



Creating decent jobs for youth



Generation Unlimited

Generation Unlimited works with a two-pronged approach- coordinating country level action through investment agendas and implementing cross-cutting innovations at scale. At the national level, Generation Unlimited will establish an in-country, multisector partnership group led by the government to undertake a comprehensive landscape analysis of the current ecosystem for education, employment and civic engagement of young people. The analysis will be the basis for a country investment agenda that will articulate a high-level roadmap and a portfolio of scalable initiatives for investments, and Generation Unlimited support sourcing of investment opportunities and mobilization of financial and political capital to execute on these priorities for young people aged 10-24. Where innovations are required, Generation Unlimited will also support co-creation of solutions, particularly with young people.

At the global level, Generation Unlimited will identify and scale innovations of greatest potential to address common challenges of young people, unlocking bottlenecks and brokering partnerships to deliver on the innovations.

Decent Jobs for Youth, the Global Initiative for Action

Decent Jobs for Youth is the global initiative to scale up action and impact on youth employment under the 2030 Agenda for Sustainable Development. It is a hub for catalyzing partnership, collaboration and coordinated action at country and regional level, grounded in evidence-based solutions.

Launched in 2016, with the endorsement of the United Nations Chief Executives Board for Coordination, Decent Jobs for Youth brings together governments, social partners, youth and civil society, the private sector, and many more partners advancing the vision: a world in which young women and men everywhere have greater access to decent jobs!

Through the commitment platform and the Decent Jobs for Youth Knowledge Facility, partners identify what works, share innovations, and mobilize concrete actions – from green and digital jobs to quality apprenticeships, youth entrepreneurship, and the transition to the formal economy. With new spin-off initiatives in Namibia, Nigeria, Burkina Faso, and Kenya, and a regional and global convening agenda, Decent Jobs for Youth works with like-minded partnerships to translate fragmentation into synergy.

Acronyms and initialisms

EPWP	Expanded Public Works Programme (South Africa)
IFAD	International Fund for Agriculture Development
IFC	International Finance Corporation
ILO	International Labour Organization
NEET	Not in Employment, Education or Training
OECD	Organisation for Economic Co-operation and Development
PPP	Public-Private Partnership
R&D	Research and Development
SME	Small- and Medium-sized Enterprises

INTRODUCTION

The current generation of young people – numbering 1.8 billion – is one-quarter of the world's population¹ and a dominant force now and in the decades to come. However, investments in quality wage and self-employment fall short of young people's aspirations, leaving a growing pool of young jobseekers with an insufficient number of decent jobs. Many education systems are struggling to prepare young people with skills which meet employer's expectations. The COVID-19 pandemic and related global recession have further exacerbated the socio-economic challenges facing youth, which put at risk many of the gains made in recent years to advance young people's opportunities.

Generation Unlimited and the Global Initiative on Decent Jobs for Youth are two multi-stakeholder alliances working together to mobilize action and foster skills, employment and the meaningful participation of young people across the globe. By bringing young people together with governments, social partners, the private sector, and a range of international and local organizations, they connect secondary-age education and training to a complex and fast-changing world of work, while easing the transition of young people into decent jobs. Efforts are also being made to foster youth-led entrepreneurship and empower a generation of young people to fully engage as part of their societies.



SECTION 1 THE STRATEGIC CASE

Today, an estimated 68 million young people are unemployed and actively looking for work. Young people are three times as likely to be unemployed as adults – a ratio which has changed little in recent years.² To make matters worse, the period between leaving school and finding work is becoming longer and more uncertain, hindering young people's access to decent work opportunities and impacting their lifelong career and earnings prospects. Evidence shows that for young people, spells of unemployment can lead to a number of scarring effects that can endure for decades, including lower employment prospects and lower wages.³

In addition, young people are hit particularly hard during economic downturns and recessions. Youth unemployment rates vary much more than adult unemployment rates during downturns, as young people are disproportionately affected by both the reductions in hiring and the increases in retrenchment which accompany recessions. For example, young people are cheaper to lay off during recessions because they are more likely to work in less protected areas such as temporary and informal employment, whereas workers who remain in employment continue to acquire work-related (and above all firm-specific) competencies. Increased long-term unemployment and even exclusion from the labour market is thus the greatest danger young people face during recessions.⁴

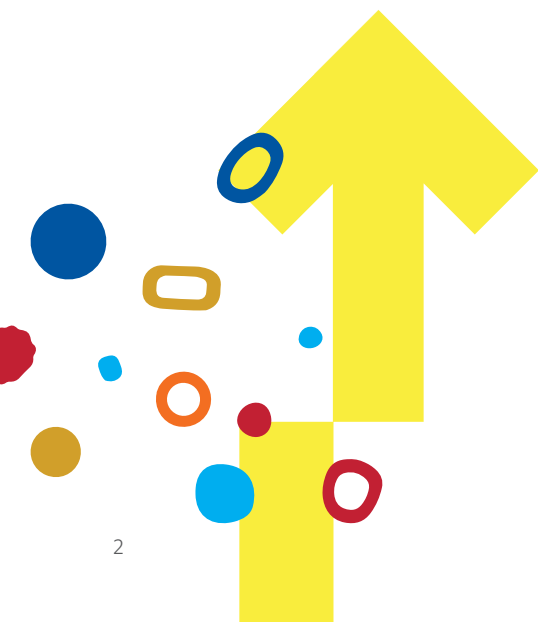
Yet finding employment is only one of the many challenges faced by young women and men entering labour markets. Employment quality is also a critical concern, with nearly three in four young workers working in informal jobs, and over 126 million living in poverty despite being employed (defined as less than US\$3.20 per person per day PPP).⁵ Around two out of five (39 per cent) working young people are in vulnerable employment, defined as working on their own account or contributing to family work. Meanwhile, although 60 per cent of employed youth are wage and salaried workers, they are increasingly in non-standard employment arrangements, including part-time work and zero-hour contracts. Frequently, young workers are in jobs with poor working conditions, limited legal protections, social security and voice representation, and which offer them low and unstable incomes.

