

Youth and Employment: a Public Policy Perspective

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Introduction

Generating employment opportunities for young people is a major challenge facing most countries – rich or poor. When jobs are scarce, young people are often at the back of the hiring queue despite higher levels of formal education than earlier generations. The difficulties faced by young people in developing countries in finding work are compounded by the large numbers seeking limited employment opportunities. Some 80 per cent of the young jobless are in developing countries and economies in transition. Millions more young people work fewer hours than they wish, while others work long hours with little gain to show and no social protection in the informal economy. However, governments in developing countries pay little attention to developing and implementing youth employment strategies.

It is a paradox of globalisation that young people in developed countries, which are experiencing unprecedented levels of extended economic growth, face less competition for jobs compared with the situation facing young people elsewhere. The former represent only a fifth of the population in developed countries and, compared with 1970, are a declining share of the total population in those countries (see Curtain 2000: Table1). This suggests that young people in developed countries are not only benefiting from the greater opportunities available in fast growing economies. They are also in a more favourable position compared than earlier age cohorts as there are fewer young people chasing the new jobs being created.

However, in the least developed economies, the share of young people in the total population is over a third of the population in these countries and has increased since 1970 (Curtain 2000: Table 1). This suggests these young people face not only more limited economic opportunities. They also face increasing competition for the fewer jobs and other limited economic opportunities that are available due to the greater absolute numbers of young people in these economies.

The purpose of this paper is to offer some suggestions as to how governments and international agencies might approach the development and implementation of a youth employment strategy in developing economies. Its approach is based on a critical awareness of the limitations of past initiatives. The paper argues that a successful youth employment strategy needs to “walk the talk” by pointing to the future not only in terms of its focus, content, and the linkages required but also in terms of who and how it is implemented.

UN Secretary General’s Youth Employment Network

The paper draws on a paper prepared by the author for the inaugural meeting of the UN Secretary General’s Youth Employment Network at the end of August 2001 (Curtain 2000). It provides some background to the Network’s recommendations on youth employment released in July 2001 and to be found at of the UN’s Youth Employment Network’s website: <http://www.un.org/esa/socdev/youthemployment/>

The recommendations are the work of a high-level panel and the Network’s Secretariat from the UN, the World Bank and the International Labour Office (see <http://www.un.org/esa/socdev/youthemployment/yenpr.doc>). They emphasise the importance of incorporating youth employment into comprehensive employment policies and stimulating broad-based employment-intensive growth as the best means to create employment for young people. They also propose backing up youth employment initiatives with strong institutions such as ensuring that all girls and boys have access to quality education and creating effective school-to-work transition pathways. Other recommendations

address ways to bridge the gap between the informal sector and the knowledge economy by drawing on the creativity of youth to harness the employment potential of the information and communications technology revolution.

Also attention is given in the recommendations to the value of creating partnerships and networks locally and internationally and to findings ways to exploit the new opportunities opened up by the rapidly expanding service sector. Helping young entrepreneurs to access the support they need is also proposed, through either relevant labour market information services, help in setting up small businesses or through access to capital. Also highlighted is the need for employment policies to respond to youth aspirations for a better future through job security, social protection, rights, and representation at work.

The paper next discusses, from a public policy perspective, differences in how youth as a group is defined, and consideration of what it means to view youth as a stage in the lifecycle. The paper then outlines the limitations of existing international NGO programs in relation to working with adolescents, micro credit and youth employment and livelihood issues. The paper concludes with a discussion of the implications of recent research findings on young people and the labour market for the development of a comprehensive employment policy.

How Youth are defined for policy purposes

Uncertainty on the part of governments about the role of youth in the economy and society is reflected in their differing legal, economic or social status between countries and even between genders within countries. In Africa, the legal definition of adulthood specifies a particular age of 21 in many countries and 18 in others (Mkandawire, & Chigunta, 1999). However, the legal status of a young person for different purposes can also vary widely. Legal minimum ages often vary not only by gender but also accordingly to the purpose of the age limit - marriage, voting rights, criminal responsibility, military service, access to alcoholic beverage, consent to medical treatment, consent to sexual intercourse etc. For instance in South Africa, a young man or young woman can legally consent to sexual intercourse at the age of 16, can obtain a driver's licence at the age of 17, can vote at the age of 18 but can only own land at the age of 21 (Mkandawire, & Chigunta, 1999: 3).

In economic terms, youth from aged 15 are defined as an economic agent, according to ILO Convention No. 138 (Esim et al. 1999:3). However, young people are often denied access to credit, even through micro credit schemes because of a requirement for clients to be the legal age (18 or 21 years old) to sign a legal contract.

Statistical definitions of youth also vary. In Africa, some countries have adopted the United Nations (UN) definition of youth (15 to 24 years) while others use the Commonwealth definition (15 to 29 years). For policy purposes, the age range can be even wider. In some African countries, such as Ghana, Kenya and Tanzania, the definition of youth used for policy purposes ranges from 15 years to 35 years. In Nigeria, it ranges from 12 to 30 years. South Africa's National Youth Policy defines youth as any person between the ages of 14 and 35 years (Mkandawire 2000:3 and Table 1).

