



Labour market access - a persistent challenge for youth around the world

A study based on ILO's global estimates for youth labour market indicators ¹

The situation of youth in the labour market and the economy bears great significance for the community as a whole, since today's youth will be the cornerstone of tomorrow's society. How well equipped they will be for this depends to a great extent on the education, skills and professional experience gained during their youth.

We are counting on youth to lead us into a future of sustainable development and decent work, but achieving these goals requires that we first ensure that youth around the world have adequate access to education and training and to the labour market. In the 2030 Agenda for Sustainable Development, the international community has committed to substantially reduce the proportion of youth not in employment, education or training.² In order to know how well we are doing in this regard, we need reliable data on youth participation in education and in labour markets around the world. This prompted the ILO's Department of Statistics to produce the first ever global and regional estimates of youth not in employment, education or training, along with several complementary labour market indicators broken down by age. The results are startling: in 2018, an estimated 21 per cent of the world's youth were not in employment, education or training.³ This implies that more than one out of every five young persons in the world are not gaining professional experience or developing new skills, which could put them at risk of economic and social exclusion.

This brief further explores these results, by presenting the patterns of youth not in employment, education or training by region, and showing the underlying gender issues that put young women in a particularly vulnerable situation. It also analyses the trends in the global share of youth not in employment, education or training, highlighting the lack of significant progress made during the last decade. In addition, this brief analyses differences in employment growth and labour underutilization of youth compared with adults, exposing a striking age gap which shows that youth are at a disadvantage in labour markets around the world.

¹ This brief was prepared by Rosina Gammarano, Economist in the ILO Department of Statistics' Data Production and Analysis Unit.

² This corresponds to target 8.6 of the Sustainable Development Goals.

³ All of the statistics on youth presented in this document refer to persons aged 15 to 24 inclusive. Full datasets are available on ILOSTAT (www.ilo.org/ilostat).

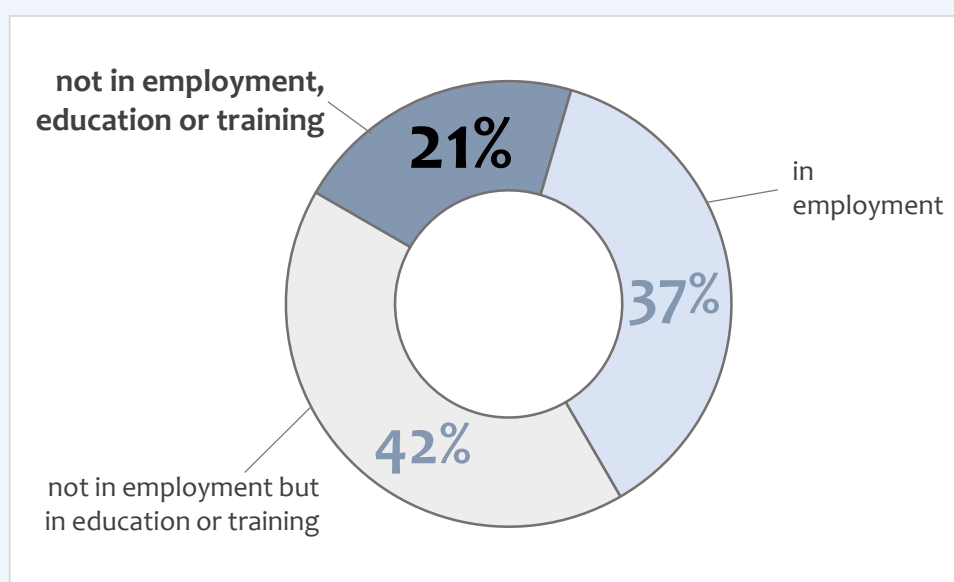
Little progress in reducing the share of youth not in employment, education or training, with young women disproportionately affected in all regions

The future labour market situation of young persons is highly influenced by their initial experiences, including how quickly and how well they are able to access the labour market, and the skills and competencies acquired through education and training. This is why idle youth should be a cause for concern for policymakers. The negative consequences of a labour market which is not totally inclusive for youth can spread across many spheres of society, and amplify in the future labour market patterns of these youth, which is why effective strategies for youth employment are central to sustainable development.

ILO estimates show that in 2018, 21 per cent of the world's youth were not in employment, education or training, while 37 per cent were in employment and 42 percent were not in employment but in education or training. This means that over one fifth of all young persons in the world were idle, in the sense that they were not actively participating in the labour market by having a job or acquiring new skills in educational or training programmes, which prompts a call to urgent action to improve youth's access to decent jobs and capacity building (see the following figure).

Regarding the various existing forms of work, it is important to note that data presented here refers only to employment, thus overlooking participation in other forms of work such as volunteer work or unpaid trainee work. In this sense, youth not in employment, education or training may not be entirely idle, for they may be involved in these other forms of work. However, these other forms of work are not remunerated.

