



INTERNATIONAL LABOUR OFFICE
Youth Employment Programme

Annual Meeting of the Inter-Agency Network on Youth Development
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Dear colleagues,

I would like to thank the Department of Economic and Social Affairs, Jean-Pierre Gonnnot in particular, and all of you, for the invitation to participate in this important Meeting. Once again, welcome to our International Training Centre in Turin.

Together with rights at work, social protection and social dialogue, and productive employment is one of the four pillars of the Decent Work Agenda. The DWA pursues the material well-being and aspirations of all women and men in the world of work in conditions of freedom, dignity, economic security and equal opportunity.

We believe that employment opportunities must be available, but this alone is not enough. Work must be productive and generate an adequate income. Rights and representation must be guaranteed and basic socio-economic security achieved through adequate social protection. All the available data tells us that young women and men are more exposed than their adult counterparts to deficits in terms of both quantity and quality of jobs.

Among the many themes of the employment agenda of the ILO, youth employment is particularly close to my heart as I believe that young people bring special energy, talent and innovation that is essential for shaping a better future and a better world. The events that we have been recently witnessing in the Middle East and North Africa, are powerful reminders of the role that young people play as agents of change and promoters of social justice and peace.

I am especially pleased by the fact that the agenda of this Meeting singles out many issues relating to youth employment, alongside the challenge of youth participation and exercise of active citizenship. These areas are pivotal to unleash the potential of today's young people as tomorrow's workers, entrepreneurs, citizens and agents of change.

If the predicament of young people in many countries was already dire, the recent economic crisis has disproportionately affected young people. Today, we are facing a monumental youth employment challenge. In 2009 alone, youth unemployment grew by 6,7 millions and reached the unprecedented level of 81 million or nearly 40 percent of total unemployment in the world. This compares with an average yearly growth over the prior ten years of 191,000.

The situation in Developed and Developing Countries is quite differentiated. In Developed countries youth unemployment is 2 to 3 times the adult unemployment rate, and with the crisis the numbers of discouraged young people, that is, those that have lost hope and have stopped searching for a job, have increased dramatically. In developing countries the main problem is not open unemployment but working poverty. We estimate that about 152 million young workers in developing countries work but earn less than the US equivalent of 1,25 dollars a day. This is 152 million of young working poor. In the European Union, the rate of young workers in precarious and casual employment was 41 percent in 2009, four times higher than that of adult workers, which is 10 percent.

Among youth, there are several groups for which the transition to work and to adulthood is particularly arduous. There is still a clear gender disadvantage in youth labour market access. Ethnicity is also a common source of disadvantage and, in many cases, of discrimination in employment and occupation.

This unprecedented situation has raised concern about the risk of having a lost generation, i.e. a generation of disaffected and discouraged young people who are pushed to live at the margins of the labour market. Idleness, discouragement and poor jobs are a threat to the economies, society and democracy.

Young people are at the forefront of the social revolution that is currently happening in many countries of North Africa and the Middle East. Together with the desire for freedom

and democracy and more equitable societies, the need of decent employment and better living standards is a major factor that has led young people and their families to urge change. When change does not happen and when governments are not able to respond to their citizens demands for more opportunities and social justice, young people and their families take to the streets, with consequences which the Arab world revolutions have shown all too well.

It has been said that the social revolution that quickly spread over many countries of the MENA Region does not have any leader. Yet, one could argue that Mohamed Bouazizi is the leader of this revolution. He is the young man from a generation that felt lost, who had the courage to say enough. His ultimate sacrifice against a system that did not value him and that did not acknowledge his efforts to earn a living, triggered millions of young people into action. This situation should compel all of us into action.

What can we do as UN agencies?

There are a number of important lessons that the ILO has learned over the years as regards breaking the vicious circles or traps in which young people find themselves in terms of opportunities and access to decent work.

The **first trap** is simply a **sluggish labour demand** in a country. If there is no growth and development, no or low investment, not enough trade and other drivers of growth, then there will be no jobs. In countries with demographics in which youth are 50 percent or more of the population, the youth employment problem fully overlaps with the overall employment problem of the country, and making a real difference in these situations means promoting not just growth, but inclusive, job rich growth, promoting dynamic trade integration, improving the investment climate for the private sector, promoting dynamic growth sectors, upgrading value chains, etc. The ability to sustain economic and productivity growth in countries is critically associated with at least three factors: (1) capacity to diversify the production structure, that is, to attract investment into new activities; (2) capacity to strengthen linkages not only with global value chains but within the country and via regional integration; and (3) the capacity to create domestic technological capabilities, including through the critical factors of education and skills upgrading. Even in countries that have managed to invest in education, a sluggish labour demand results in incentives for young people to emigrate.

A **second trap** is what we could call the **business cycle trap**. Young people are the most vulnerable because their lack of sufficient experience makes them the last to be hired and the first to be fired. It is less expensive for firms to dismiss young workers because they have less skills, less training, than adult workers that have been with the company for more years. Combating this trap calls for combination of training, employment services, and income support policies.

