

Youth Unemployment: Causes and Consequences for Family Formation and Development

Esuna Dugarova

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Key questions

- i. What is the role of youth employment in strengthening families?
- ii. How can policies improve youth employment and contribute to more stable and sustainable family outcomes?
- iii. What lessons can be learnt from international experience?

Outline of the paper

- Review of youth unemployment trends globally and regionally;
- Examination of international policies and programmes aimed at improving the employment situation of young people;
- Implications for families.

Key messages

- Today's youth are **the next generation** (IFFD 2016), and investing in youth employment is critical for improving well-being of **families**.
- This can be done through policies and programmes aimed at creating productive, quality and well-paid **jobs**, provision of **(re-)training** to young people, and where necessary social **benefits** and allowances.
- It is essential that these policies and programmes are seen as an integral part of **family policies**, which can help achieve broader development outcomes including poverty reduction, economic prosperity and more inclusive and cohesive society.

Definition of ‘youth’

- **Youth** is generally understood as a period of transition from childhood (often associated with leaving compulsory education) to adulthood (when young people find their first full-time job).
- Patterns of **transition** vary as a result of differences in educational attainment, choice of profession, availability of jobs, lifestyle, aspirations, family background and institutions.
- The presentation adopts the United Nations’ definition of ‘youth’— **persons between 15 and 24 years old**—while acknowledging the heterogeneity of meanings in various contexts.

Why youth employment matters for family and sustainable development

- Youth (15-24 years old) represent an **important resource** for society accounting for over 18% of world's population and over 15% of world's labour force (ILO 2016).
- Achievement of sustainable development depends on how well **families** are empowered to contribute to SDGs (IFFD 2016).
- Families do better in a **supportive policy environment**—that helps them support children transition in adulthood—and in which young people are engaged in paid productive work.
- Employment provides an economic foundation for young people to create their own **families** or contribute to the well-being of other family members.

Challenges

- Many young people today face increasing **uncertainty** entering labour market.
- Unemployed or underemployed youth are more vulnerable to **poverty** and **social exclusion**, are less able to contribute to economy and have fewer opportunities to exercise their **rights**.
- In certain cases, this results in **social unrest** and a rejection of existing socio-economic system by young people.
- Widespread youth unemployment and underemployment jeopardizes achievement of sustainable development.

Implications for families

- Trends in labour market require young people to undertake **more education and training** now than decades ago to become economically secure enough to establish a family.
- In many countries, increases in income inequality, employment instability, shortening of job tenure, increases in living costs reinforce difficulties to establish an independent and “**self-sufficient**” family.
- Economic independence and other events leading to adulthood (e.g. finishing education, education-to-work transition, family formation) are now achieved much later, and many young people have to rely on **family or welfare support**.

Global youth unemployment trends

- **Global** youth unemployment rate reached 13.1% in 2016 (ILO 2016).
- Number of unemployed youth globally reached 71 million in 2017.
- Deterioration is particularly marked in **emerging countries** where the unemployment rate is estimated at 13.7% in 2017 (53.5 million unemployed).
- Youth unemployment rate in **developing countries** is around 10% in 2017 (7.9 million unemployed).
- In **developed countries**, youth unemployment rate is the highest globally (14.3% or 9.7 million) (based on available data).