Distribution of global youth by participation in employment, education or training (2018)

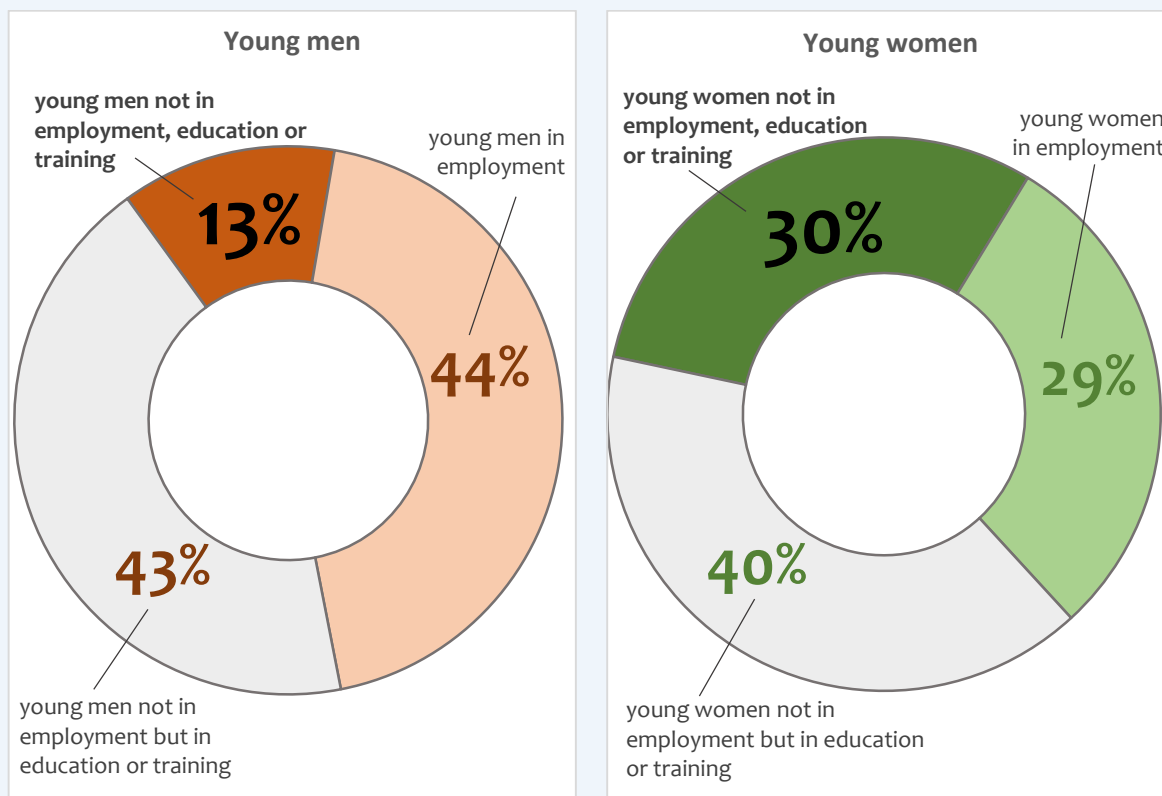


Source: ILOSTAT, ILO modelled estimates, November 2018.

When looking into the share of youth not in employment, education or training separately for women and men, a striking gender pattern is revealed: over 30 per cent of all young women in the world were not in employment, education, or training in 2018, compared to 13 per cent of all young men. In other words, young women are more than twice as likely as young men to be jobless and not in the educational

system. This implies that young women face additional difficulties to access the labour market, pursue quality education, or participate in vocational or skills training programmes. It could also suggest that women participate more in unpaid work. Indeed, while 44 per cent of all young men in the world were in employment in 2018, only 29 per cent of young women had a job, reflecting the strong challenges faced by women to enter the labour force. Similarly, 43 per cent of young men were in education or training exclusively (not in employment), compared to 40 per cent of young women (see the following figure).

Distribution of male and female youth by participation in employment, education or training (2018)

