1. Overview

In 2010, over 75 million young people were unemployed across the world. The global youth unemployment rate\(^1\) was 12.6 per cent, against a global adult unemployment rate of 4.8 per cent (UNDESA, 2012). Youth unemployment rates are considerably higher than adult rates in all geographic regions, although there are regional variations in terms of the generational gap (see Section 2 for statistics on youth unemployment and how it compares with unemployment for older people).

Why are young people less likely to find a job or source of livelihood than their prime-age counterparts? The evidence presented in Section 3 suggests that there are currently a number of barriers to youth employment:

- **Excess supply of young jobseekers competing for jobs** – high population growth rates, particularly in the Middle East, North Africa and sub-Saharan Africa, have led to an increasing supply of young jobseekers which has not been matched by employment opportunities. Young people are often the ‘last in’, because they are lack experience, social networks and the know-how to market themselves as potential employees (ILO, 2010).

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\(^1\) The ILO defines youth as the age group 15 to 24 years, although national statistics programmes define and measure youth in different ways.
The global economic downturn has led to freezes or reductions in the number of new positions, which can disproportionately affect young people who make up the bulk of new jobseekers (ILO, 2010). Young people are not only the ‘last in’ during difficult economic times, but also the ‘first out’, as employees tend to be more reluctant to lay off adult workers due to the costs involved. Young employees are less likely to have had company training funds, have fewer firm-specific skills, are more likely to be on a temporary contract and are over-represented in precarious jobs of short duration (ILO, 2010; OECD/ILO, 2011).

Quality and relevance of education, which is often not adequately tailored to the dynamic needs of the labour market (UNDESA, 2012). Mismatch of qualifications and skills with employers’ needs can also affect graduate unemployment, as is the case particularly in the Middle East and North Africa.

Discouragement and alienation from society. The longer that young people are without employment, the more difficult it becomes to reintegrate into the labour force and discouraged youth are in danger of feeling useless and alienated from society. In severe cases, this can lead to political instability, conflict and the radicalisation of unemployed youth (ILO, 2008).

Youth unemployment not highly prioritized - the 2012 UN World Youth Report highlighted young people’s sense of ‘hopelessness’ about their governments’ lack of prioritization and ‘neglect’ of the youth employment challenge as well as the institutional capacity to address the problem.

Exclusion of and discrimination against particular groups of young people, for example, according to gender, class, disability, ethnicity, education, family background and origin.

Gender inequality within the labour market, education system and society more broadly. Young women’s employment outcomes continue to trail behind those of men, with only 40.8 per cent of young women participating in the labour force in 2010, compared to 56.3 percent of young men (UNDESA, 2012).

The explanations behind the patterns of youth unemployment are likely to vary from region to region, and even from country to country (ILO, 2006). In Section 4, case studies are presented of youth unemployment among poor, urban male youth in West Africa and graduate unemployment and female youth unemployment in the Middle East and North Africa.

2. Statistics on youth unemployment

Key facts about youth unemployment include:

- In 2010, the global youth unemployment rate was 12.6 per cent, against a global adult unemployment rate of 4.8 per cent (UNDESA, 2012).
- Youth unemployment rates are significantly higher than adult rates in all geographic regions, though with considerable variation (ILO, 2011).

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2 For definitions and information about measuring youth unemployment, please see: [http://mdgs.un.org/unsd/mdg/Metadata.aspx?IndicatorId=0&SeriesId=630](http://mdgs.un.org/unsd/mdg/Metadata.aspx?IndicatorId=0&SeriesId=630)
The global youth unemployment rate, which has long exceeded that of other age groups, saw its largest annual increase on record in 2009; at its peak, 75.8 million young people were unemployed (UNDESA, 2012).

The youth labour force participation rate fell from 54.7 per cent in 1998 to 50.8 per cent in 2008 (ILO, 2010). It is possible that declines in youth labour force participation may indicate that young people are instead engaged in education and training. However, coupled with the high unemployment rates, it is more likely that many young people have stopped looking for work and that, were they to continue to seek work, actual unemployment rates would rise even further (UNDESA, 2012).

Approximately 152 million young workers live in households that are below the poverty line (US$1.25 per day) comprising 24 per cent of the total working poor. (UNDESA, 2012).

Table 1 shows the ILO’s statistics for unemployment trends between 2000 and 2010 for least developed countries (LDCs). Key findings from the table include:

- Overall, LDC unemployment rates have fluctuated from 6.1 percent of the labour force in 2000, down to 5.7 percent in 2006-8, and then slightly up to 5.8 percent in 2009 as the impact of the economic crisis began to be felt.
- Youth unemployment in LDCs during the ten year period has been almost 2.5 times greater than adult unemployment. The latest figures for LDC countries show a youth unemployment rate of 10.3 per cent, compared with an adult unemployment rate of 4 per cent.
- Although youth unemployment is higher for African LDCs, it has steadily declined in this region since 2000. The youth gap with adult unemployment is higher in Asian LDCs at 7.3 percent, compared with 5.3 percent for African LDCs.
- Women and youth bore the brunt of the economic crisis, with women’s unemployment increasing rather than men’s, and youth unemployment increasing rather than adult unemployment.