Moreover, youth engagement in labour markets has been declining. Although this partly reflects positive trends in education, it is also indicative of the prevalence of young people who are neither in employment nor in education or training (NEET). Globally, about 270 million youth – most of them women – find themselves in this situation.⁶ This is equivalent to about 22 per cent of the world's entire population of young people, a share that has remained

largely unchanged over the past ten years. This group includes young people who are available and looking for work, i.e., unemployed youth, as well as those who are inactive in the labour market for reasons such as discouragement, disability and family responsibilities, among others. These young people are not gaining the skills needed to enter quality employment – which may result in further economic and social exclusion – nor are they contributing to socio-economic development.⁷

Employment opportunities are also influenced by social and cultural factors. This varies by country and can have significant impacts on labour force participation and access to employment for young women, persons with disabilities and other vulnerable groups. Young women in particular continue to face multiple barriers to entering employment, including cultural and social restrictions on the types of jobs deemed appropriate to them; and there is a persistent and significant gender wage gap, as well as occupational segregation between young women and men. Young women spend considerably more time doing unpaid care and household work than young men: data from 39 countries show that young women spent almost three times as much time on unpaid care and domestic work than young men (11.0 per cent of time use versus 4.4 per cent).⁸ In addition, young women face discrimination in hiring practices, unequal pay for work of equal value, and widespread violence and harassment in the workplace.

Addressing the challenges outlined above and ensuring more and better jobs for young women and men is a top policy concern worldwide. Young people's unemployment and poor-quality jobs have negative long-term consequences for young workers themselves as well as society at large. Conversely, investments in youth can accelerate progress towards a prosperous and sustainable future. The year 2020 marks the beginning of the last decade of the Sustainable Development Agenda, and much remains to be done if youth employment goals are to be achieved by 2030.





Why do improvements in youth employment matter?

Promoting decent work opportunities for young people requires coordinated policies, strong institutions and innovative solutions that are adapted to the local context, combining the resources of various stakeholders including governments, employers and workers as well as youth themselves. To be successful, employment policies need to address both the supply and demand sides of the labour market, and the interaction between them.⁹ Labour market and skills development policies are frequently implemented, but these represent only part of the required policy response to the youth employment challenge. It is equally important to foster an environment that supports sustainable economic growth,

structural transformation, and the promotion and protection of the human rights that underpin the opportunities for decent work.

The pace and the pattern of economic growth are some of the factors shaping opportunities for decent jobs for young women and men. In many low- and middle-income countries, labour force growth outpaces employment growth. For instance, around 10 to 12 million youth are entering the labour market each year in sub-Saharan Africa, but only around 3 million jobs are being created.¹⁰

Job opportunities are likewise influenced by labour market imbalances and skills mismatches, which pose a threat not only to young workers themselves, but also to national economies and social cohesion. A recent analysis of school-to-work transition survey data concluded that many young

workers are underqualified relative to labour market demand in lower-income countries.¹¹ Conversely, over-qualification is a more pressing matter in middle-income countries, where the demand for higher qualifications has not kept pace with the growing supply of young graduates.

Young people's employment prospects are also affected by several mega trends, including demography, technological change and concerns over environmental sustainability. There is wide consensus that economic growth, structural transformation and job creation need to be decoupled from environmental degradation. A transition to environmentally sustainable development will entail employment shifts: some sectors will contract while others will expand, and there will be changes in skills requirements and workplace practices. Yet green transformations could provide significant

opportunities for youth, provided that appropriate policies are put in place. Recent research by the ILO indicates that an estimated net 18 million jobs could be generated as a result of taking action to limit global warming to two degrees Celsius, while business-as-usual is likely to destroy jobs as well as livelihoods in the future.¹²

The world of work is also being transformed by rapid technological change and diffusion, impacting the number and types of jobs available for young women and men. Moreover, shifts in the characteristics and task makeup of traditional occupations, as well as the emergence of entirely new occupations, will affect skills requirements. On the one hand, compared to older workers, young workers may be more comfortable with new technologies and adapt faster to innovation.¹³ On the other hand, less secure forms of work are growing, such as casual and temporary employment, including through online platforms (gig and platform economies). The impacts of technology on the world of work will vary across countries, sectors and groups of workers, conditional on the country's level of development and speed of adoption, the structure of the economy, and how well prepared workers are to adapt to changing labour market requirements. For example, technological change does present opportunities for lower- and middle-income countries to accelerate structural transformations and 'leapfrog' to more advanced stages of development.¹⁴ Going forward, considering the implications of technological change will be critical in ensuring more and better jobs for young women and men.

