or other benefits or security remains one of the main challenges in some countries. Disadvantaged groups, such as young people with little education, young women, disabled youth and minority youth like Roma are disproportionately affected [2, p.i].

Those youth who are neither in education nor in employment warrant special attention. This group includes the unemployed as well as discouraged youth who have

effectively disconnected from the labour market. The share of youth not in employment or education/training as a percentage of the youth population is non-negligible in developed economies. In Japan, New Zealand, and the United States, for example, the rates of this indicator were 9.7%, 13.1% and 15.6% in 2010 respectively, whereas the average for the Organization for Economic Co-operation and Development was 12.8% in this year. The youth not in employment or education/training rate in the European Union at the beginning of the 2000s was just above 13.0% but came down to 10.9% before the global economic crisis in 2007 and 2008 (Fig.1).

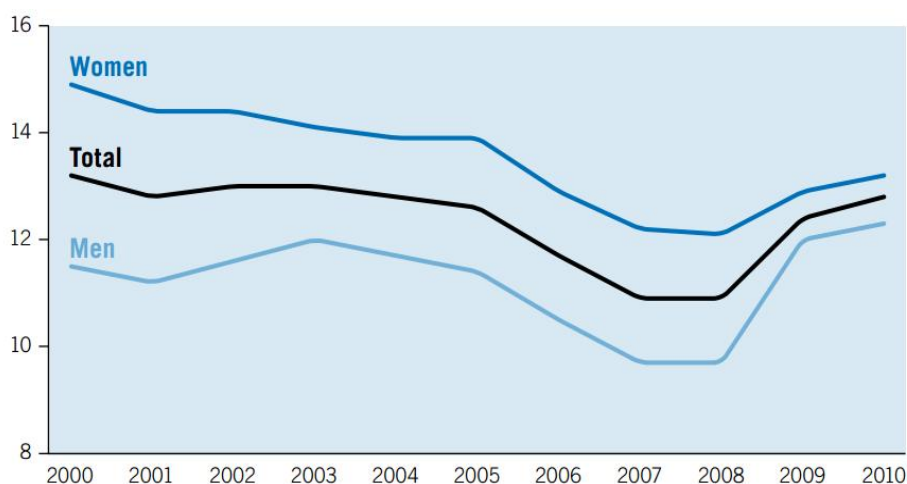


Fig.1. The rates of youth not in employment or education/training in the European Union in 2000-2010 by gender, %

Source: Eurostat, [3, p.32]

However, due to the global economic crisis, the downward trend in the youth not in employment or education/training rate in the European Union was broken, resulting in an increase by 1.9 percentage points in the average rate between 2008 and 2010. The rate in the latter year exceeded 15% in Bulgaria, Ireland, Italy, Latvia, Romania and Spain. The crisis-induced increase in the European Union was much greater for young men, at 2.6 percentage points compared to 1.1 percentage points for young women. The convergence between youth not in employment or education/training rates in the most recent years in part reflects the stronger impact of the crisis on male youth unemployment in developed economies including the European Union [3, p.31-32].

Taking into account the high level of unemployment amongst youth, more attention on the international level is paid on youth employment regulation. Decent and productive employment for youth is a major component of the main international acts and policies, for example, the Millennium Declaration. Achieving full and productive employment and decent work for all, including women and youth, is a target of the Millennium Development Goals no.1 that aims to eradicate extreme poverty and hunger.

The ILO has had a long-standing concern for the problems faced by young people. The Organization's work in the first two decades after 1919 was to a large extent focused on setting standards to protect the welfare of young workers. Among the earliest Conventions adopted by the ILO were: the Night Work of Young Persons (Industry) Convention, 1919 (No. 6), the Medical Examination of Young Persons (Sea) Convention, 1921 (No. 16), and the Medical Examination of Young Persons (Industry) Convention, 1946 (No. 77).

From the 1950s onwards, the ILO's work began to expand in scope to cover policies and programmes for the promotion of youth employment. This is reflected in the inclusion of this issue in the ILO's major Conventions and Recommendations

relating to employment policy, human resource development, and labour market policies. Five resolutions were adopted by the International Labour Conference on issues relating to youth employment between 1978 and 1998: Resolution concerning youth employment (1978); Resolution concerning follow-up to the World Employment Conference (1979); Resolution concerning young people and the ILO's contribution to the International Youth Year (1983); Resolution concerning young people (1986); Resolution concerning youth employment (1998). The Conference held its latest major discussion of the topic of youth employment in 2005. The Global Jobs Pact, adopted in 2009 in response to the financial crisis, identified youth as one of the groups at high risk whose needs had to be addressed by crisis response policies [7, p.4].

