



International Labour Office

A Global Perspective on Youth Employment Challenges

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Overview

- Why we should be concerned about **youth employment issues?**
- **Global trends** in youth unemployment
- Situation in **South Asia**
- **Policy response**

Youth – important today and in the future

- **Demographic dividend** has been an important factor driving development in the Industrial Revolution and East Asia
- **India** has the largest youth population – 66% of the total population is below the age of 35
 - In 2015, **one in every five** young people around the world will be an Indian

Why should we worry?

- Young people are around **three times** more likely to be unemployed than adults
- Young people typically work in **insecure, unprotected jobs**
 - Advanced economies – **temporary, casual work**
 - Developing countries – **informal economy and casualization of formal sector**
- In some countries, **inactivity (NEET)** is a major challenge
- Isn't this just a **'rites of passage'**?

Why should we worry?

- Young people are **vulnerable** to poor outcomes in the labour market because
 - They lack **employable skills** and **work experience**
 - They struggle to **search** for jobs
 - They do not have the **financial resources** to find employment or set up a business
 - They are more likely to be in **precarious jobs** and vulnerable to **downturns**

Why should we worry?

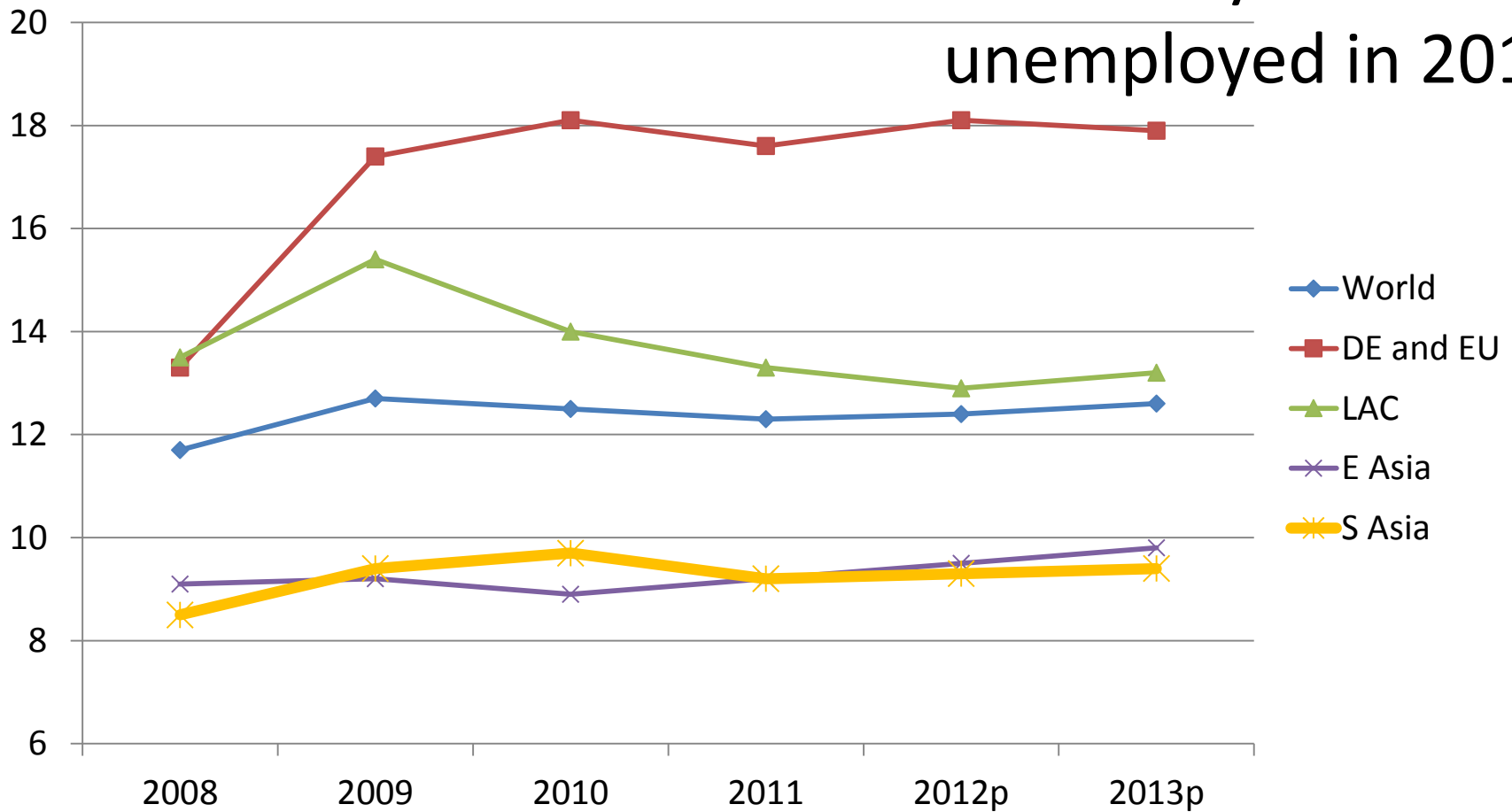
- Rising levels of youth unemployment/underemployment have **economic costs**
- **Social impact** of joblessness
 - Increased crime, mental health problems, violence, drug taking and social exclusion
- **Political implications**

Why should we worry?