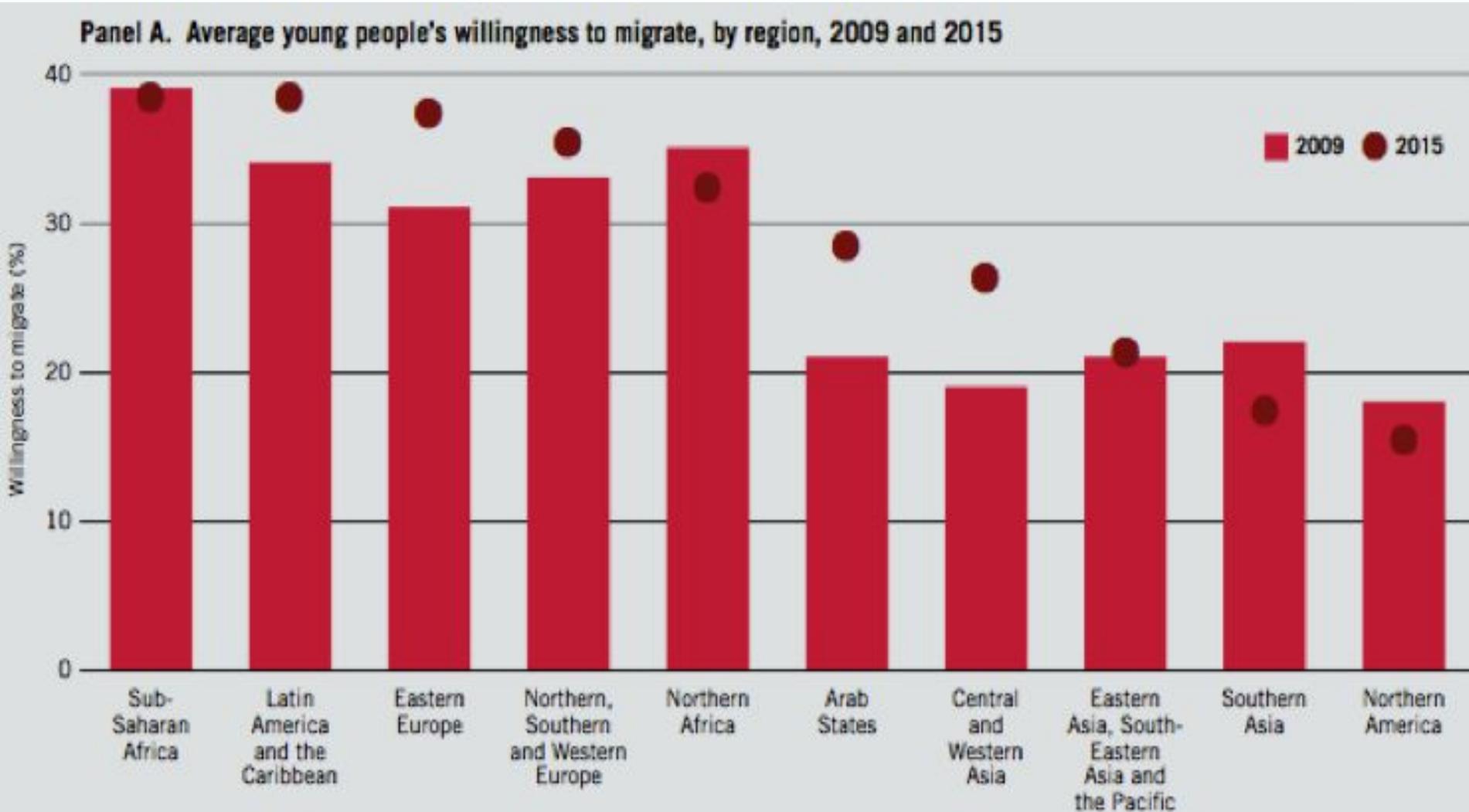
Working poverty

- Many young people are **working**, but do not earn enough to lift themselves out of poverty.
- Around 156 million youth in **emerging and developing countries** live in extreme or moderate poverty despite being in employment (ILO 2016).
- Higher incidence of working poverty and informality among youth is associated with high proportions of youth engaged in domestic service and **unpaid family work**, especially in developing countries (ILO 2013).

Migration

- Due to unemployment, working poverty and/or vulnerable forms of employment, young people tend to look abroad for **better employment opportunities**.
- In 2015, 51 million **international migrants** were aged between of 15 and 29, with more than half resided in developed economies (ILO 2016).
- 20% of global youth population in this age range were willing to move permanently to another country.
- Willingness to migrate among youth is highest in sub-Saharan Africa (38% in 2015)

Willingness to migrate abroad permanently among youth aged 15-29, by region (percentage of respondents)



Source: ILO (2016)