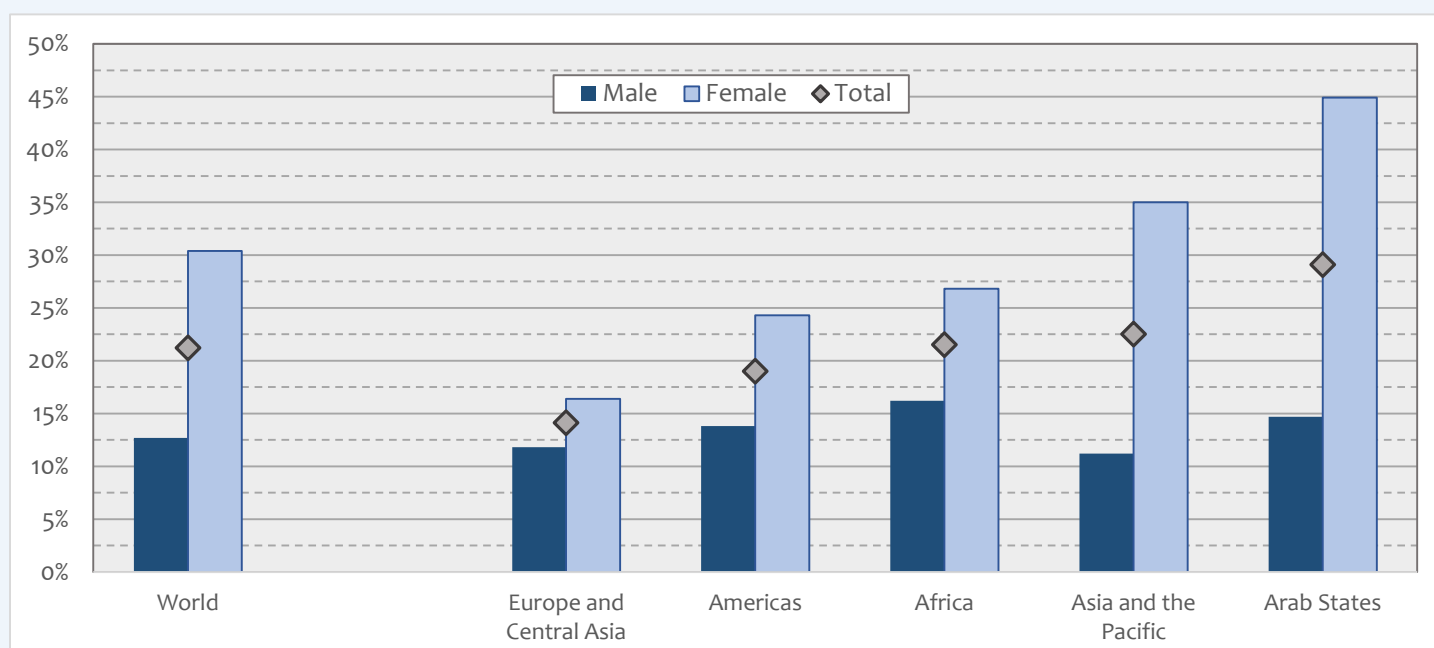


Source: ILOSTAT, ILO modelled estimates, November 2018.

Although youth not in employment, education or training represent an issue of concern in all regions, there are some significant disparities across regions regarding the severity of the problem. The situation is especially alarming in the Arab States, where 29 per cent of all youth in the region were not in employment, education or training in 2018, compared to 23 per cent in Asia and the Pacific, 22 per cent in Africa, 19 per cent in the Americas and 14 per cent in Europe and Central Asia. Youth in the Arab States are therefore twice as likely to be jobless and not in education or training as young people in Europe and Central Asia (see the following figure).

The gender gap in labour market, education or training participation is observed in all regions, that is, in all regions the share of young women not in employment, education or training is higher than that of young men. Nonetheless, it is the most striking in the Arab States, where in 2018, 45 per cent of young women were not in employment, education or training (compared to only 15 per cent of young men) and in Asia and the Pacific, where 35 per cent of young women were not in employment, education or training (compared to only 12 per cent of young men). For the formulation and implementation of effective policies for youth employment, it is crucial to take into account these underlying gender issues and to address the increased hardships of young women in the economy (see the following figure).

Share of youth not in employment, education or training in the world and by region (2018)



Note: The regions refer to the classification by region used for ILO modelled estimates, available in ILOSTAT.

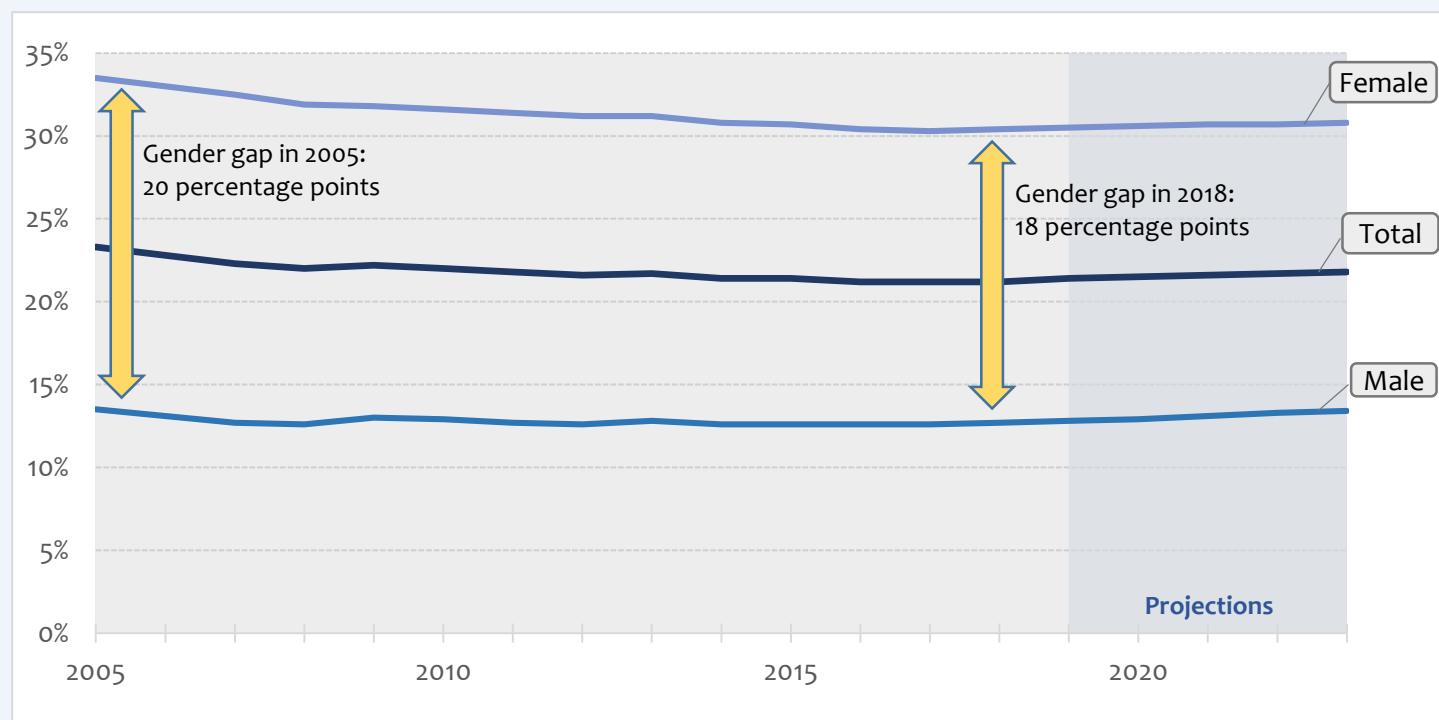
Source: ILOSTAT, ILO modelled estimates, November 2018.

