



INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

YOUTH COMMITTEE

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Fulfilling the Promise: Towards Decent Work for All Young People

Facing the reality

1. In spite of strong economic growth and relative political and social stability, young people looking for work have found their prospects deteriorate within the last decade. The problems related to youth and employment are escalating and have an ever stronger impact on societies around the world:

- **More and more young people find themselves unemployed.** Global youth unemployment rose from 70 million in 1994 to 85 million in 2004. Though youth only make up 25 percent of the working age-population and less than 20 percent of the world's labour force, almost half of the unemployed people in the world are young people. Young people in developing countries are 3.8 times more likely to find themselves unemployed than older workers. In industrialised economies, youth are 2.3 times more likely to be unemployed.¹ There are also significant differences in unemployment rates between young women and men. Thus, in all developing regions except East Asia and sub-Saharan Africa, the regional youth unemployment rates for women exceed those of men.
- **Young people are increasingly squeezed out of employment and discouraged to seek work.** The global employment to population ratio of youth decreased from 51.7 in 1995 to 46.7 in 2005. In comparison the employment ratio among adults was 66.3 in 2005. The labour force participation rate of youth, that is the proportion of youth in employment or in unemployment, i.e. those either working or actively looking for work, declined from 58.9 in 1995 to 54.1 in 2005..
- **More and more young people are underemployed or working in poverty.** Youth accounted for about 20 percent of the world's 535 million working poor in 2004. This means that more than 100 million young people worked but lived in households that earned less than US\$ 1 a day.
- **Young people are deprived of decent work.** Youth, in both industrialised and developing countries, are not only more at risk of finding themselves among the unemployed, they are also more likely to be working long hours, on short-term and informal contracts, with low pay and no social protection. Young women, for example, make up 80% of workers in export processing zones, and in the EU, one third of young people are working under temporary contracts compared to 11 percent of adults. Globally it is estimated that 85 percent of all new employment opportunities are informal.

¹ In relation to employment, youth and young people are defined as those aged 15-24.

2. There are several regional differences in the development of the most general indicators of how young people fare in the labour market. Nevertheless, the overall picture is as one of worse employment opportunities for young people – with young women facing even higher rates of unemployment than the average for young people in general. In the transition economies the youth population grew by 10.1 percent, in the last decade, but youth employment dropped by 11.7 percent in the same period. In East Asia the youth population fell by 11.3 percent but at the same time youth employment fell by 18 percent. South-East Asia witnessed growth in the total number of young people of 13.1 percent but employment grew by only 0.3 per cent. In South Asia, the youth population grew by 21.9 per cent whereas employment only grew by 11.6 per cent. And in Latin America and the Caribbean there were 13.1 per cent more young people in 2003 than in 1993 but only 2.8 per cent more young people working. Only the Middle East and North Africa and sub-Saharan Africa saw a relative balance between youth population growth and youth employment growth. At the same time, nevertheless, the Middle East and North Africa still had by far the lowest youth employment to population ratio, with only every third young person working in 2003. In the industrialised countries (including North America, Europe, Japan etc.) the youth population actually fell in the period, by 2.5 percent, while total youth employment dropped by 3.1 percent. Youth unemployment rates in 2003 were highest in the regions of the Middle East and North Africa, at 25.6 per cent, and sub-Saharan Africa, at 21 percent. They were lowest in East Asia, at 7 per cent, and in the industrialized economies, at 13.4 per cent. Although the unemployment rate of youth was lowest in East Asia, the rate there has increased by 46 percent since 1993. On the other hand, some of the developing regions with the highest rates showed slight decreases in their rates over the period. Only the industrialized economies saw a notable decrease in youth unemployment, from 15.4 per cent in 1993 to 13.4 per cent in 2003, and thus still at much higher rates than the total unemployment rates. Finally, unemployment is caused by many different reasons and the young unemployed are often a very diverse group – in the Middle East and North Africa, many young unemployed are well educated, while lack of education to a much larger extent is a cause of unemployment in sub-Saharan Africa.²