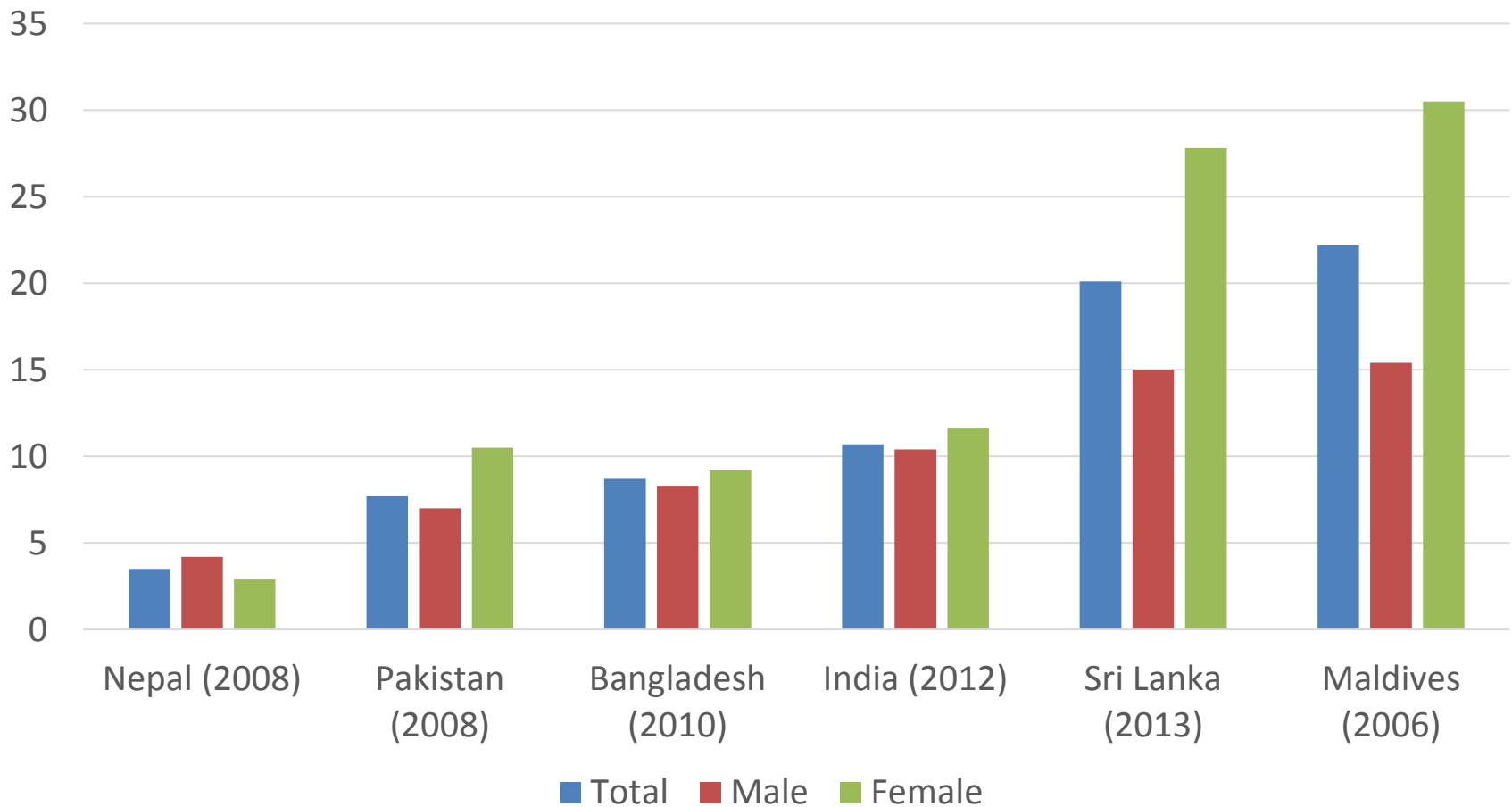
- Spells of **unemployment**, particularly long-term durations, can lead to **scarring effects** in terms of a higher likelihood of being unemployed later in life and a wage penalty

Trends in youth (aged 15-24) unemployment rate

74.5 million youth were
unemployed in 2013



Youth unemployment rate in South Asia



How to respond

- Importance of **macro/demand-side factors**
- **Prevention: education still pays**
- **Youth employment policies (ALMPs)**
 - **Job search assistance** is effective
 - **Training** needs to be linked to the labour market (employers) -> better evidence of LT impact
 - **Comprehensive programmes** tend to be more successful
 - **Youth Employment Guarantees** in Europe
- **National youth policies**

Jovenes programmes in Latin America

- **Joven Programme** started in Chile in 1990 before moving to other LAC (Argentina, Colombia, Peru, and Uruguay)
- Target youth from **low-income households** with **low levels of education** and **work experience**
- Consist of **training, work experience and JSA**
- **Evaluations** have shown that these programmes are successful in improving outcomes for participants



THANK YOU