The international community committed long ago to address the challenges faced by youth in the economy and societies, particularly in terms of ensuring their access to labour markets and decent jobs. This commitment was renewed in the 2030 Agenda for Sustainable Development, which includes the specific target of substantially reducing the proportion of youth not in employment, education or training by 2020. Nevertheless, the ILO's new estimates on the share of youth not in employment, education or training convey a rather grim image of the progress achieved at the global level in the past decade. This share stood at 21 per cent in 2018, compared to 22 per cent in 2008, meaning that progress during the past ten years was only marginal (see the following figure).

Moreover, the gender gap in the share of youth not in employment, education or training persists, with young women still being in this situation at much higher rates than young men. In 2018, the share of young women not in employment, education or training (30.4 per cent) was 17.7 percentage points higher than that of young men (12.7 per cent), compared to a gender gap of 19.3 percentage points in 2008 (see the following figure).

This discouraging stagnation manifests the pressing need for targeted strategies for youth employment, particularly addressing difficulties in young women's labour market participation.

Evolution of the share of youth not in employment, education or training in the world (2005-2023)

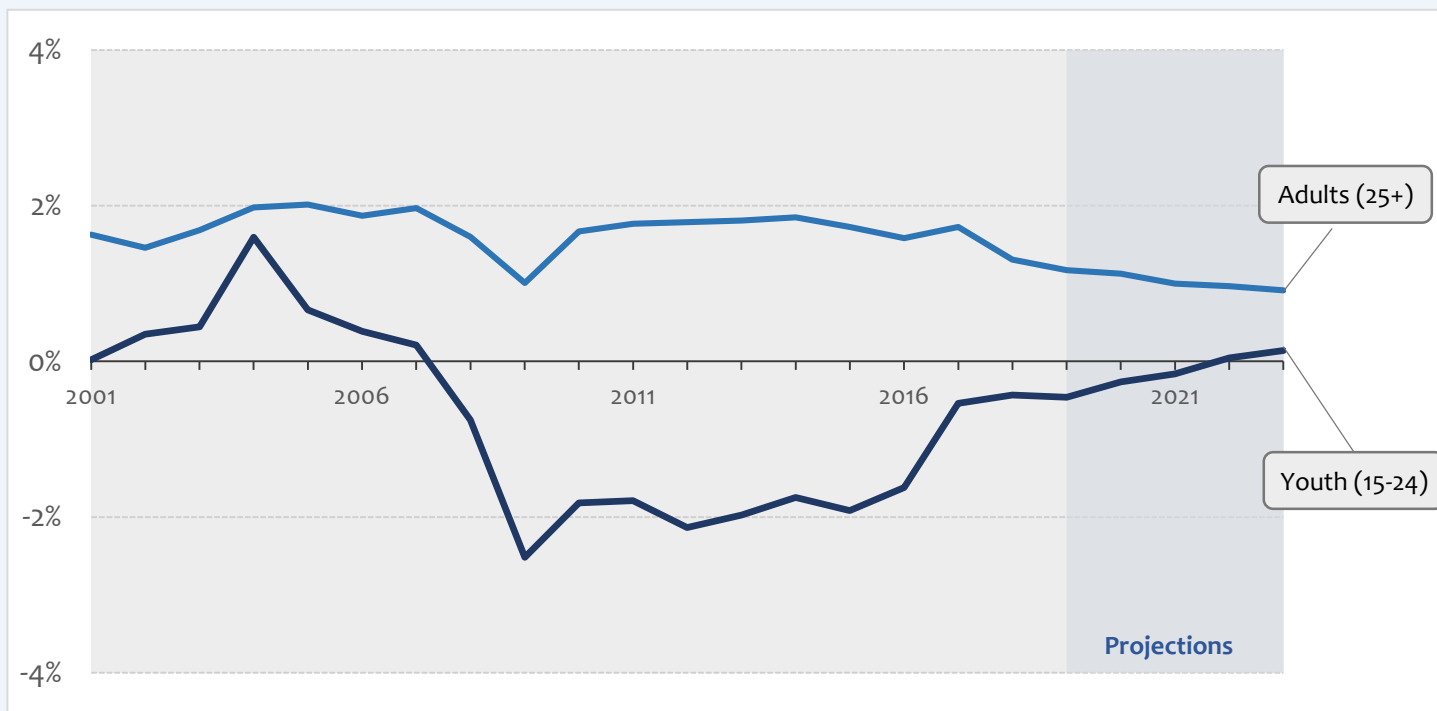


Source: ILOSTAT, ILO modelled estimates, November 2018.