### Table 1: LDC unemployment rate by sex and for youth and adults (%), 2010

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Note: ‘p’ means projected figures
3. Why are youth finding it difficult to get jobs?

Demographics – a blessing or a curse?
A key reason why young people are finding it hard to get jobs is due to demographics and increasing competition from other jobseekers. High fertility rates, particularly in the Middle East, North Africa and sub-Saharan Africa, have led to population growth and a younger population. By itself, a young workforce is not necessarily a curse and a demographic boom can be a ‘gift’. However, when this ‘youth dividend’ is not matched by a growth of decent employment opportunities, the excess supply of jobseekers can exert significant pressure on labour markets and society more generally.

The ILO (2010) have observed how a vicious circle operates when economic growth cannot accommodate labour force growth, with young people being the worst affected because they lack experience, social networks and the know-how to market themselves as potential employees. In some cases, young people accept work under inferior conditions or move into the informal economy.

As Figure 1 below shows, the Middle East and North Africa (MENA) region has exhibited the highest labour force growth rate in the world, surpassing sub-Saharan Africa. Saif and Khalek (2011) have estimated that countries in the Middle East will need to create 50 million jobs over the next 10 years or 5 million jobs per year, compared to an average of around 3 million jobs per year over the last 10 years. Accounting for some 14 million who are already unemployed, the annual target for job creation would rise to around 6.5 million jobs per year (see Section 4 for a case study on youth unemployment in MENA).

Figure 1: Youth Unemployment Rate by Region, 1991-2011

Note: Years years are marked in black squares.
Source: ILO, Trends Economic Models, September 2011
Global economic downturn

The UN World Youth Report (2012) notes that the largest annual increase in the global youth unemployment rate occurred in 2009, with the total number of unemployed youth rising to 75.8 million. The ILO (2010) has argued that young people often struggle to find jobs due to labour market bias against youth. As mentioned earlier, when labour exceeds the number of jobs, young people with their shorter work histories will be the ‘last in’. During economic recessions, the public and private sector often freezes or reduces the number of new positions, which can disproportionately affect young people who make up the bulk of new jobseekers (ILO, 2010).

Young people are also the ‘first out’, as employers are usually reluctant to lay off adult workers first. The cost of releasing them is generally perceived as higher than for younger workers, because young employees are likely to have had less company funds invested in them for training purposes, young employees have fewer firm-specific skills and it is more likely that they are on a temporary contract. Also, newer (often younger) employees are less likely to be covered by employment protection legislation, which usually requires a minimum period of employment before it applies, while compensation for redundancy usually increases with tenure (ILO, 2010). Young people are also likely to be over-represented in precarious jobs – temporary and informal jobs – of short duration and limited stability. As a result, they are often the first to lose their jobs during economic downturns (OECD/ILO, 2011).

Quality of education and ‘skills mismatch’ with the labour market

Young people’s ability to secure a good job is related to their education. Although school enrollment has increased in many countries, the research suggests that there has not been enough emphasis on the quality and relevance of education (UNECA, 2011; UNDESA, 2012). The UN World Youth Report revealed that many young people question the relevance of their education and whether it is adequately tailored to the actual dynamic needs of the labour market. Formal education is often too theoretical, with not enough practical skills or opportunities for work experience. Young people voiced more positive opinions of non-formal education as a way to develop important skills for the workplace.

Higher education is no guarantee of a decent job. The ILO (2006) have noted that where the supply of highly educated youth outpaces the supply of (typically service sector or public sector) jobs to accommodate them, unemployment tends to increase among better educated young people (see case study of graduate unemployment in the Middle East and North Africa in Section 4).

Reasons for graduate unemployment in developing countries identified by UNESCO (2007) include:

- Mismatch of qualifications and skills with employers’ needs, including the divergence of jobs available and needed versus the type of graduates being produced (for example degrees in social sciences / politics / education vs. engineering / physical sciences);
Lack of supply and demand information on labour market available to students and tertiary institutions, due to inappropriate and out-of-date labour market information and statistics;

Lack of proper career guidance and information, including managing expectations;

Lack of opportunities for gaining work experience, for example through job placements, internships or encouraging holiday working; and

Lack of soft skills, such as social skills, interpersonal relationships, motivation, critical thinking, communication, creativity, language skills etc.