A **third trap** is the **catch 22 situation**: you are not hired because you do not have work experience and no hiring means you do not have a fair chance to develop such work experience. This calls for programmes to support young people get work experience via subsidies, partnerships with private companies, programmes to include work experience in the learning programmes of schools, universities and technical colleges, incentives to recruit first-time job seekers, youth entrepreneurship programmes and special efforts by private companies to expand their apprenticeships programmes.

A **fourth trap** is the **bad education trap**. As the 2010 Human Development Report shows, education levels today are higher than ever. In 1960 an average person 15 years or older had 4 years of schooling, by 2010 this number doubled globally, and more than tripled in Developing Countries to 6.4 years. Enrolment and drop-out rates have also improved in many countries. But the gaps continue to be huge with developed countries particularly on quality. Children at the same education level in Developing Countries as their counterparts in Developed ones score on average 20% lower on standardized tests. There is rapid catching up on quantity but not on quality. If not having an education damages job and income prospects for life in a person, bad quality education is also a trap affecting job prospects for millions of young people. Solutions for this are long term and expensive, but imperative, they involve investing in education infrastructure to increase enrolment particularly in secondary education, and investing in improving the quality of education.

A **fifth** type of trap is the **skills or talent mismatch trap**. Even for those with higher education, better employment opportunities and a good job is not guaranteed. In some countries, better educated young people have higher unemployment than those with less schooling. This is the phenomenon of the “educated unemployed”. For investments in education and skills development to lead to a successful transition to the labour market, the curricula must be attuned to labour market needs and attention should be paid not only to

technical skills but to people skills. This calls for close partnerships of educational institutions with the private sector to make sure curricula matches the needs of the labour market. Coops, internships, apprenticeships, and on-the-job experience should be built into university and training institution programmes, so that the transition is gradual and skills aligned. The private sector can be helpful in all these dimensions through training, apprenticeships and mentoring schemes. In addition, services that help young people search for jobs, prepare for interviews, plan their careers, etc are crucial. Public Employment Services to do this make a big difference in matching supply and demand. In many countries young people do not have a place to go to ask about job opportunities, they can only rely on family and friends and informal networks. Public Employment Services are an essential component of an efficient labour market infrastructure.

There is also a **disempowerment trap**. Lack of institutional arrangements to voice concerns and organize themselves limit the ability of Young people to become more empowered and learn from each other. A particular challenge is the organization of young workers and entrepreneurs in the informal economy. Young people are also less knowledgeable than adults about their rights as workers and citizens, sometimes they are denied the right to organize. And after all, work is one of the main sources of dignity and empowerment, and if you have never had any job you are by definition disenfranchised.

There are other traps and situations, but this short list gives you an idea of the range of disadvantages and the types of interventions that can work for each of them.

One of the most important lessons we have learned is that productive employment and decent work for young people cannot be achieved and sustained through fragmented and isolated interventions. Rather, it requires long-term, determined and concerted action spanning a wide range of policies and programmes. It also requires an integrated approach that articulates supportive policies centred on two basic elements: on the one hand, an integrated strategy for growth, productive transformation and job creation and, on the other, targeted interventions to help young people overcome the specific barriers and disadvantages, such as the ones I just mentioned.

Such an integrated approach needs close coordination and policy coherence between diverse public and private sector institutions and other stakeholders. The key role of good governance and institutional capacities to deliver is often overlooked. This lack of attention usually leads to isolated interventions that have little impact on young people. I think this is particularly important for this Inter-Agency Network on Youth Development.

At the national and regional levels, the involvement of several government institutions, regional authorities, the social partners, civil society and youth groups in youth development interventions is key to increasing effectiveness as well as commitment and ownership.

As I already mentioned, the private sector has a vital role to play in the search for effective solutions to youth development problems. Public-private partnerships are proving to be a powerful complement to governmental and inter-governmental action in this area. This is an avenue of opportunity that we need to utilize more, nationally and globally.

Because of our specific mandates within the UN family, as individual agencies we often tend to focus on interventions and involve our national constituency without paying too much attention to what our sister Agencies are doing in other youth development areas.

This is why I am convinced the role of this Inter-Agency Network is so important. The Network can play a major role in fostering coordinated action. I do not think it is an ILO bias to tell you that at the basis of youth development is the issue of good schooling, and a successful transition from school to the labour market when the time comes.

There can be no better time than now to increase the profile of the youth development issues in the international agenda, as this Network has been doing quite successfully. Let me put it this way: As the youth in the streets of the Arab countries, you are all on the right side of history. But history has caught up with us, the demands for support are enormous, and the need is now, not tomorrow, not mañana.

I am very happy to see that you have invited representatives of similar Networks that exist across the regions. I am sure this will be auspicious for a fruitful cooperation on what our Agencies do at country level.

I am aware that you are eager to exchange your views and experience on many of these topics. So I will stop here.

Thanks again for having invited me to participate in your annual Meeting and I look forward to the outcomes of your discussions.