Employment growth among adults systematically exceeds that of youth, revealing issues in job creation for young workers

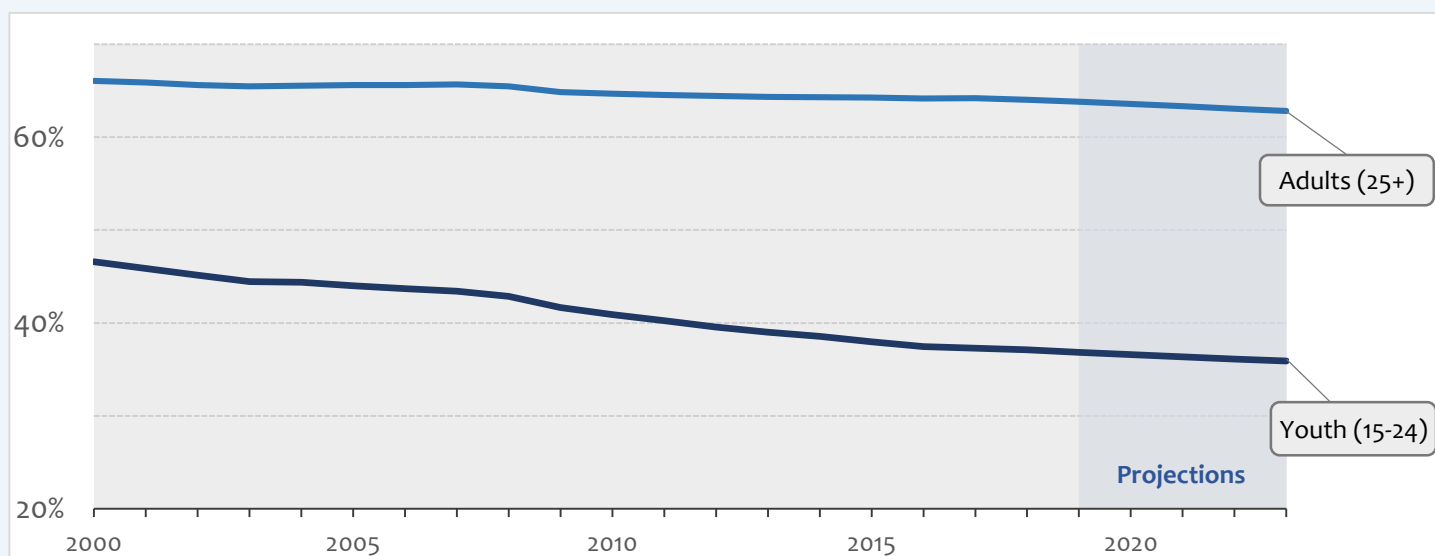
Employment creation is a key factor for the healthy functioning of labour markets. ILO estimates of global employment show that the number of people employed in the world has continuously increased since 2001. This may not be a revealing finding per se, as it is mainly driven by the demographic force of an increasing world population. However, interesting patterns come to light when analysing the data by age group. In fact, the number of employed adults in the world (persons aged 25 and over) has also grown uninterrupted since 2001 (although its growth rate slowed down abruptly and significantly during the 2009 global jobs crisis, and after recovering from this crisis it has been slowing down again since 2017). Conversely, the annual growth rate of youth employment in the world has been negative since 2008, meaning that the number of employed young persons in the world has been decreasing in the last ten years. This was driven marginally by a decline in the population aged 15 to 24. However, much stronger than the underlying demographic factors was the impact of the inclemency of labour markets towards young workers. In fact, the global jobs crisis of 2009 affected youth to a much higher degree than adults, and the recovery in terms of job creation was much slower for youth than adults. Furthermore, when comparing the evolution over time of the employment-to-population ratio of adults to that of youth, we notice that although both are in a downward trend, the decline of the youth employment-to-population ratio is steeper. This confirms that the negative annual growth of youth employment since 2008 is not solely the result of demographic factors: even accounting for the size of the youth population, youth employment is shrinking (see the following two figures).

Annual global employment growth rate for youth and adults (2001-2023)



Source: ILOSTAT, ILO modelled estimates, November 2018.

Global employment-to-population ratios for youth and adults (2000-2023)