Demographic trends are another major factor influencing the youth labour market. Approximately 42 million young workers are projected to enter the global labour force between 2017 and 2030, mostly in sub-Saharan Africa and Southern Asia.¹⁵ In these regions, provided there is suitable policy support, lower dependency ratios¹⁶ could lead to accelerated growth and socio-economic development. At the same time, high-income countries are aging, resulting in a global labour force increasingly concentrated in low- and middle-income countries.¹⁷ In countries with large numbers of young workers, it is vital to invest in expanding

opportunities for decent employment for young people. Where populations are aging, it is important to support labour force participation and smooth school-to-work transitions to sustain economic growth and output. In these countries, an adequate labour market immigration policy framework could leverage the influx of young migrants and help mitigate the potentially negative impacts of contracting labour forces. The search for better employment is one of the key factors influencing people's decision to migrate, and there are nearly 31 million young migrants between the ages of 15 and 24 in the world today – the number reaching 57 million if the age limit is raised to 29.¹⁸

Demand-side measures are critical to ensure access to decent jobs for young people. Pro-employment macroeconomic policies can support demand for workers by fostering job-rich economic growth. A countercyclical fiscal policy can ameliorate youth unemployment during recessions, while sectoral and industrial policies can enhance economic diversification and stimulate the development of sectors which are employment-intensive and provide opportunities for young workers. The government is primarily responsible for creating an enabling environment for job creation: this includes providing the conditions, structures, mechanisms and

incentives needed to foster economic growth and encourage new and established private firms to hire more young people, improve the quality of jobs, and support young people who wish to work for themselves. The government can also contribute to employment growth through direct job-creation programmes (e.g., public works schemes). But the government is not the only significant actor: employers, workers and young people have important roles to play as well. Recent research shows that a critical factor in job creation is the ability of private-sector firms to grow, improve their productivity and strengthen supply-chain linkages.¹⁹ In fact, a small number of high-growth enterprises, known as 'gazelles', account for a significant proportion of overall employment growth.²⁰ In turn, workers' organizations are instrumental in identifying workers' needs and ensuring that jobs provide fair wages and safeguard workers' rights.

Finally, governments and other development actors need to involve young people in policy debates, as well as the design, programming and implementation of effective strategies to leverage their experience and address their needs and aspirations. Participation and voice are crucial in the pursuit of social cohesion and socio-economic development.



SECTION 2 WHAT WORKS TO SUPPORT YOUTH EMPLOYMENT?

Stimulating demand for young workers and creating opportunities for decent employment requires coordinated policies across several realms. The best combination of interventions will depend on the characteristics of the economy and the labour force, as well as on the specific profile of the young people seeking to access decent work.

Many labour-market policies will have youth-friendly outcomes, while other policies can be designed specifically to target youth. The former include interventions in support of economic growth, sectoral and value chain development, public employment programmes, and support for small- and medium-sized enterprises (SMEs). The latter encompass active labour market policies targeting young people, such as wage subsidies and job funds, support for youth entrepreneurship, and labour market information services. A systematic review of youth-focused active labour market programmes shows that those interventions do indeed improve youth labour market outcomes, especially when multiple interventions and services are delivered together.²¹

Labour market interventions in support of improved employment outcomes for youth

Value chain and market systems development that create decent jobs for youth

In many low- and middle-income countries, strengthening value chains and addressing market constraints can help deliver better business and employment opportunities, including for youth. The

key here is to support value chains with high growth and employment potential, while also identifying the main constraints to decent work creation. Interventions vary case-by-case, and can range from facilitating the creation of export and trade channels to strengthening business associations and enabling access to training and support services.²² Of particular importance is agriculture, as for many low- and middle-income countries it is still the leading employment sector and will remain so in the near future. However, this is a sector that is not attractive to youth, and small-scale agriculture could benefit from modernization, linking up with downstream activities (agribusiness) and improving employment quality. The end goal is to facilitate systemic change and promote the creation of more and better jobs. However, and importantly, results are not always immediate and interventions must be piloted before moving to scale.

Enabling dynamic SME development to improve outcomes of youth-owned businesses

SMEs account for more than 50 per cent of employment in developing and emerging countries.²⁴ Research suggests that these firms are often more dynamic than larger firms in terms of employment creation. In particular, small enterprises

Serbia: Market systems development in wood processing and furniture manufacturing²³

Funded by the Swiss Agency for Development and Cooperation and implemented by the Vranje Regional Development Agency, the South Serbia Private Sector Development programme focused on developing market systems in wood processing and furniture manufacturing to improve opportunities for youth employment. The programme supported better collaboration between the government, private sector employers, and training providers, to develop and deliver

better vocational education and training, reducing the mismatch between workers' skills and those demanded by employers, and improving young workers' employability and productivity. To this end, a more responsive vocational education and training model was developed and piloted. This model has since been introduced into newly drafted national legislation and the first cohort of students were expected to graduate in late 2019.

led by young entrepreneurs can contribute to employment opportunities for youth, given their tendency to hire peers. Despite their acknowledged potential for job creation, several constraints prevent high-potential SMEs in developing and emerging countries from thriving. Barriers include complex and cumbersome regulatory and institutional environments, and limited access to finance, networks, skills and knowledge. SMEs can also benefit from better linkages with markets and value chains.

One promising form of intervention involves encouraging large leading firms to strengthen their links with the SMEs in their supply chain, so as to support youth employment. Leading firms could, for instance, include conditions in their procurement or bidding arrangements requiring that the SMEs employ a certain number of young people for a specified time period. Young workers and entrepreneurs could also benefit from SME support in meeting bidding requirements, such as through the unbundling of contracts in public procurement processes. This might also involve procurement procedures having a dedicated youth-owned business performance component. Youth-owned enterprises may also be supported by facilitating access to finance through non-financial collateral or insurance schemes that provide operational capital to young entrepreneurs. Whatever the approach, job creation and income boosts will likely materialize only in the medium term, not overnight.