3. The problems of unfavourable employment and unemployment for youth have exacerbated in the last decade, and as the number of young people either in work or looking for work will increase over the next years, it is very probable that the problems will be even worse in the future. Again, forecasts are still more negative for young women than for young men. In 2015, 660 million young people will either be working or looking for work. This is a rise of 7 per cent of the number of youth in the labour force at the moment. During the decade up to 2015 there will be more first time job seekers than ever before and decent employment opportunities for young people will need to grow substantially. The challenge will be greatest in the regions with the largest expected labour force growth, namely sub-Saharan Africa where growth of young people is forecasted to be 30 million, or about 28 percent, and South Asia with predicted growth of 21 million, or 15 per cent, between now and 2015.

4. Unfavourable conditions for youth employment and high rates of youth unemployment have a tendency to hit developing countries the hardest, as youth make up a strikingly higher proportion of the labour force in these countries than in industrialised economies – 22 percent versus 14 percent respectively at the moment. And it is even the regions with the largest shares of youth within the working-age population – South Asia, the Middle East, North Africa and sub-Saharan Africa – that presently fare worst in terms of youth unemployment. All in all, 85 percent of the world's youth live in developing countries. In the years to come, the question in these countries is whether there will be enough employment opportunities to accommodate the labour market entrants and whether such employment will be decent and productive. This will depend on the rate of economic growth

² The statistics in this paragraph are derived from 'Global Employment Trends for Youth', ILO, 2004, and 'Global Employment Trends Brief', ILO, 2006.

and the employment intensity of this growth. It will also take a strong political will to tackle the problem. In industrialised economies, the challenge in the coming years is particularly linked to slow economic and employment growth, the transition into employment, discrimination, social disadvantages, cyclical trends, and a number of perceived structural factors, which employers argue keep them from hiring more young people.

Comprehending the problem

5. The situation of youth in the labour market, and the effort of ensuring decent work for all of them, is not just about employment ratios and unemployment rates. These measures reflect just one facet of the youth labour market. Many young people in countries across the world often work unacceptably long hours under informal, irregular and insecure work arrangements. Their work is far from decent. They are exposed to low wages, poor and precarious working conditions, lack of access to social protection, and robbed of the freedom to join a trade union or engage in collective bargaining. Due to the shortage of decent work, particularly in developing countries, informal employment is often the only alternative available to young people.

6. The quantitative and qualitative lack of decent work for young people is a multifaceted problem, which cannot be solved in isolation. It concerns the employability of young people and their transition from school to work, the general level of economic activity and demand of labour, as well as the unequal ways in which labour markets distribute opportunities.

7. While some young people make the transition from education to work effectively, it is problematic for many others. Unfortunately, many young people do not complete schooling, lack the basic literacy and numeracy skills that are necessary to access vocational training, or have insufficient skills to gain secure and sustainable employment opportunities. This is particularly the case for young women who are often more illiterate than young men, and moreover suffer gender-based discrimination. Plenty of others do have the right skills and qualifications but end up without work for a period of time because of the absence of adequate labour market information, insufficient vocational guidance and counselling, and poor job placement mechanisms.

8. Economic ups and downs always affect the demand for labour, the levels of employment and unemployment, and the quality of the jobs offered at the time. But youth are even more vulnerable to the negative fluctuations and downturns economies experience, particularly when these result in persistent recession. When economic downturns hit, young entrants to the labour force will face limited employment opportunities and will thus begin their labour market experience as unemployed. And if employers find themselves forced to downsize through 'last-in, first-out' firing practices, many young workers will be the ones with the least tenure and thus be the first to go.

9. Ensuring better chances in the labour market for young people is both to the advantage of the individual young worker and to the specific society in general. Most obvious are the personal gains, as there is a proven link between youth unemployment and social exclusion. An inability to find employment creates a sense of vulnerability, uselessness and idleness among young people and can heighten the attraction of engaging in illegal activities. Moreover, groups that face particularly depressed labour markets when graduating from primary or secondary education are – other things equal – subject to relatively higher rates of unemployment during their whole working life.