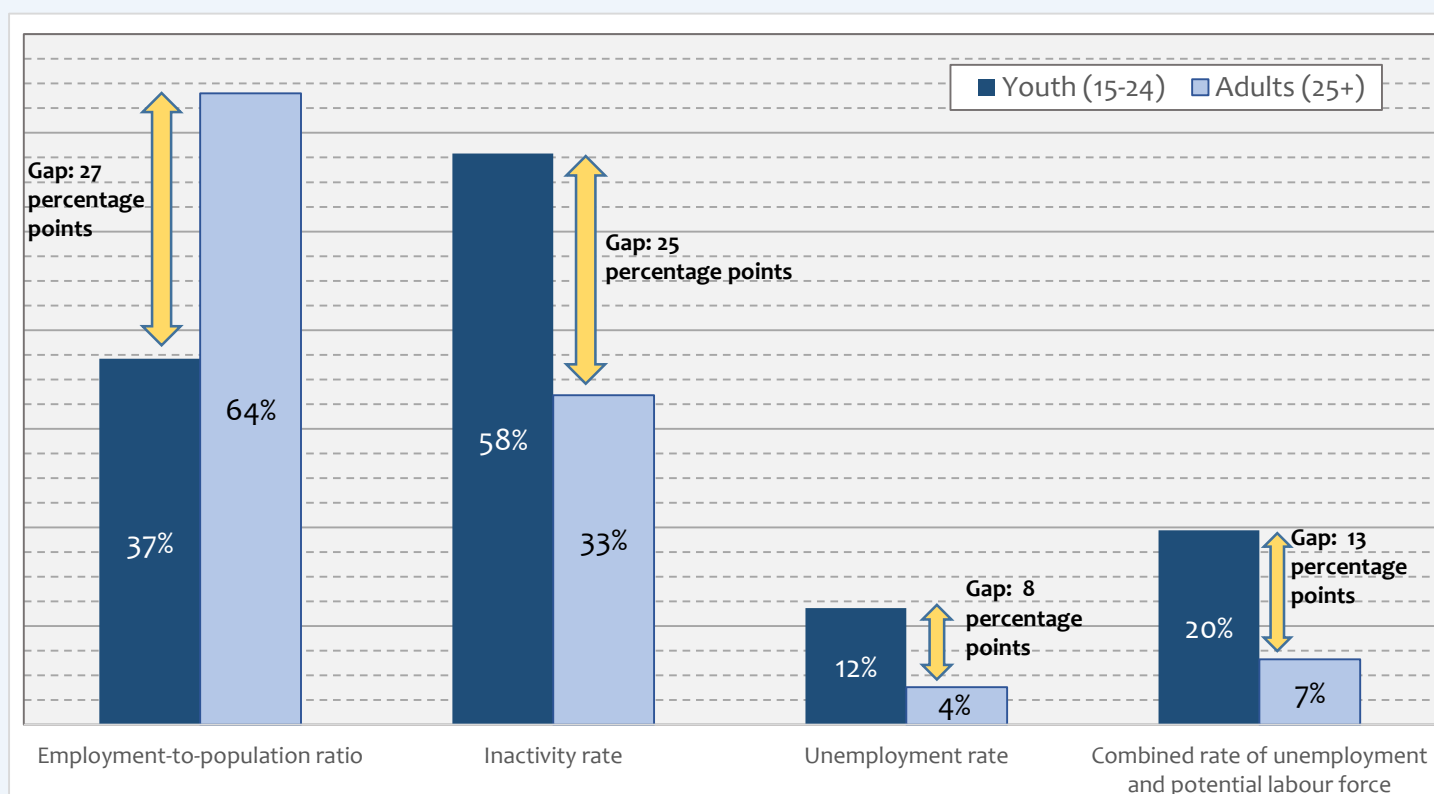
Source: ILOSTAT, ILO modelled estimates, November 2018.

A decreasing participation of youth in employment is not necessarily a bad thing: it may reflect a decision by youth to prolong their education. Indeed, this is what the stability of the share of youth not in employment, education or training accompanied by a decline in the youth employment-to-population ratio suggests. Nonetheless, this decision may be driven by the failure to find a suitable job after seeking, or by a fear of not being able to find one. Also, the returns of extended education in terms of future labour market performance are not guaranteed.

Labour underutilization is a major challenge for youth, with young workers finding themselves in unemployment or in the potential labour force at much higher rates than adults

Studying some of the main labour market indicators for youth and adults separately, we find that, in 2018, 37 per cent of all young persons in the world were employed, compared to 64 per cent of all adults. Additionally, 58 per cent of all youth were outside the labour force, compared with only 33 per cent of all adults. These two facts are not surprising, since it is expected that many youth would be in education, often full-time, thus remaining outside the labour force. However, the analysis of the unemployment rate and the combined rate of unemployment and potential labour force of youth and adults is very telling: in both cases, the youth rate is close to three times the corresponding adult rate. While the adult unemployment rate stood at 4 per cent in 2018, the rate among youth was 12 per cent, and while the combined rate of unemployment and potential labour force of adults stood at 7 per cent, the corresponding rate among youth was 20 per cent (see the following figure).

Selected global labour market indicators, youth and adults (2018)



Source: ILOSTAT, ILO modelled estimates, November 2018.