As most of these opportunities are accessible only to formal SMEs, the increased formalization of youth-owned businesses is also key to improving the availability of quality jobs for young people. Through being able to access the benefits of running a formal enterprise via an easing of business registration procedures, young people can be exposed to the multitude of measures that support the sustainable development of SMEs.²⁵

Public employment programmes that rapidly integrate youth in the labour market

Public employment programmes, e.g., public works, are another strategy to support youth employment. These can take many forms and tend to involve large-scale government investments in the maintenance, construction and

repairing of rural and urban infrastructure, climate adaptation works, and disaster relief and reconstruction, among other initiatives.²⁷ In addition to providing opportunities for paid employment and skills acquisition, public employment programmes have wider impacts in targeted communities, improving long-term economic prospects as a result of new infrastructure and assets.

These programmes complement employment creation in the private sector in contexts where markets are not able to generate productive employment at the required scale and pace.²⁸ Public employment programmes often include targets for youth participation to ensure opportunities for paid employment for young people. However, jobs created

by public employment programmes are inherently temporary, and thus these programmes must be coupled with other interventions for long-term and sustainable job generation.

Although there is limited evidence on the labour market outcomes for youth from such public employment programmes, studies have identified several areas for improvement.²⁹ These include improved targeting mechanisms, and the inclusion of skills development components to improve young workers' employability. Strengthening linkages with other activation strategies to facilitate the transition to stable employment, and the development of a strategy to "exit or graduate from" welfare support, have also been recommended by these studies.

Uganda: Public-private partnership supporting young farmers²⁶

Targeting youth aged 18 to 24 and living in poverty, the U-Learn II Project in Uganda developed a market-system-based approach to boost value chains in high-growth sectors, including agribusiness, construction, tourism and hospitality. The approach led to

partnerships with over 600 young farmers in an out-grower model, who benefited from technical training and access to inputs and markets. Young farmers reported an average annual net increase in income equivalent to US\$ 600.

South Africa: Public works for youth³⁰

Since 2004 the Government of South Africa has supported short-term opportunities for youth in infrastructure, non-state community services, social services, and environmental and cultural activities. The Expanded Public Works Programme (EPWP) includes targets for youth and women's participation, supporting the creation of opportunities for young workers in contexts where youth unemployment rates surpass 50 per cent. Between 2009 and 2014 EPWP has created over 4.6 million work opportunities. In its latest phase (2014–2019), the programme is expected to create 6

million work opportunities. The most recent data shows that 741,540 jobs were created in 2016, with an average duration of 88 days, generating US\$460 million in earnings. In 2016 youth participation accounted for 46 per cent of work opportunities. Notably, a training component is mandatory in some of the projects targeting youth, leading to improved skills and greater productivity, which could facilitate access to better employment upon programme completion. Reporting indicates that 70 per cent of previous EPWP participants have transitioned to longer-term formal self- or wage-employment.

Youth-centred interventions for better labour market outcomes

Wage subsidies that create incentives for the hiring of young jobseekers

Wage subsidies can support school-to-work transitions and boost formal employment among young people by reducing employment costs to employers, thus increasing demand for young workers. Several approaches to wage subsidies exist, including direct transfers to firms or workers conditional on the worker's formal employment, general cuts in payroll taxes and social security contributions, and subsidies to employment with on-the-job training components. Wage subsidies can help offset the initial lower productivity of young workers and the risks associated with recruiting a person with little or no (formal) work experience, as well as the costs of their initial training. In

turn, youth benefit from a secure income, work experience and workplace training, with positive effects on their employment prospects in the long term.

Evidence suggests that sharing the initial costs of hiring has a positive effect on private-sector demand for young workers. However, success depends heavily on programme design, including the targeting and the amount of subsidies, and the conditions for employers.³¹ If well-targeted, wage subsidies can lead to significant improvements for disadvantaged workers. However, evidence has shown that the misuse of wage subsidies can result in distortions, such as the displacement of non-eligible workers who would be a better fit for a job vacancy.³²

Wage subsidies have been much more common in higher-income countries with a sizeable formal sector than in low- and middle-income countries. Therefore,

evidence of wage subsidy impacts on youth employment in low- and middle-income countries is limited. Nevertheless, research indicates that wage subsidies in the form of direct payments to firms targeting disadvantaged youth in middle-income countries has led to employment gains in the short-term.³² Evidence on the medium- and long-term effects in middle-income countries suggest gains might not be long-lived; in Europe, conversely, long programmes (of up to two years) with heavy subsidies have resulted in long-term employment gains for low-skilled youth. In turn, evidence on whether short-term programmes can lead to long-term benefits is mixed.