10. Less obvious than the individual costs and gains but just as important, decent work for young people unleashes multiplier effects throughout whole economies and societies, boosting investment and consumer demand as well as assuring more stable and cohesive

social ties across generations. It shifts young people from social dependence to self-sufficiency, helps them escape poverty and enables them to actively contribute to society. On the other hand, youth unemployment and underemployment impose heavy social and economic costs, resulting in the loss of opportunities for economic growth, erosion of the tax base which undermines investment in infrastructure and public services, increased welfare costs, and unutilized investment in education and training. And it and may also be associated with social instability and conflict, increased levels of poverty, crime and substance abuse. In fact, it has been estimated that halving the world's youth unemployment rate – currently, from 14 to 7 percent – could add up to US\$ 3.5 trillion to the world economy. This would be a 6-7 percent increase of global GDP. The largest relative gains from getting youth into decent work would be in sub-Saharan Africa, with a gain in GDP of up to 19 percent.

11. As youth consistently face higher obstacles to entering employment, it has been argued from some sides that the wages of young people should be lowered, not least though lower legal minimum wages for them, and that their employment relations should be made more flexible, in effect giving them less rights than other people in the labour market. And in several countries policies have aimed at cutting young people's wages. Yet, while comparative wage levels of young people have fallen in real terms during the last 20 years in numerous countries, the unemployment rate of young people has increased considerably at the same time. Such policies have not produced the predicted results but have rather led to an exacerbation of the problems. Similarly, the inclusion of flexibility measures – from temporary and part-time contracts to less regulated terms of recruiting young people – have considerably affected the wages and living conditions of young people negatively. This is not a sustainable way of combating the problems young people face with regards to employment. It creates two-tier labour markets, stigmatise young people in relation to the world of work even more than they already are, and encourage their exploitation. Rather than stimulate the creation of decent work for all young people, it undermines it.

Combating the challenge

12. The opportunities for young people to obtain decent work are influenced by a number of factors, including demographic trends, the level of aggregate demand, the employment intensity of growth, the policy space for pro-employment policies at the national level, an enabling regulatory environment for both workers and enterprises, education and vocational training outcomes and quality, work experience and entrepreneurship options. Meeting the youth employment challenge therefore calls for an integrated and coherent approach that combines interventions at the macro- and microeconomic level, focuses on labour demand and supply, and addresses both the quantity and quality of employment.

13. Youth employment should be considered in all relevant social, employment and economic policies through a well-balanced policy mix. Supportive national trade, industry, training and wage policies, with appropriate involvement of the social partners, are required to combat the challenge. Young women still face particular difficulties in relation to their gender, and the creation of decent jobs for women will only happen if policy makers place gender employment issues at the centre of policies, and if the fact that women often face more substantial challenges in the workplace than men is recognised. Two principles should be at centre stage in the development and implementation of such policies:

- **The approach should be rights based.** When the aim is creating decent work for young people, not just any kind of work, the rights that ensure quality jobs, high standards, and good working conditions must be maintained. The qualitative aspect of decent work for young people cannot be compromised. The core labour standards and other standards related to the quality of work, such as hours of work,

minimum wage, social security, and occupational health and safety, should be at the centre stage of the effort. Furthermore, migrant workers – a significant part of whom are young people – should enjoy the same rights as everybody else in the labour markets they are part of. Special emphasis should be put on ensuring young people with limited or without any seniority in employment the rights to social security and protection that are usually linked to the time one has been in employment. All in all, young people should enjoy the same rights related to work, and in effect have the same job-security, as their older colleagues.

- **Young people should be included in all processes.** Participation of young people, through their duly chosen trade union representatives, in the development and implementation of youth employment policies at the workplace as well as the national, regional and international level should be ensured, so that such policies reflect the realities of the people they concern.