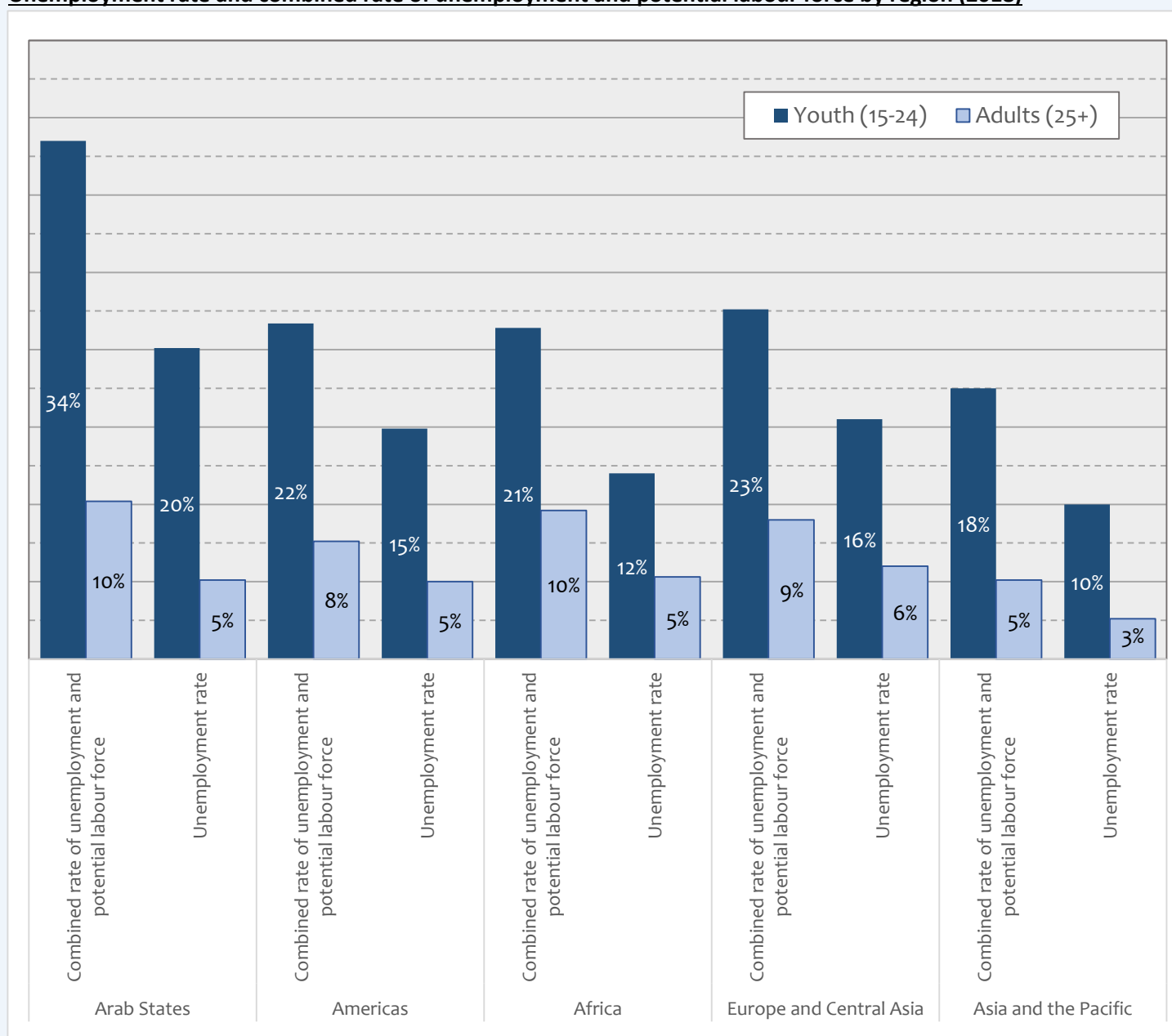
The considerable gap between youth and adults in these labour underutilization measures reflects the heightened difficulties that young workers face to access employment compared to their older counterparts. Labour underutilization refers to labour supply which is not being used in the economy, meaning people are ready to work – or to work more – but are not doing so. What these estimates show is that the youth labour supply faces disproportionately high rates of underutilization.

The global patterns of unemployment rates and other labour underutilization measures demonstrate significant disadvantages for youth in all regions, without exception. The labour market situation of

youth is particularly dire in the Arab States and in Asia and the Pacific, where the youth unemployment rate was almost four times that of adults in 2018, demonstrating the substantial obstacles faced by youth to access employment (see following figure).

The unemployment rate conveys the share of persons in the labour force who are jobless but available and actively looking for a job. Thus, it does not capture jobless persons interested in employment but who quit the job search due to discouragement or other reasons, or who are not immediately available to take up a job. The combined rate of unemployment and potential labour force complements the unemployment rate by incorporating persons in those situations. The difference between these two indicators is higher for youth than for adults in all regions. In particular, in the Arab States the combined rate of unemployment and potential labour force for youth was 13 percentage points higher than the youth unemployment rate in 2018, and in Africa the difference was almost 10 percentage points. This means that in these two regions, in addition to unemployment, youth face severe difficulties in accessing platforms for job search or suffer from lack of job search infrastructure or are subject to issues of availability for employment due to other responsibilities (see the following figure).

Unemployment rate and combined rate of unemployment and potential labour force by region (2018)