In emerging and developing countries, informal employment is the predominant form of economic activity among young people.³⁴ Wage subsidies can therefore play a role in the transition of young workers from the informal to the formal



economy. This is because wage subsidies can, to a certain extent, incentivize the formal employment of young employees who would otherwise revert to the informal economy. This is true in particular given the importance of having a first formal job for one's future labour market trajectory.³⁵

Jobs funds to create share value and decent work for youth

Funds specifically allocated to youth employment are an approach to improving youth labour market outcomes. These are typically competitive mechanisms for the co-financing of youth employment interventions. Jobs funds can, therefore, support effective partnerships and improve risk-sharing between governments, the private sector and other stakeholders. These funds can tap into the ingenuity of public- and private-sector organizations, inviting project proposals which provide innovative solutions to longstanding issues.³⁷ The rationale behind most jobs funds is to ensure maximum impact and sustainability.³⁸

This idea has only recently been applied directly to tackling youth unemployment, and there is as yet little evidence on what works. Nevertheless, some risks to this approach have been identified, including poor fund administration, lack of private-sector buy-in, and insufficient high-quality innovative proposals.

Employment services and labour market information systems to bring youth labour supply and demand together

Employment services are one of the most cost-effective tools to connect jobseekers with job openings.⁴² Public and private employment services can offer interventions designed to improve workers' employability, while acting as intermediaries between employers and jobseekers, addressing information asymmetries and supporting signalling mechanisms between young jobseekers and employers. Such interventions – e.g., pre-selection of candidates for employers and referral of jobseekers to vacancies – can improve the efficiency of recruitment processes and job matching, thus decreasing employee turnover.⁴³ However, many employment service programmes suffer from low take-up, often due to poor targeting and weak marketing strategies.⁴⁴ Furthermore, to make these services more

appealing to both young workers and enterprises, it is key to improve staff-capacity shortages of both public and private employment services, and align the services towards any existing skills-development interventions with which jobseekers and businesses are already involved.

Hiring and on-the-job practices by employers to proactively support youth-friendly workplace environments

To establish youth-friendly workplace environments that can improve the quality of jobs for young workers, employers need to align their human resource strategies towards the particular demands young people have. This includes training and awareness-raising for line managers regarding the proactive communication of skills and career development opportunities for young people, and increasing the time allocated for holistic and periodic performance feedback. Moreover, shifting from traditional hiring procedures towards more engaging ones can aid young people with little job-hunting experience to present their skills and talents more effectively, and decrease the barriers that sift out structurally disadvantaged candidates.⁴⁷ By linking socially accountable enterprises with trade unions which advocate for the rights for young workers, business-to-business networks could be created that support the realization of youth-friendly workplace environments.⁴⁸

Support for existing youth-owned businesses that boosts the quality of jobs

Entrepreneurship support can focus on several constraints faced by youth-owned business. Interventions may focus on improving access to finance and to markets, as well as mentoring and advisory services including market analysis, the development of business plans and financial literacy, among others. Comprehensive support to young entrepreneurs may also necessitate non-business-related support.⁴⁹ Addressing the specific needs of different groups of young people, and supporting better productivity and job quality in youth-owned enterprises, may depend on providing additional support to young workers – such as information on organizational safety and health, strengthening peer networks, or assisting in the establishment of cooperatives. Although little is known about the long-term effects and cost-effectiveness of entrepreneurship support interventions, there are initial indications that they produce strong results.⁵⁰ However, support for youth entrepreneurship and self-employment is not a panacea for issues associated with youth employment. While new technologies and the digital economy have increased the opportunities for young people, the risks associated with survivalist self-employment – i.e., low productivity, income and job quality, often restricted to the informal economy – must be considered in the design and implementation of entrepreneurship policies and programmes.



Jordan: Wage subsidies for young women's employment³⁶

In Jordan, unemployment rates are high and women's labour force participation low. This led to the Jordan New Opportunities for Women Initiative, a controlled experiment aimed at assisting female community college graduates in accessing jobs. One of the interventions tested was a voucher entitling employers to up to six months of subsidies for hiring

young female graduates. The entitlement was equivalent to the statutory minimum wage, and three-quarters of young women who received the vouchers used it for the full six months. An evaluation found that the voucher led to a 40 per cent increase in employment in the short term, more than tripling the employment rate in the control group. However,

impacts were generally not persistent and results were no longer significant just four months after the end of the intervention. Outside of the capital, results seemed to be persistent, but this might have been associated with adverse displacement effects.

South Africa: The Jobs Fund

In 2011 the Development Bank of Southern Africa established a jobs fund with the objective of enabling innovative solutions to structural constraints to growth and employment creation for young men and women in South Africa.³⁹ It aimed at co-financing projects with public,

private and social organizations in the areas of enterprise and infrastructure development, providing support to young jobseekers, and stimulating institutional capacity building. Around 35 projects have been funded by the Government and partners,⁴⁰ ranging in

size from US\$500,000 to US\$20 million. Interventions included work experience programmes in targeted sectors as well as large-scale interventions to support job creation in the green economy. By December 2018 the fund had led to the creation of 170,000 permanent jobs.⁴¹

Dominican Republic: Improving prospects for youth at risk

Since 2001 the *Programa Juventud y Empleo* (Youth Employment Programme) in the Dominican Republic has been providing skills training and individual counselling and coaching for young people ages 16–29 who are out of school and without stable employment. The programme also includes internships

with one of 1,500 partner enterprises in sectors such as commercial services, hotels and restaurants, agroindustry and manufacturing, and included a strong dialogue with enterprises in these sectors. An evaluation of the first phase of the programme (2001–2008) indicates that 20 per cent of the

young participants were employed upon completion.⁴⁵ An evaluation of a later programme cohort found a positive impact on formality and earnings among young men, along with decreases in teenage pregnancy and a boost to young women's likelihood of employment.⁴⁶