According to ILO Convention no.168 concerning Employment Promotion and Protection against Unemployment (Entry into force: 17 Oct 1991): “Considering the widespread unemployment and underemployment affecting various countries throughout the world at all stages of development and in particular the problems of young people, many of whom are seeking their first employment” [4, Preamble].

The youth employment challenge is high on the international policy agenda. Youth employment has featured prominently in the discussion and deliberations of the Group of Twenty (G-20) Leaders. At the 2011 Cannes Summit, G-20 leaders established an Employment Task Force, with its immediate priority for 2012 being youth employment. This Task Force has been convened under the Mexican Presidency of the G-20 with the ILO supporting its work together with other partners. The review of youth employment policies and programmes of the G-20 countries and the proposal for a youth employment strategy are among the priorities discussed by the Task Force meeting in Mexico City in December 2011.

More attention on youth employment problems is paid in the European political and social policies. The White Paper – A New Impetus for European Youth (2001) and the European Youth Pact (2005) are key documents in the European Union and influence thinking beyond its member states. Young people are an integral part of the ambitious Lisbon Strategy. In 2005, the European Commission [5] clearly recognizes that this strategy depends on “the support of young people to succeed”. The communication to the Spring European Council [6] expressed the view that “young people should be targeted within the framework of certain key areas such as employment, the conciliation of family and professional life, investment in human capital and research and development.” The European Commission [6] says that the strategy must “ensure that the reforms proposed help to give young people a first chance in life and equip them with the skills needed throughout their lives”.

It is also important to admit that the Council of Europe's programme of international reviews of national youth policy represents a significant body of work in the analysis of youth employment and the related fields of education and training [1]. Moreover, these fields are addressed by the Treaty of the Council of Europe and the European Social Charter (1961, 1996), which guarantee fundamental social and economic rights for all citizens [2, p.10].

Also, the Declarations were adopted: at the 8th Council of Europe Conference of Ministers responsible for Youth, “The future of the Council of Europe youth policy: Agenda 2020”, in October 2008; the “Council Resolution on a renewed framework for European cooperation in the youth field 2010-2018” of the European Union; and the “EU 2020” new economic strategy with the “Youth on the Move” flagship initiative. These substantial and politically influential documents are being debated and implemented across Europe and go well beyond the borders of the European Union. Many related and independent, national and local initiatives aimed at combating unemployment and “poor employment” among youth are under way [2, p.ii].

It is clear that the difficulties faced by young people in the labour market are closely related to the macroeconomic environment. Furthermore, the transition to a market economy in the countries of South-Eastern Europe has brought into question the positive link between employment and growth. The most effective way of promoting employment is to ensure an economic policy environment that stimulates growth with high job creation. This requires a high rate of economic growth linked with incentives and institutions that make said growth employment-intensive, as well as labour market policies that enhance employability, ease transitions in the labour market and reconcile labour demand with labour supply in order to help reintegrate vulnerable groups.

A series of different *active labour market programmes and policies* can be tailored for specific needs of the youth [3, p.35]. These include:

Ü direct employment generation: promoting small enterprise development, cooperatives, wage subsidies, public works, guaranteed job schemes, etc.;

Ü labour exchanges or employment services facilitating young people's transition into the labour market: e.g. job brokerage and counseling offices, linking employers with educational institutions;

Ü skills development programmes.

It is particularly important to:

– Address barriers to job growth: the lack of labour demand prompted by insufficient or job-poor growth has a significant impact on unemployment and leads to discouragement, particularly among youth. Active labour market measures, such as the development of public employment services, wage and training subsidies or tax cuts can incentivize employers to hire young people and counteract the excess supply of young workers in times of crisis.

– Address skill mismatches: programmes that aim to offset the mismatch of technical skills among youth, such as vocational training programmes, re-training of unemployed or discouraged youth, workplace training schemes, the creation or improvement of apprenticeship systems, entrepreneurship training programmes, soft and life skills training programmes for disadvantaged youth, and special programmes that link employers with educational institutions which can facilitate young people's transition into the labour market.

– Adjust the focus of technical and vocational education to make it relevant to the requirements of companies and the labour market is another essential orientation.

– Promote entrepreneurship: enabling motivated youth access to start-up capital and facilitating a broad range of services, including high quality mentoring, can be effective ways of reducing precarious and informal employment among young people and may also propel job creation.

– Introduce quota employment system for youth. Unemployed get a quota addressed to live while they are looking for a job. If they don't get a job, they lose motivation and time of improving skills and knowledge. Young people would start acquiring experience while looking for a job, which is usually the first wall a young faces when looking for its first job. Youth don't get the job because they need experience; youth don't get experience because they don't get any job.

