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## How to avoid a lost generation

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Alongside the crisis in the Eurozone, youth unemployment has been a hot topic in the news these past weeks, from the OECD Paris conference last Thursday, to a series on BBC World, not to mention the BBC's 'The World Speaks' survey that named unemployment as the world's fastest rising concern. And they're right to be concerned, as the figures are as alarming as they are depressing.

Young people are three times more likely than adults to be out of a job. According to ILO estimates, of the total of 200 million people unemployed worldwide, 75 million, or around 40 percent, are young people. In the UK, youth unemployment has topped 1 million for the first time since record keeping for this group began in 1992. In Spain, young people make up 45 per cent of the unemployed.

But high as they are, these figures only tell part of the story. If we add the estimated 152 million young people living on less than USD 1.25 per day, we have some 225 million people in a very vulnerable and precarious situation - about the total population of the U.K., Germany, France and Canada combined.

And the picture gets gloomier. During a recession period, youth are the last to be hired and first to be fired, largely due to lack of work experience.

When it comes to entering the job market, those lucky enough to go to university face a difficult transition from school to work, either due to a skills mismatch between what they have learned and what kinds of jobs are available, or a lack of emphasis in education and training institutions on such employable skills as problem-solving, learning and communication. In the US for example, according to the US National Association of Manufacturers, manufacturers have 600,000 unfilled positions because of a lack of qualified skilled workers.

This is a huge waste of human capital which has the potential for dire social consequences. A scarred generation is in the making, facing a dangerous mix of high unemployment, precarious work and increased inactivity in developed countries, and persistently high working poverty in the developing world.

Against this background, it is no wonder that youth are angry and frustrated, and have played a highly visible and critical role in this year's protests for change.

Governments are struggling to tackle the problem and while there is no 'one-size-fits-all' solution, there are a number of key ingredients.

First, we need an integrated strategy for growth and jobs, with clear targets for investment, growth and job creation. In developed countries, this poses the fundamental question of how to transition from a weak recovery to a strong recovery, when fiscal austerity measures that cripple growth are imposed in a climate where the room for fiscal stimulus is quite limited. In developing countries, the solutions also include growth, but here there are many more structural challenges: productive transformation and diversification, increased competitiveness, reduction in the size of the informal economy, a good balance between export promotion and promotion of the domestic and regional markets.

A second key ingredient is investment in quality education and training and improving their relevance to labour market needs. We need to work closely with the private sector to reduce skills mismatches. This is not just a matter of public policy, it is important for companies and employers' organizations to take the initiative and collaborate with educational and vocational training institutions. Making sure that during education and training, youth have opportunities to gain work experience, via internships, on-the-job training, and other schemes.

A third ingredient is providing a wide variety of incentives and services: hiring subsidies, training and retraining grants; services to facilitate the transition to jobs such as career guidance, effective contacts with enterprises, advice on how to prepare CVs and conduct themselves in interviews, etc. We also need to promote youth entrepreneurship.

Lastly, we need to promote partnerships: public employment services and private employment agencies, labour offices and municipal authorities, governments, employers and workers, international and non-governmental organizations, all need to work together.

This week, for example, The MasterCard Foundation pledged US\$14.6 million to create a "Work4Youth" Partnership with the ILO Youth Employment Programme to increase the global awareness of the challenges facing youth, as they move from education to the world of work. This partnership will help the ILO support the improvement of policies aimed at tackling youth unemployment in several countries across the world.

The youth employment crisis is grave, but not unsolvable. We are talking about our children. To say that they are our future is a cliché but that doesn't make it less true. We owe it to our kids to make sure they get a fair chance at making a decent living. The world cannot afford – literally – a lost generation.

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