

## Chapter 2

# Youth Employment

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### ABSTRACT

*Youth employment has been a challenge with gradual acceleration from beginning of 1990s. It also has been exacerbated by latest global crises. Besides, as a fact mutually having a fostering relation with it, increasing rate of inactive population among the youth has caused to soar worry about the matter. Although youth unemployment is a common problem for developed and developing countries, it differs in these countries in terms of formation, intensity and solution way. In two decades countries around the world have implemented particular policies against the matter accordance to action plans prescribed by international organizations such as ILO, OECD and EU. Even though, there has been some partial improvements as a result of economic and labour market policies, there is a long way to solve the problem significantly and to decrease the anxiety down to reasonable level. Therefore, the countries must continuously monitor and analyze their conditions and create integrated policies suited to socio-economic conjuncture.*

### INTRODUCTION

By the effect of the economic growth without employment, employment matter of those firstly entering market has been getting challenge in the context of high and structural unemployment. Unfortunately, the youth<sup>1</sup> labour markets in most countries were substantially affected during the recent global financial. ILO projections of youth unemployment rate show that in most regions, the youth unemployment rate keep its upward trend between 2007-2017 and today, employment matter is maybe most significant challenge for youth policy around the world.

Along with the open unemployment, increasing inactivity rate among the youth is another source of unrest. Inactivity rate - the share of youth neither in employment nor in education and training – the so-called NEET rate has increased because of problems in labour markets and worse economic progress.

Youth employment problems have various dimensions and can be manifested in different ways such as difficulty in making the transition from education to the labour market, underemployment, or working in jobs with low earnings, loosing job in a crisis. Skills mismatch on youth labour markets has

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become a persistent and growing trend. These challenges are related to mainly the quality and relevance of education, labour market regulations, transition school-to-work policies in general and with lack of cooperation and coordination among different stakeholders.

Unemployed youth has been called “a lost generation”: not only because of productivity loss but also because of the long-term impact of young people’s employment opportunities for future welfare consequences. Especially for countries which are in the stage of demographic window of opportunity, youth employment is uniquely important.

The economic and social costs of unemployment and widespread low-quality jobs for young people continue to rise and undermine economies’ growth potential. By virtue of importance of the matter, international organizations such as OECD, ILO and WB have prepared comprehensive reports on the matter. Accordingly, all over the world, remedying policies and practices towards youth unemployment has been carried out.

This chapter aims to explain; features and causes of youth employment in developing and developed regions, approaches of international and supranational organizations towards the matter, policies and programs for solutions which have being implemented.

## RECENT DEVELOPMENTS IN YOUTH EMPLOYMENT

Today generation of youth has been the largest size in human history, with 1.2 billion aged 15-24 years and with 1.8 billion including 25-29 ages, approximately 85-90% of them in developing countries (WB, 2015, 31; UN, 2015, 1; ILO, 2013, 1) and its nearly 500 million around the world were unemployed, underemployed, or engaged in insecure employment in 2014 (WB, 2015, 44).

After global youth unemployment rate steadily increased between 1992 and 2002 from 11,1% to 13,2%, it had a recovery term till onset of economic crises in 2007 by reaching rate of 11,6% (ILO, 2011, 2; ILO, 2013, 8). After the period of rapid increase between 2007 and 2010, the global youth unemployment rate settled at 13.0% for the period 2012 to 2014 and is expected to increase only to 13.1% in 2015, remaining still above its precrisis rate in 2007 (ILO, 2015b, 16).

Between 1991 and 2014, while the overall youth population grew by 185 million, the number of the youth labour force has declined by 29.9 million resulting youth labour force participation rate declined from 59.0 to 47.3% (ILO, 2015b, 3) due to some reasons such as increased school attendance, the tendency of remaining in the education system for a longer period, high overall unemployment rates, and giving up hope of finding work and dropping out of the labour market (DESA, 2005, 16).

However, decline in employment to population rates during this time is much stronger because of rising unemployment and numbers of youth not in employment, education or training (the NEETs) in many OECD countries. But during this process, increase occurred mainly in the share of *unemployed* NEETs, while shares of *inactive* NEET youth who are neither in employment, education or training nor registered as jobseeker, typically remained stable or even declined. The number of NEET youth aged between 16 and 29 years increased by 2.5 million (+7%), to 38.4 million (about 13% OECD average) in the OECD area between 2007 and 2012. But it has been decreased in most developed countries, for example in European Union (EU-28) started to decline from the peak of 13.1% in 2012 to 12.4% in 2014 (Carcillo, Fernández, Königs, & Minea, 2015, 8-16; ILO, 2015b, 12; OECD, 2014,102).

It is really upsetting situation to gain limited achievement in youth employment as the number of unemployed and share in total the global unemployment, despite of decrease in labour force participa-

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