In theory, unemployed young people have several options: (1) to migrate to other regions or countries in search of work; (2) to start their own enterprise, but young people are often considered to be ‘high risk’ with lenders unwilling to lend; (3) to continue with further education to Masters or PhD level; or (4) to continue waiting for a ‘good’ job opening, with the support of their family (ILO, 2003; Phillipson, 2008). However, it is important to note that many young people have limited or no social safety nets to fall back on, so end up ‘trading down’ and being under-employed (UNDESA, 2012).

Discouragement and alienation from society

The ILO (2006) identified ‘discouragement’ as the most damaging reason for youth inactivity. They note that discouraged youth might respond that they are not seeking work because of insufficient education and/or skills to get a job, no suitable work available locally, or lack of knowledge about where to find a job. However, few countries quantify discouragement. Although one possible indicator is the proportion of young people who are not in education or employment (NEET), information on the number of NEETs is difficult to collect and there is very little data from developing countries.

The longer that young people are without employment and discouraged, the more difficult it becomes to reintegrate into the labour force and discouraged youth are in danger of feeling useless and alienated from society. The ILO (2008) has noted that “The danger is that with a build-up of grievances, vulnerable youth may become “discouraged youth”, implying that undertaking job searches would be futile. They lose faith in the system of governance that they feel has failed to live up to their expectations, and in severe cases this can lead to political instability and the rise of extremism” (p.2)

Youth unemployment not prioritized enough

Linked to this sense of discouragement, in the 2012 UN World Youth Report, young people expressed ‘hopelessness’ about their governments’ lack of prioritization and ‘neglect’ of the youth employment challenge as well as the lack of institutional capacity to address youth unemployment issues. When youth employment is prioritised, it is often framed in terms of minimising the threat and security risk from young people. However, there is a risk that alarmism about youth unemployment and the ‘youth bulge’ can lead to simplistic conclusions and poorly-informed policy and programme approaches, which overlook the complexity of factors in specific contexts and the fact that the majority of young people do not get involved in violence (McLean Hilker and Fraser, 2009). There is evidence that youth are an important asset and should be a priority for national governments. For example, the Africa Commission notes how the 7-10 million young people entering the African labour market are often called
“the ‘cheetah generation’ – young, well educated, fast moving and entrepreneurial women and men, conscious of themselves as modern Africans” (2010, p.34). Sommer’s (2011) research with Rwandan and Burundi youth highlights how very different government youth policies / attitudes towards youth has impacted on the lives, priorities and expectations of young people. Whereas Rwandan youth felt simultaneously constricted and overlooked by the government and aimed to “minimise their chances of collapse”, Burundian youth “held out the hope of improving their lot and perhaps even ascending socially” (Sommers, 2011, p.299).

At an international level, donors have increasingly prioritized funding to youth employment programming in the last decade, especially in conflict-affected states. Most donors and development organisations now focus on linking initiatives that improve the employability of youth with employment creation initiatives and initiatives that attempt to ease the transition between education and training and the job market. In many cases, youth employment creation is seen as a proactive strategy to prevent youth involvement in violence or extremism. However, there is also evidence that over the last couple of years, youth issues are being de-prioritized in the wake of donors rationalizing their sectoral priorities and organizational structures (IRC, 2012).

Vulnerable and excluded groups
Of course, ‘youth’ is not a homogenous group, but encapsulates several different experiences and diversities, for example, according to gender, class, disability, ethnicity, education, family background and origin (McLean Hilker and Fraser, 2009). The UN World Youth Report (2012) identified the most vulnerable groups in terms of youth unemployment as women, youth from poor families, unskilled youth and rural youth. However, exclusion from the labour market varies by region and country, as the case study of unemployed urban male youths from West Africa shows in Section 4. Contributors to the UN World Youth Report from developing countries, and in particular from Africa, described how corruption and family networking represent a barrier to many young people, as only those who are well placed in society and who are connected to government are able to access decent jobs.

Gender inequality
Young women’s employment outcomes continue to trail behind those of men, with only 40.8 per cent of young women participating in the labour force in 2010, compared to 56.3 percent of young men. UNDESA (2012) have noted, “Where young women do participate in the labour market, they generally confront greater challenges in accessing jobs, i.e. they face higher unemployment compared to their male counterparts. When employed, they are also more likely to be in traditionally female occupations and unstable, part-time and lower-paid jobs” (p.1) Part of the gender inequality can be explained by gender differences in the education system, not just in the level of education achieved, but the quality and relevance of education and training (ILO, 2008).

Evidence from ILO School to Work Transition surveys show that in many countries labour market discrimination means that young women have a more protracted and difficult transition to working life than young men, with comparatively limited access to information channels and job search mechanisms. Even in those countries where unemployment is lower
for young women than men, it is often the case that women have been discouraged away from the labour market (ILO, 2006).