Youth as a lifecycle stage

Youth as an economic and social concept refers to a separate stage in the lifecycle between childhood and adulthood. This period of transition refers to a complex interplay of personal, institutional and macro economic changes that most young people have to negotiate in other than wholly traditional societies. The relative importance and intermingling of these factors can vary widely not only between countries according to their level of economic development. It can also vary within countries according to socio economic, ethnic and other social groupings.

The changes that young people have to negotiate revolve around moving from dependence to independence, involving, in most societies, at least four distinct aspects. These are: leaving the parental home and setting up new living arrangements; finishing full-time education; forming close stable personal relationships outside their family of origin, often resulting in marriage and children and settling into a more or less stable source of livelihood through employment and/or career choice (OECD 1996:109).

An analysis range of data related to youth unemployment in OECD countries, notes that there is a connection between youth joblessness and serious social problems such as drug abuse, crime, vandalism etc (Blanchflower 1999:8). The research suggests that that high levels of youth unemployment can lead to alienation from society and democratic political processes, which may give rise to social unrest. This conclusion is also likely to apply to urban youth with few schooling and job opportunities in developing countries. Young, disaffected men have played significant parts in recent conflicts in Fiji, Solomon Islands and Sierra Leone.

A World Bank study of the economic causes of armed conflict globally found that the risk of civil war is systematically related to a small number of economic conditions, such as a low national income and dependence on primary commodity exports (Collier 2000). The study analysed 47 civil wars in 161 countries over the period 1965-1999. One important finding was that conflict is concentrated in countries with relatively few young people in education. The average country that experienced civil conflict had only 45 per cent of its young males in secondary education. The study also found that a country which has ten percentage points more of its youths in schools- say 55 per cent instead of 45 per cent - cuts its risk of conflict from 14 per cent to around 10 per cent (Collier 2000: 7,132-133).

The importance of the economic transition

Clearly these different transitions do not take place independently of each other. The prior condition for leaving the parental home, setting up a new household and entering into close stable personal relationships outside the family of origin, in most cases, is obtaining a secure form of livelihood. Sustained employment (waged or self employment), therefore, is often a necessary (but not sufficient condition) for young people to make the transition to adulthood.

The macro economic dimension comes into play through the importance to many young people of first establishing a stable source of livelihood as a precondition for making the other personal transitions. In most instances, the achievement of a stable livelihood based on marketable skills and experience is a necessary condition that affects markedly the chances of youth achieving the other transitions to adulthood. Young people are likely to postpone marriage or forming stable personal relationships and/or the begetting of children when faced with uncertain employment prospects and insecure financial conditions.

Overall employment growth has the strongest influence on the ease or difficulty with which young people eventually make the transition to sustained employment (OECD 1998: 81; OECD 1999: 8). However, institutional differences between countries are also important in determining how long the transition takes and whether it is relatively smooth or rough. Although two countries may have similar economic growth rates, the type and degree of coordination between education institutions and employers makes for markedly different transition outcomes especially in terms of how long it takes young people to make a successful transition.

From the perspective of the economic transition young people are engaged in, it is difficult to define what the outer bounds are of the age groups affected. OECD evidence suggests that men even up to the age of 28 years may have problems in settling into stable work. For some men who are early school leavers, the transition to stable work could last to age 35 (OECD 1996: 132-133). The wide age span used in many African countries to define youth for policy purposes, as noted above, is likely to reflect the difficulties that most young people in these countries have in making the economic transition from dependence to independence.

Existing employment programs and initiatives: some critical comments

Public policy in relation to youth, including programs run by international NGOs, usually adopt one of three starting points. Young people are perceived as either passive clients of government services passing through a series of developmental stages, as autonomous agents able to shape their own destinies or as constrained decision makers (White and Wyn 1998). Obviously, the different starting points offer a fundamentally different approach to the type of policy. The assumption that young people are passive clients is often the most common operating principle. However, this is contrary to evidence that consensual, participatory and transparent processes achieve more effective outcomes (World Bank 1999).

The Washington-based International Centre for Research on Women conducted a survey in 1994 of more than 100 programs working with adolescents worldwide to determine the strategies program staff have found to be most successful. Active participation by adolescents in all stages of program design and implementation (21 percent), putting an emphasis on education (21 percent) and being responsive to adolescents' concerns were the most frequently cited successful strategies for working with adolescents (Esim et al. 1999).

Other evidence is available of the shortcomings of existing efforts by governments and NGOs to provide employment opportunities for young people in developing countries. A survey of over 200 relevant organisations for a report on *Improving Youth Livelihoods In Sub-Saharan Africa*, only received a response rate of only 15 percent (Bennell 2000). Direct contact with British NGOs believed to have youth projects and programs was also made and a total of 25 interviews were conducted with relevant staff. These two sources of information showed a general lack of interest among NGOs in youth employment and related issues:

... youth are not an important target group for most NGOs and so consequently few were able to identify specific projects and programmes. Furthermore, very little information was available on programme outputs and impacts. In part, this is because of the arms-length relationship that generally exists between most NGOs in the UK and their partner organisations in Sub-Saharan Africa. But it can also be attributed to a lack of evaluation capacity in most NGOs coupled with the absence of sufficiently strong incentives to conduct proper impact evaluations (Bennell 2000: 25).