14. Comprehensive and integrated approaches to ensure decent work for all young people should be embraced by governments and international institutions. They should combine macroeconomic policies targeting aggregate demand, productive capacities and employment opportunities, with interventions aimed at overcoming disadvantages and skills shortage, while promoting equality, social inclusion and an equitable society. They should be based on the involvement of the social partners in both the design and implementation of policies and programmes. And they should place decent work for young people at the heart of economic and social policies.³ Such strategies and policies should take into account the different situations young people are in, and thus not pursue one-size-fits-all solutions. They should be developed around four interrelated objectives:

- **Creating more decent jobs for young people.**
- **Ensuring the quality of existing and new jobs.**
- **Enhancing skills, qualifications and access to education.**
- **Improving the transition from school to work, matching employees with employers, and shortening the time youth might find themselves unemployed.**

Job creation

15. High and sustained economic growth is a necessary condition for the generation of employment, not least quality employment for young people. This requires macroeconomic policies supportive of increased and sustainable employment growth through expanded investment, productive capacities and aggregate demand. A range of policies to achieve this should be pursued by governments and international institutions:

- Decent employment should be put at the heart of economic policies, with a view to increasing demand for labour, enhancing the employment intensity of growth, and strengthening the inclusion of economies.
- The employment intensity of growth should be improved, for example through investments in infrastructure, which has proved to be an effective means to enhance sustainable employment among low-income and low-skilled workers, as well as to create assets that enhance productivity and output.

³ In this sense, the UN and the ILO has taken the lead in organising the “Youth Employment Network” (YEN) in an effort to pursue these approaches aiming at promoting decent work. The YEN seeks to share best practice on youth employment between countries and to link political commitments to technical results.

- Targeted initiatives and incentive schemes to raise labour demand for young people, particularly disadvantaged youth and young women, should be made without decreasing the quantity and quality of work for others. Employment-intensive approaches in infrastructure, public works programmes, promotion of high employment-absorbing sectors and methods of production, particularly in developing and transition economies, work placement and other innovative schemes should be used.
- Globally, macroeconomic policy coordination should be improved and a more balanced strategy for sustainable growth and full employment, based on an equitable sharing among countries of the responsibility for maintaining high levels of effective demand in the global economy, should be pursued.
- International policies pursued by institutions such as the IMF and the World Bank, should avoid the blind pursuit of deregulation, liberalisation and privatisation, as these agendas often have negative effects on the creation of Decent Work – particularly for young people. To effectively promote Decent Work for young people, the IMF must rethink their economic adjustment packages, and the World Bank and the IMF develop a more balanced and comprehensive approach to development, which does not undermine the functioning of nation states and which includes consultations with trade unions.
- In the trade negotiations within the realm of the WTO, Decent Work must be made a negotiating priority, and trade liberalisation that does not take into account its employment effects should thus be avoided. Indeed, to promote Decent Work for young people, WTO rules and actions must be amended to ensure attention to their employment impacts & the respect for workers' rights.
- Enabling environments for investment and employment creation should be ensured, including effective public and private investment in essential physical and social infrastructure, quality public services, recognition of property rights, good governance, stable institutions, political stability, and the rule of law including labour law.

Quality of work

16. Increased and sustainable economic growth is, however, not enough to ensure decent work for all young people. A range of complementary policies are needed to ensure the quality of employment, increased productivity, rights at work, just representation and adequate social protection. Labour legislation and regulation based on international labour standards provides employment protection and underwrites increased productivity, the basic conditions for decent work in general, but particularly for young people. A set of policies and priorities should be pursued by governments and international institutions to assure this:

- Labour laws based on international labour standards, especially the core labour standards⁴, good governance of the labour market and, where they exist, collective agreements, should apply to all young workers, including those currently lacking protection because of disguised employment relationships or temporary

⁴ Freedom of Association and Protection of the Right to Organize Convention, 1948 (N.87), Right to Organize and Collective Bargaining Convention, 1949 (N.98), Forced Labour Convention, 1930 (N.29), Abolition of Forced Labour Convention, 1957 (N.105), Equal Remuneration Convention, 1951 (No.100), Discrimination (Employment and Occupation) Convention, 1958 (N.111), Minimum Age Convention, 1973 (N.138) and Worst Forms of Child Labour Convention, 1999 (N.182).

employment. Young workers should be able to enjoy and exercise their rights at work, in particular their fundamental rights.