4. Case Studies

Unemployed male urban youth in West Africa
Sommers' (2007) study of West African youth in Guinea, Liberia, Sierra Leone and Côte d'Ivoire found that the most marginalized and overlooked group in terms of employment programmes were poor, unemployed urban male youth. Youth unemployment ranged from nearly a third of all youth in Côte d'Ivoire, to between 60 per cent and 70 per cent of all Sierra Leonean youth and up to 88 per cent in Liberia. Given the high unemployment rates in the region, Sommers notes how the youth have been unusually patient and peaceful, but the consensus of most observers is that the youth unemployment situation is explosive.

The youth employment challenge in West Africa has been complicated by a number of factors:

- minimal or no economic growth in the region;
- stunted formal economic sectors;
- serious state corruption and accountability problems;
- high economic inequality;
- political instability (particularly in Guinea and Côte d'Ivoire);
- social, political and economic distance between poor youth and those with power and influence (a legacy of the involvement of many youth in rebellion and resistance);
- movement of increasing numbers of youth to cities; and the
- limited levels of educational achievement of many young people.

Sommers notes how “mainstream youth employment approaches that concentrate efforts in rural areas and formal markets, by themselves, are highly unlikely to succeed in a region plagued by an unusually high number of pressing uncertainties and challenges, and where youth are expanding in opposite directions – towards cities and informal markets” (2007, p.6).

Graduate and female unemployment in MENA
According to 2011 ILO figures, the MENA region has the highest youth unemployment rate, with approximately 1 in 4 young people without a job. Lack of employment is considered to be one of the single most important and debilitating effects of population growth in the region, especially as it has coincided with poor economic growth and a decline in the oil industry in many countries. Research suggests that education systems do not equip youth with the skills appropriate to making the transition into the labour market, leading to the phenomenon of large numbers of unemployed graduates. For example, research from Tunisia found that university education is associated with a high rate of unemployment: 40 per cent against 24 per cent for non-graduates (Stampini and Verdier-Chouchane, 2011). As a result, many donor interventions have focused on providing skills development and vocational training programmes. National governments are also being urged to provide conditions for private sector growth (Khan, 2007).
The ILO’s Global Employment Trends for Youth 2011 notes how deep-seated structural issues in the region have led to the world’s highest youth unemployment rates. In the region, the main graduate employer is the public sector, with many young graduates (especially women) ‘queuing’ for long periods while they wait for public sector jobs which offer wages above market levels along with generous non-wage benefits. However, the public sector has been gradually contracting since the 1980s as a result of budgetary reduction, privatisation and deregulation. For example, while the public sector accounted for 65 per cent of formal sector jobs in Algeria in 1987, it employed only 25 per cent of workers in 2004 (Aita, 2008). There is also evidence that university graduates’ expectations have been raised by the occasional creation of new jobs in the public sector for higher-skilled workers, so that newly qualified graduates prefer to remain unemployed for lengthy time periods rather than taking up less well-paid private sector jobs (Subrahmanyam, 2011).

Women in the region face a ‘double burden’, according to the ILO (2010), with high female youth unemployment rates (30.8 per cent in the Middle East and 30.3 per cent in North Africa) which are predicted to get worse. Educated young women are most likely to be concentrated in the shrinking public sector. Other employment options for women are limited, due to a lack of economic diversification outside the male-dominated oil industry. Women entrepreneurs also face hostile business and legal environments (ILO, 2010).

The lack of youth economic prospects, particularly the ‘decent jobs deficit’ (Subrahmanyam, 2011), has contributed to a collective generational frustration, and at least partly explains the mobilisation of youth in support of the political protest movements in Bahrain, Egypt, Libyan Arab Jamahiriya, Syrian Arab Republic and Tunisia. Consequently, promoting opportunities for decent employment for youth remains firmly fixed among the priority of the interim governments (ILO, 2011).

5. Additional information

http://www.africacommission.um.dk/NR/rdonlyres/5E78A809-83CF-4BED-98F8-D305D1BB745D/0/RapportFINALENG.pdf - p.34

http://www.gsdrc.org/docs/open/HD471.pdf


http://www.gsdrc.org/docs/open/CON66.pdf


Phillipson, R., 2008, ‘Youth, Jobs and Inclusive Growth: What does the economic literature tell us?’


Key websites:


Experts consulted

- Dr Lyndsay McLean Hilker, University of Sussex
- Sarah Huxley, Child/Youth Specialist, Moderator of UN World Youth Report
- Sergio A Andrés Iriarte Quezada, Knowledge Sharing Officer, Youth Employment Programme, International Labour Organization (ILO)

About Helpdesk research reports: Helpdesk reports are based on 2 days of desk-based research. They are designed to provide a brief overview of the key issues, and a summary of some of the best literature available. Experts are contacted during the course of the research, and those able to provide input within the short time-frame are acknowledged