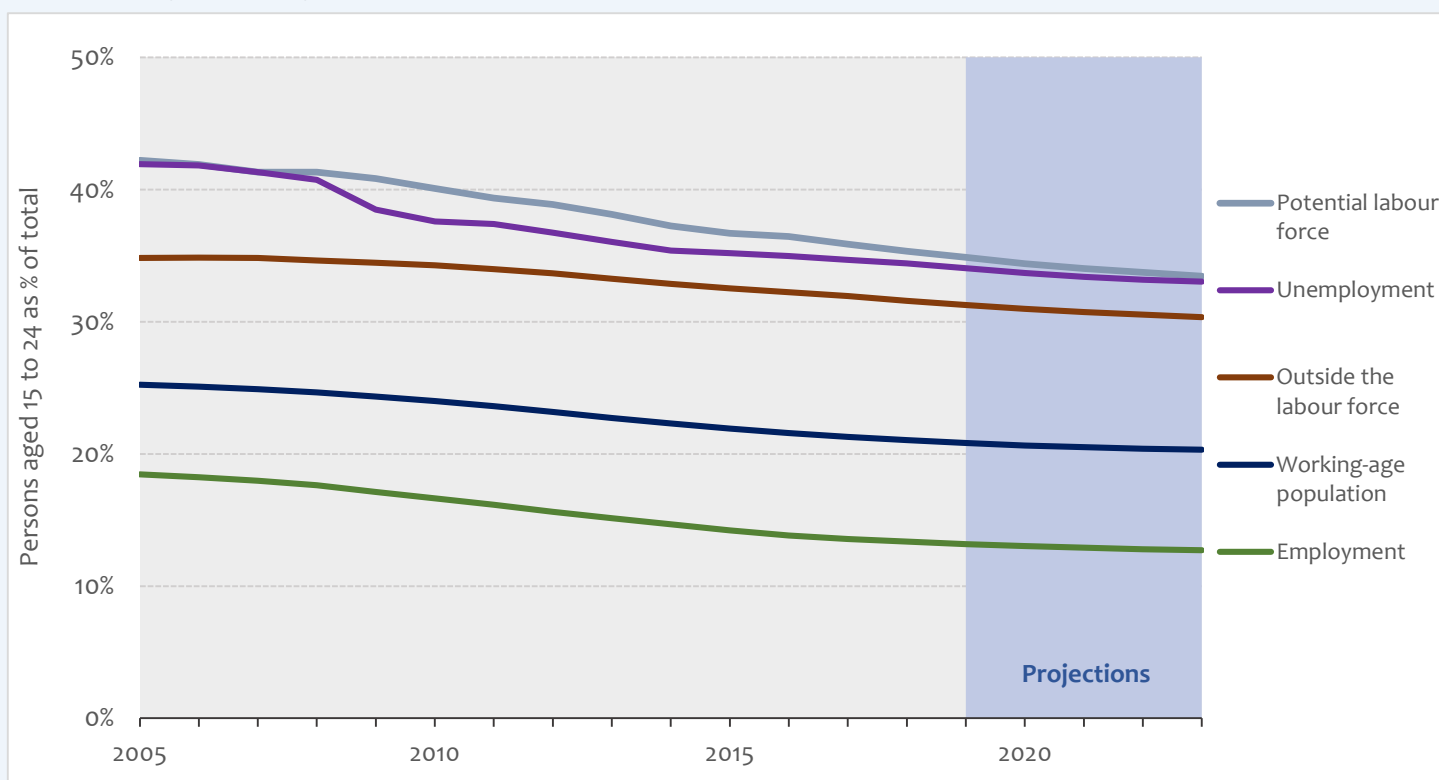
Note: The regions refer to the classification by region used for ILO modelled estimates, available in ILOSTAT.

Source: ILOSTAT, ILO modelled estimates, November 2018.

These findings go in line with what we observe when analysing the distribution of the world's working-age population by age, compared to the distribution by age of global employment, unemployment and the potential labour force. In fact, although young persons represented 21 per cent of the world's working-age population in 2018, they represented only 13 per cent of global employment, and a significant 32 per cent of all persons outside the labour force. Once again, this is not unexpected, since participation in education may keep youth outside the labour force while adults are more likely to participate in the labour force. Nonetheless, what is remarkable is that youth represented 34 per cent of global unemployment in 2018, and 35 percent of all persons in the potential labour force. Put differently, youth in the world are over-represented in unemployment and the potential labour force (compared to their share in the working-age population), which reaffirms the additional hardships of youth to access employment (see the following figure).

Although some progress has been seen in the past decade (the over-representation of youth in unemployment compared to the working-age population has slightly decreased), it remains modest and slow, pointing to the need for urgent action by policymakers.

Youth share of global population, employment, unemployment, potential labour force and persons outside the labour force (2005-2023)



Source: ILOSTAT, ILO modelled estimates, November 2018.

Concluding remarks

The situation of youth in the labour market has a major impact on societies as a whole, on the future lives of these youth, and on the future wellbeing of the community. This is why youth not in employment, education or training should be a particular concern for leaders around the world. By not actively participating in the economy while also not developing skills via educational or training programmes, these idle youth are at an increased risk of social and economic exclusion, which may have long-lasting effects both for them and for their communities.

Recognizing the detrimental impact of large proportions of youth not involved in employment, education or training, the international community has committed to substantially reduce their share in the world's youth population by 2020, as part of the Sustainable Development Goals.

The lack of data on the share of youth not in employment, education or training at the global level kept the seriousness of the problem in the dark for a long time. In this regard, the new estimates produced by the ILO are a valuable source to unveil the magnitude of the issue and to prompt targeted action.

Indeed, ILO estimates show that over one fifth of the world's youth are not in employment, education or training, and even more alarmingly, almost one third of all young women in the world are jobless and not in education or training. ILO estimates also point to systematically greater difficulties for youth to access employment and appropriate job search infrastructure compared to adults. In all regions of the world, the youth labour supply is underutilized at higher rates than adults, at least when it comes to unemployment and the potential labour force.

Youth are a particularly vulnerable group in labour markets around the world, with the global jobs crisis of 2009 having disproportionately affected them.

All in all, the new ILO estimates cast light on the dire situation of youth in the global labour market, and especially that of young women, providing policymakers with a solid base to start addressing the vulnerability of young workers.