Egypt: A holistic approach for more and better jobs for young rural women⁵¹

From January 2013 to mid 2014, the Population Council in collaboration with non-governmental organizations and community development associations, implemented the *Neqdar Nesharek* ('We can Participate') programme to promote young rural women's empowerment and improve their employment outcomes in Upper Egypt. The programme adopted a holistic approach, providing business and vocational skills training, life skills, health awareness, legal rights and

civic education, and supporting young marginalized women in starting a business or accessing employment. In parallel, social partners ensured participants had proper documentation (such as identity cards) crucial for loan applications and business formalization. They also helped beneficiaries to open bank accounts. A quasi-experimental impact evaluation concluded that the programme had significant positive impacts on young women's empowerment, proxied by

their engagement in income-generating activities, work aspirations and business knowledge. Beneficiaries were 4.5 per cent more likely to be engaged in income-generating activities than young women in the control group. This impact was largely driven by an increase in participants' engagement in self-employment and entrepreneurial activities. Impacts were strongest for young women who were married and had secondary education or higher.



Common features and lessons

The labour market challenges faced by young people are a concern across the world. What is needed is not only to provide sufficient opportunities for youth employment, but also to ensure that these opportunities do in fact result in decent work. Young people need work that is productive and which delivers a fair income, while also offering them legal and social protection and good working conditions, and providing them with voice, freedom to organize, and the opportunity to participate in decision-making. And above all, such work must provide for equal treatment and opportunities for young women and men. Youth labour market needs and challenges vary widely by age, gender, education level, geographic location, and other socio-economic factors. There is no ‘silver bullet’ that will solve all the youth employment issues at once (see *Table 1*); yet some key messages do emerge from the evidence and promising practices, as follows.

Youth employment programmes work best when offered as part of a comprehensive package that addresses demand- and supply-side constraints to decent employment opportunities for young workers. Concerted policy action on multiple fronts and the involvement of relevant stakeholders including the government, employers, workers and youth are key. Demand-side policies are particularly critical in developing and emerging countries, where limited opportunities for decent employment in the formal sector frequently lead young people to engage in activities associated with low income, instability, poor working conditions and limited legal and social protection. In such contexts, traditional supply-side measures such as skills development are not sufficient to solve the youth employment conundrum, and it is imperative to spur the demand for young workers by fostering opportunities for decent work. However, there is no specific combination of youth employment programmes that always works, and the effectiveness of interventions depends on their ability to adapt to the needs

of the population of beneficiaries. Complementarities with skills-development interventions and other measures aimed at boosting labour supply are key and should be pursued.

Appropriate policies are context-specific. The appropriate policy package depends on the characteristics of young workers and of the local economy and labour market. High-growth labour-intensive sectors and value chains which are competitive and thus present the greatest opportunities for job creation depend on factors such as a country’s natural endowments, infrastructure, R&D and innovation landscape, and the business environment. It is clear that policies which address the needs of young workers in high-income countries with large modern formal sectors cannot apply to low- and middle-income country contexts marked by dual labour markets and widespread informality. Moreover, where the demand for young workers in the formal sector is weak, it is critical to address structural factors that hamper the creation of decent jobs for youth. Similarly,

Table 1: An overview of approaches for supporting decent work for youth

Policy	Description and strengths	Weaknesses
Value chain and market systems development	Policies and programmes aimed at addressing market failures can boost private firms' productivity and accelerate their growth, with multiplier effects stimulating wider employment creation. Lead enterprises can identify upstream potential and lead partnerships.	Market systems and value chains are complex, involving many interconnected actors and institutions. As a result, predicting the outcome of specific interventions is difficult, requiring constant evaluation and project adaptation. Identifying high-growth sectors and monitoring project implementation and results necessitates high levels of institutional capacity.
Enabling dynamic SMEs and improved linkages with lead firms	Interventions targeting dynamic SMEs and better linkages with lead firms benefit young people through more and better jobs in own and other businesses, while contributing to SMEs' and lead firms' growth and corporate social responsibility.	Significant institutional capacity is required to identify sectoral potential and appropriate partners, and engage stakeholders. It is also critical to ensure measures to safeguard decent work in the supply chain are implemented.
Public employment programmes	Governments can contribute to youth employment through direct job creation in public employment programmes. These programmes improve youth's employability. At the same time, the resulting new or improved physical and social infrastructure can contribute to the productivity and competitiveness of private firms in beneficiary communities.	Public employment programmes require care not to displace private business. Careful targeting and design are needed to ensure gender-neutrality. In addition, this is a short-term solution to youth unemployment, necessitating complementary policies.
Wage subsidies	Targeted interventions can support employment creation by reducing employment costs associated with hiring young workers (e.g., compensating initial lower productivity and training). Employers can also benefit from reduced costs in selecting and training young workers. In this sense, subsidized periods can serve as lower-cost probationary periods. In turn, young workers benefit from work experience and on-the-job learning, increasing employability.	If not appropriately targeted, wage subsidies may lead to issues such as the displacement of non-eligible workers who may have been a better fit for the job, or the inefficient use of resources by subsidizing workers who would have been hired even in the absence of the subsidy. Other concerns include whether employment impacts last beyond the subsidized period.
Jobs funds	Calling for and financing innovative proposals for youth employment issues and job creation allows for the creation of public-private partnerships through co-financing arrangements, which may also reduce risks associated with testing new approaches to youth employment creation.	Job funds can imply high administrative costs in designing the competition, selecting projects and follow-up activities. Human and capital resources are needed for proper monitoring and evaluation. Moreover, efficacy may be threatened in the absence of quality and innovative proposals.
Employment services and labour market information systems	Labour market information systems and employment services may facilitate youth insertion in formal employment and reduce selection and hiring costs for employers.	Employment services tend to cover only the formal sector and urban areas, which might be an issue in low- and middle-income countries. Providing adequate services requires capacity and resources.
Hiring and on-the-job practices by employers	Youth-friendly hiring and on-the-job practices that are implemented strategically across the workplace can improve the initial work experience and long-term trajectory of young people. Targeting their particular needs through holistic introductory training and periodic feedback schemes can lead on to higher-quality jobs.	Human-resource-intensive training approaches require complex coordination mechanisms and dedicated financial resources. Emphasizing the long-term benefits of low employee turnover rates and business-to-business networks that collaborate with trade unions can be a way to spur youth-friendly on-the-job practices.
Support for young entrepreneurs	Youth entrepreneurship interventions address one or a combination of constraints faced by young (or aspiring) business owners. The private sector has an important role to play in providing opportunities for young entrepreneurs to gain knowledge and experience, including through coaching and mentoring.	Providing adequate support to young entrepreneurs requires high levels of capacity and resources. Programme design and targeting should strive to include vulnerable groups, including young women and youth with disabilities, as well as young people in rural areas.