- Labour market and social protection policies and employment legislation and regulations, should take into account international labour standards. Such policies, and those on workplace safety, wages and hours of work, pay equity, maternity protection, sexual harassment, or equal opportunities, should ensure adequate protection of young workers and the improvement of their employment prospects. Most concretely, the abolition of child labour should be enforced, not least as ending this practice holds great potential for promoting quality jobs for young people.
- Wage policies should ensure that young people receive fair and adequate incomes. Minimum wages should not be negotiated downwards under any pretext or be exempted from applying to young workers. On the same account, the rights of young workers should not be compromised through efforts aimed at increasing the flexibility of their labour. The international institutions dealing with youth employment or issues related to it, in particular the World Bank, must refrain from recommending lower minimum wages and weak labour laws for young people.
- Efforts should be made to move young people from informal employment to formal employment. Moreover, this will entail the full application of social and labour protection through processes such as well resourced public labour inspection systems, labour courts and functioning tripartite institutions, accompanied by measures such as small business management training, enhanced cooperation and organisation of micro and small enterprises.
- Labour market information and monitoring mechanisms to ensure a regular flow of information on the employment situation, specifically of young people, should be established together with workers' organisations. In order to avoid precarious employment situations that deny workers basic rights, and ensure occupational safety and health protection, labour inspection and national labour administration systems should play a key role and be strengthened, where necessary.

Skills and education enhancement

17. Vocational education and lifelong training responsive to the evolving demand for skills in the labour market, along with apprenticeship schemes and other measures that combine training with work, are fundamental to improving youth employability. A variety of initiatives, including public and private partnerships, and appropriate incentives for individual and collective investments in human resources development, can ensure the continued relevance of vocational education and training to labour market needs. Government and international institutions should ensure an array of policies and programme to obtain this:

- Access to universal, free, quality public primary, secondary and tertiary education should be ensured together with investments in vocational training and lifelong learning that enhance the employability of young people. This means, among other things, that the international financial institutions must abstain from having privatisation of education as part of their loan conditionality. Special attention must be given to women who are often discriminated and left without this possibility. Literacy, numeric and technological knowledge, alongside core work skills, should form the basis for such education.

- Education, based on the intrinsic value and joy of learning, should prepare people to live whole lives, enable them to take on new challenges through their lives, and introduce them to human, political and cultural rights – including the right to organise as workers. A key function of the education system should be the progressive development of employability skills among young people.
- Training, in whatever form it might have, should be linked with the world of work, not least to anticipate the skills that will be required in the labour market through measures and partnerships that foster cooperation between different sets of institutions. Employers should recognise that keeping employees up to date with developments and training them to perform new tasks is also their responsibility.
- Equal access for young girls and women to education, vocational guidance and training should be ensured through policies, strategies and programmes.
- Career guidance and support, knowledge of industry, industrial relations and essential labour issues, such as workers' rights as well as occupational health and safety, should be incorporated into curricula.
- National education and the qualifications obtained through this should increasingly be recognised internationally.