Decent employment is not only about generating any jobs, but also about improving the quality of jobs. Poor young workers work long hours, often in unsafe conditions and still are unable to move their families out of poverty. Hence employment policies must not merely focus on creating jobs but also on ensuring adequate wages and working conditions. Wage policies, for instance, are important from both an economic and a human rights perspective. Raising the incomes of workers, including young workers, also increases domestic demand which, in turn, encourages economic growth and recovery.

A particular concern in this respect is the inadequate social protection for young people, in part because they are engaged in non-standard forms of employment. As a result, better strategies are needed to improve and expand social protection programmes for young people, and tailor labour market reforms for their specific needs. Investing in young persons has significant positive impacts on human development and productivity.

Social dialogue and partnerships for youth employment: equally important is the establishment of broad-based partnerships to turn commitment to youth employment into reality. Partnerships among governments, employers’ organizations, trade unions and other organizations can be instrumental in determining the most appropriate action to be taken at national and local levels for the promotion of decent work for young people. To bring high youth unemployment rates down, it is essential that employers, unions and governments not only dialogue together about how to achieve a socio-economic recovery, but mobilize to develop specific projects and interventions, including in partnership with young people.

Conclusions and perspectives

To summarize, in order to facilitate of young people adaptation on the labour market and prevent the emergence of a “lost generation”, it is important that youth employment is prioritized on national policy agendas, and countries establish or develop integrated strategies aimed to ensure long-term, sustained and concerted action for the promotion of decent work for young people. Assigning priority to youth employment requires a coherent policy framework, with measurable targets and achievable outcomes that addresses youth employment in national development strategies and employment policies.

At 12.6% in 2011, the global youth unemployment rate remains a full percentage point above its level in 2007 (Fig.2).

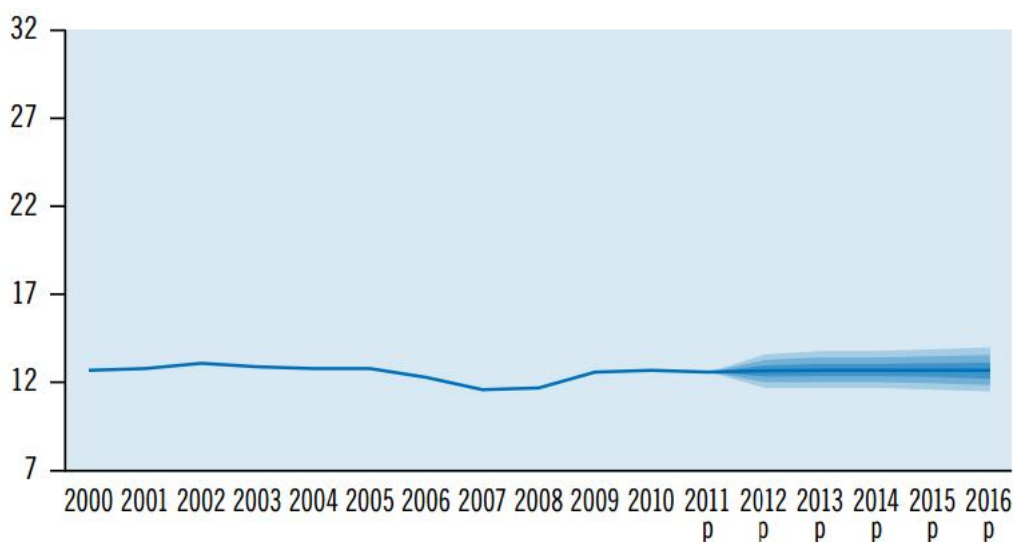


Fig. 2: Youth unemployment rate in the world: estimates and forecast, 2000–2016, %

Note: P = projection

Source: ILO, Trends Econometric Models, April 2012 [3, p.15]

In 2011, nearly 75 million youth were unemployed around the world, an increase of more than 4 million since 2007. ILO’s forecast for 2012 show no improvement, with the global youth unemployment rate forecasted at 12.7%. Medium term forecast for 2012–2016 also suggest little improvement in youth labour markets. By 2016, the youth unemployment rate is projected to remain at the same high level. In comparison to other

groups on the labour market, youth face a particularly difficult situation, as is captured by the ratio of youth-to-adult unemployment rates. Globally, this ratio was 2.8 in 2011 and is projected at 2.7 in 2012. This means that, in comparison with adults, youth continue to be almost three times as likely to be unemployed, and elevated unemployment rates continue to hit them disproportionately [3, p.13].

To conclude, special actions are needed to boost the employment of young people, increase their role in politics and implement youth programmes. Investing in the skills of young people is an investment in the future that would pave the path for sustainable development. Decision-makers in state institutions, employers' associations and trade unions are the three active parties of working life who decide on issues related to work and employment. Realization of the youth policy can be understood by looking at what is really happening on unemployment issues at the macro and micro levels.

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