young workers are a heterogeneous group, and different cohorts may face unique challenges within the same country context. These disparities should be reflected in policy design.

Properly targeting young workers is key. Policies and interventions can either be designed to support general employment creation which could also benefit youth, i.e., be youth-friendly, or aim at providing employment opportunities for young workers specifically, i.e., be youth-centred. Evidence suggests that targeting young workers, especially disadvantaged groups such as young women and young persons with disability, can have significant payoffs. In low- and middle-income countries particularly, small investments in employment opportunities and skills are likely to lead to sizeable improvements.⁵² Conversely, inadequate targeting can lead to inefficiencies and, in some cases, to adverse effects. For example, inadequate targeting of wage subsidies can lead to the hiring of eligible candidates who would have been hired even in the absence of the subsidy, or to the displacement of ineligible workers who are a better fit for the job.

Targeting is not only about whether a policy or intervention is youth-friendly or youth-centred, but must also consider the particular labour market challenge it hopes to solve, as well as which youth groups are most affected by it. For women, evidence shows that women-only working areas or dormitories, as well as child-care support services, can improve programme participation in some settings while also catering to cultural and social norms. In the case of workers with disabilities, easy access to the workplace is paramount to programme participation. Interventions can also aim at addressing other issues specific to certain groups, such as discouragement, lack of information about where and how to search for employment, or mismatches in qualifications. Beyond targeting, programme outcomes also hinge on the provision of information and incentives for programme participation by youth, the private sector and service providers.

Results are not necessarily immediate and effects tend to increase with time. A systematic review of over 100 impact evaluations of youth employment programmes concluded that the more the impacts are measured in the longer run,

the more likely they are to be positive.⁵³ The case is strong for training and skills-development programmes, whose impact may only materialize years after the intervention has been delivered.

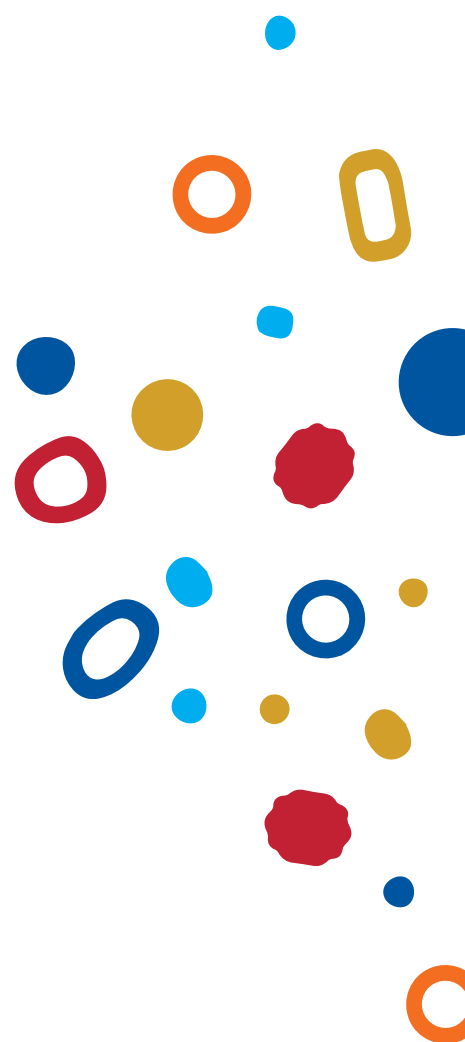
All relevant stakeholders should be involved. Inclusive partnerships are needed to strengthen ownership, scale investments and improve relevance and coherence in the design and implementation of youth policies, maximizing impacts. Social dialogue and the participation of social partners (such as employers' and workers' organizations) can help reduce information asymmetries and bridge supply and demand for labour, while securing the protection and promotion of labour rights.