Regional youth unemployment trends

Region	Unemployment rate, 2007–17 (percentages)				Unemployed youth, 2015–17 (millions)		
	2007–14	2015	2016	2017	2015	2016	2017
World		12.9	13.1	13.1	70.5	71.0	71.0
Africa							
Northern Africa		29.4	29.3	29.2	3.7	3.7	3.7
Sub-Saharan Africa		10.9	10.9	10.8	11.1	11.3	11.6
Americas							
Latin America and the Caribbean		15.7	16.8	17.1	8.5	9.2	9.3
Northern America		11.8	11.5	11.7	3.0	2.9	2.9
Arab States		30.6	30.6	29.7	2.6	2.7	2.6
Asia							
Eastern Asia		10.6	10.7	10.9	11.9	11.4	11.0
South-Eastern Asia and the Pacific		12.4	13.0	13.6	7.4	7.7	8.0
Southern Asia		10.9	10.9	10.9	13.7	13.8	13.9
Europe and Central Asia							
Central and Western Asia		16.6	17.1	17.5	2.1	2.1	2.2
Eastern Europe		17.1	16.6	16.2	2.0	1.8	1.7
Northern, Southern and Western Europe		20.6	19.7	18.9	4.5	4.3	4.1

Source: ILO (2016)

Youth unemployment in Africa

- Africa has world's youngest population → youth unemployment is particularly relevant.
- Nearly 200 million people in Africa are between 15 and 24 y.o. Expected to double in the next 30 years (ILO 2016).
- In sub-Saharan Africa, main labour market challenge: poor-quality employment (rather than unemployment). This problem is reinforced by rapid population growth.
- 247 million people in vulnerable employment in 2016 (nearly 68% of all those with jobs) and expected to increase (UN 2017).
- Particularly challenging for women (more in informal and vulnerable employment).
- Common reasons for female lower activity: family responsibilities; domestic work; lower levels of educational attainment.

Major reasons for youth unemployment

- **Inflexible** labour market and regulations;
- Insufficient quality and relevance of education, **mismatch** between skills in the education system and workplace;
- **Lack** of information, networks and connections, especially among youth from families with limited economic resources and social capital;
- Lack of **available jobs** suited to entry-level skills;
- Some young people lack so-called ‘21st century **workplace skills**’ such as cooperation, communication, critical thinking and creativity (WEF 2012).

Consequences of youth unemployment

- **Marginalisation** in labour market;
- **Mental health** risks;
- Anti-social and **criminal** behaviour;
- Serious impacts on **families**:
 - Affects **formation** of a family;
 - Difficult transition to independent adulthood will likely have an aggregate effect in relation to **demographic** and **fertility** trends;
 - **Intergenerational effect**: young people' own failure to accumulate economic and social capital can perpetuate the same cycle for their children.

Policy measures

- **Active labour market policies**
 - Job-search assistance programmes – often most cost-effective for youth; training programmes work best when carefully tailored to local or national labour market needs.
- **Vocational training and apprenticeships**
 - Since 2012, Austria, Brazil, Greece, Italy, Mexico and the United States have reformed apprenticeship system (ILO 2015).
 - Switzerland, Netherlands, Singapore, Austria, Norway and Germany successfully developed vocational education and reduced youth unemployment (McKinsey 2013).
 - Joven employment programme in Chile (training in workplace) (UNDP 2015).

Policy measures

- **Support for entrepreneurship and self-employment (access to finance, training, skills development)**
 - E.g. in developing countries – microfinance schemes for youth; in developed economies – venture capital to support start-ups and larger initiatives. Crowdsourcing – a recently emerged option to generate funds for small initiatives (UNDP 2015).
- **Social protection (e.g. work-conditioned benefits)**
 - E.g. Australia's Youth Allowance (Centrelink).
 - Argentina, Brazil, China and South Africa – innovative forms of social protection to improve income security for young workers in vulnerable employment (ILO 2015).
 - In India and Uganda – cash transfer programmes provide resources for funding job searches and supporting training and skills development (UNDP 2015).

Concluding remarks

- Overarching objective of employment (both quantity and quality) needs to be embedded within a **more comprehensive framework** that provides youth and their families with adequate support.
- Scaling up investments in **decent jobs for youth** is the best way to ensure the **well-being of families**.
- The aim of policy should be to **nurture today's youth** through investing in their education; supporting lifelong learning and training opportunities; and providing employment.
- Such interventions should go hand in hand with **family policies** as an **integrated strategy**.

THANK YOU!