Transitioning from school to work and from job to job

18. One of the critical areas to achieve progress within in order to augment the job opportunities of young people is the transition from school to work as well as the transition between jobs when unemployment hits in. Millions of young people lack adequate information and guidance when they enter the labour market. And just as many employers lack knowledge and understanding of the qualities and competences young people bring with them to work. It is often a mismatch of awareness and expectations between employers and young people seeking work, which leads to unemployment, underemployment and exclusion of the labour market among youth. To ensure better transitions between school and work, and between jobs, governments and international institutions should prioritise a set of policies:

- Employment services, guidance and career advice such as labour market information and career counselling should be made available to young people. This should be based on improved labour market information systems that enable students, first job seekers and unemployed young people to make informed choices about their education and working lives, and thus increase the opportunity for a good entrance to the labour market.
- Internationally, there should be established adequate systems to exchange information and stimulate international co-operation to identify effective methods for quality education and training systems and a better transition from school to work.
- More intensive assistance should be provided for youth who experience unemployment, particularly those experiencing lengthy periods of unemployment. Special youth training centres, which provides young people without adequate formal education and job seekers with training and guidance on job searching, should be established.

Appendix

International labor standards relevant to work and young persons

In addition to the Conventions on fundamental principles and rights at work and their related Recommendations - the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No.87); the Right to Organize and Collective Bargaining Convention, 1949 (No.98); the Forced Labor Convention, 1930 (No.29); the Abolition of Forced Labor Convention, 1957 (No.105); the Equal Remuneration Convention, 1951 (No.100), and Recommendation, 1951 (No.90); the Discrimination (Employment and Occupation) Convention, 1958 (No.111), and Recommendation, 1958 (No.111); the Minimum Age Convention, 1973 (No.138), and Recommendation, 1973 (No.146); the Worst Forms of Child Labor Convention, 1999 (No.182), and Recommendation, 1999 (No.190) - and to the priority Conventions on employment and labor inspection and their related Recommendations - the Employment Policy Convention, 1964 (No.122), and Recommendation, 1964 (No.122); the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No.169); the Labor Inspection Convention, 1947 (No.81); the Labor Inspection (Agriculture) Convention, 1969 (No.129), and Recommendation, 1969 (No.133), these instruments include in particular: the Employment Service Convention, 1948 (No.88), and Recommendation, 1948 (No.83); the Labor Administration Convention, 1978 (No.150), and Recommendation, 1978 (No.158); the Private Employment Agencies Convention, 1997 (No.181), and Recommendation, 1997 (No.188); the Human Resources Development Convention, 1975 (No.142), and Recommendation, 2004 (No.195); the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No.189); the Part Time Work Convention, 1994 (No.175), and Recommendation, 1994 (No.182); the Promotion of Cooperatives Recommendation, 2002 (No.193); the Workers' Representatives Convention, 1971 (No.135), and Recommendation, 1971(No.143); the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No.159), and Recommendation, 1983 (No.168); the Migration for Employment Convention (Revised), 1949 (No.97), and Recommendation (Revised), 1949 (No.86); the Migrant Workers (Supplementary Provisions) Convention, 1975 (No.143), and the Migrant Workers Recommendation, 1975 (No.151); the Indigenous and Tribal Peoples Convention, 1989 (No.169); the Occupational Safety and Health Convention, 1981 (No.155), and its Protocol of 2002; the Occupational Safety and Health Recommendation, 1981 (No.164); the Safety and Health in Agriculture Convention, 2001 (No.184), and Recommendation, 2001 (No.192); the Maternity Protection Convention, 2000 (No.183), and Recommendation, 2000 (No.191); the Medical Examination of Young Persons (Industry) Convention, 1946 (No.77); the Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946 (No.78); the Medical Examination of Young Persons Recommendations, 1946 (No.79); the Protection of Wages Convention, 1949 (No.95), and Recommendation, 1949 (No.85); the Minimum Wage Fixing Convention, 1970 (No.131), and Recommendation, 1970 (No.135); the Social Security (Minimum Standards) Convention, 1952 (No.102); the Employment Promotion and Protection against Unemployment Convention, 1988 (No.168), and Recommendation, 1988 (No.176); the Hours of Work (Industry) Convention, 1919 (No.1), and the Hours of Work (Commerce and Offices) Convention, 1930 (No.30); the Night Work Convention, 1990 (No.171), and Recommendation, 1990 (No.178).