The government has a key role to play in balancing the need to protect young workers' rights and promote decent work with the need to ensure adequate labour market flexibility to establish an environment conducive to business growth. As a major job provider, the private sector is instrumental in supporting the identification of market needs, as well as the design, development and implementation of programmes, especially those which have skill-development components. Workers' organizations can provide important insight about workers' experiences and needs, and promote their rights, voice and representation. Evidence also suggests that mechanisms must be established to ensure that youth can play an active part in the development, implementation and monitoring of youth employment solutions.⁵⁴

Strengthening the evidence base for better policies is essential. Action to accelerate employment creation for young workers is urgently needed across the world, yet there is a dearth of information on what works for youth employment. Improving the evidence base for the design and implementation of policies requires further research and analysis. More evidence is needed on the effectiveness and cost-efficiency of different interventions, as well as on the interaction between multiple measures.

Evidence on programme impacts cannot, however, be developed in the absence of strong information systems, and timely and reliable data. This requires improving the capacity of government statistical

agencies to implement and analyse labour force and enterprise surveys, as well as collecting and maintaining administrative records and other data. In particular, better information is needed about invisible and vulnerable groups, such as those in the informal sector.



SECTION 3 CALL TO ACTION

Among today's youth, one in five is not in employment, education or training (NEET). Young people are three times more likely to be unemployed than adults. Those young women and men who do manage to access employment are often trapped in the informal economy and earn too little to lift themselves and their families out of poverty.

Young women are often disproportionately disengaged from labour markets, while young women workers face a double burden of paid work and unpaid domestic and care work, as well as discriminatory hiring practices and lower wages and incomes. In addition, youth are increasingly engaged in non-standard forms of employment, including temporary, casual and gig work. Difficult transitions into the world of work can have long-term consequences for career prospects. Realizing their full developmental potential requires that young people be furnished with more and better jobs; this will also benefit socio-economic development on the national level. To this end, young people, policy makers, business leaders and social partners must all unite to develop and implement coherent sets of effective policies adapted to the local context.

Young people

Young people should be actively engaged in solving youth employment issues. It is vital to involve youth in programmes, projects and interventions for employment generation and the creation of decent work. Mechanisms and tools should be provided for the meaningful engagement of young women and men with issues that are of importance to them. Youth participation is paramount for greater ownership and the success of decent work interventions.

There are several avenues for youth participation. Young people can join and build youth business and professional networks, actively engaging with employers' associations and chambers of commerce. They can also join workers' organizations, contribute to social dialogue and advocate for the application of fundamental principles and rights at work, fair wages and benefits, and safe and secure working environments. Moreover, young workers can partake in national youth employment coalitions and demand representation in policy and programme development, implementation and monitoring processes.

Political leaders and policymakers

Political leaders and policymakers need to develop and implement labour-market policies targeting young people, with a focus on the most vulnerable, especially during economic downturns and recessions. Only immediate, large-scale action, informed by the Employment Policy Convention, 1964 (No. 122), can enable young people to take up productive and freely chosen employment. This requires prioritizing youth employment in national and international development frameworks, and the development of time-bound action plans for decent employment. To support young people during times of economic uncertainty and crisis, political leaders and policymakers need to stimulate the economy and employment, support enterprises, jobs and incomes, protect young workers in the workplace, and promote social dialogue in search of solutions. The outcomes of policies and programmes should be measurable, and consistently monitored and evaluated.

Fostering opportunities for young workers requires decisive action on multiple fronts, including:

- Promoting pro-employment macroeconomic policies and fiscal incentives that support stronger aggregate demand and increase productive investment that improves capacity for job creation and access to finance. Countercyclical fiscal policies can be an effective means to protect young workers during economic downturns.
- Demand-side interventions such as public employment programmes, employment guarantee schemes, funding of labour-intensive infrastructure projects, wage and training subsidies, and other specific youth employment interventions, allow young people to integrate into or stay connected to labour markets. The European Union's Youth Guarantee provides an example of a countercyclical active labour market policy that delivers a comprehensive and prompt intervention to protect youth from long-

term labour market exclusion. In low- and middle-income countries, comprehensive responses targeting youth, including employment-intensive programmes and guarantees, must be adapted to the specific circumstances and may need both domestic and external support in terms of financing and implementation

- Gender-sensitive policy and programme design, implementation and monitoring is crucial to reduce existing gender inequalities and to empower young women in the labour market. This includes organization of youth employment programmes in such a way that women are able to participate, the creation of safe learning spaces for girls, female adolescents and young women during training, and gender-sensitive management and use of information.
- Anchoring a job-friendly development agenda in industrial and sectoral policies that facilitate structural transformation and contribute to the emergence of an

environmentally sustainable economy, and ensuring greater public and private investment in sectors that create decent jobs for young people.

- Creating an enabling policy and regulatory environment to facilitate the transition to formal employment and decent work.

Business leaders

Business leaders and representatives from employers' organizations also have an important role to play in driving the decent work agenda for young people. Collectively, the private sector is key to improving the alignment between formal and non-formal education and the skills demanded in the labour market. Moreover, developing stronger and inclusive value chains in agriculture and other sectors would help provide more and better opportunities for young workers and entrepreneurs. Private firms are also instrumental in supporting youth by providing opportunities for on-the-job

training and employment, increasing participation in public programmes such as wage subsidies, and providing mentoring and coaching for young entrepreneurs, among others. Employers are also paramount for the promotion and application of labour rights for young people.

Social partners

The engagement of social partners in tripartite negotiations on employment and economic policies is key to ensuring the needs and contributions of employers and workers are integrated into the design and implementation of youth employment strategies. Social partners' participation in sectoral and enterprise consultations is also important to boost growth and promote strategies that are job-rich, with particular regard to the needs of young people. Social dialogue is needed to ensure that the benefits of economic development are shared broadly.



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