Microcredit and limited access for youth

Microcredit has achieved considerable success on a worldwide basis on reaching the poor and disadvantaged. The Microcredit movement has shown clearly that lack of access to capital through restrictive institutional practices is a major obstacle to giving the poor greater capacity to improve their own standard of living. Microcredit has been successful because it has worked from the bottom up to link together in new ways individuals, non-government organisations, governments and businesses (Remenyi & Quinones 2000).

However, youth appear to be underrepresented as a target group of microcredit programs. A search of the 902 organisations in 96 countries listed under the Microcredit Summit's Council of Practitioners reveals only 21 organisations with youth in their title. There are, of course, microcredit programs directed to youth by the mainstream microcredit organisations but a check with several experts confirms that youth are an underrepresented group.

A number of reasons to explain why microcredit has neglected young people can be identified. These include the requirement in most programs for clients to be at least 18 years old to ensure that they can sign a legal contract. Many programs, at least in Asia, are more likely to target married women, as opposed to unmarried women. The assumption is that there is a high risk of default for loans to unmarried girls who might stop repaying their loans once they get married. Some programs also have minimum asset requirements to qualify for participation, and this excludes adolescents for the most part (Esim et al 1999: 7).

Lack of user control

The lack of real user control or influence in youth-oriented programs as well as evidence that few programs take into account the characteristics of youth, their values or specific needs are the major findings of a report on youth, enterprises, livelihoods and reproductive health in sub-Saharan Africa (Grierson 2000). The report noted that programs shows little evidence of using overt "learning" models to adapt to local needs. Instead, they commonly apply imported models in a limited and unimaginative way. In relation to youth programs at a more general level, the Commonwealth Secretariat has noted: "While the past two decades have seen the implementation of numerous youth development programmes, the level of economic enfranchisement achieved has remained relatively small" (Commonwealth Secretariat 2000:1)

Implications for public policy

Several general conclusions with implications for public policy purposes can be drawn from the research on young people's economic transition (OECD 1998, Blanchflower 1999, Curtain 2000). One is that youth employment prospects depend, above all, on overall employment growth. However, this alone often does not address the particular disadvantage that youth may face in the labour market. Differences in education-to-work transition outcomes reflect also the effectiveness of a country's institutional arrangements in facilitating or hindering the transition process. Where these institutional arrangements work well, mostly as a result of good coordination between major stakeholders, there is much less need for a specific focus on youth as problem group in the labour market.

Another conclusion suggested by research is that a focus on employment generation needs also to be complemented by skills development, usually identified by level of education attainment as a proxy indicator of skill. There is near universal evidence of the link between education attainment and employment rates. However, the extent to which the education and training sector delivers the skills in demand also differs widely between countries. Much

depends on the effectiveness of public policy levers in lifting the quality and responsiveness of education providers (Gill, Fluitman & Dar 2000).

The link between education and employment also indicates an increasing bifurcation between young people with skills and those without. A new labour market dualism may be emerging where it is increasingly difficult for many young people to move out of a cycle of low skill and uncertain employment, unemployment or informal sector participation to a high skill, relatively secure employment status. Leaving school early and not acquiring recognised skills may condemn a young person in OECD countries to a life of limited income earning prospects. In developing countries, attainment of higher levels of education may not be sufficient to provide an entry point to a secure livelihood.

A youth employment strategy needs to address both the demand side as well as the supply side of the labour market, at both the macro and micro economic levels. This means that as well as emphasising the need to improve the quality of education, the strategy also needs to promote close links to the growth sectors of the global economy. At a micro demand level, the strategy also needs to respond to the specific skills requirements of employers. This necessitates providing opportunities for young people to acquire and demonstrate the skills, both technical and social, required in high performance workplaces. Mechanisms or processes are also needed that achieve better coordination between major stakeholders to meet the increasingly specific and individualised skill training needs of young people

The strategy also needs to acknowledge the importance of risk taking in the growth sectors of the world economy. Research shows that young people have a strong preference for work as self-employment where they can exercise a high degree of autonomy (Blanchflower & Oswald 1998). As noted above, an important barrier to youth entrepreneurship is likely to be the denial of access to credit from mainstream credit and microcredit providers.

Conclusion

The situation facing youth in relation to employment in OECD countries has been the subject of extensive research, policy recommendations and practical initiatives. However in developing countries, youth employment is not on the political agenda to the same degree. This is despite the major problems specifically facing these countries such as youth involvement in armed conflict, crime, social exclusion, and the spreading of HIV/AIDS.

Developing a comprehensive employment strategy for young people faces a number of obstacles, not least of which are the perceptions held by governments and international agencies about “youth” as a high risk group. Adults in positions of power and authority, from politicians to social workers, can perceive “youth” in a number of potentially negative or passive ways such as being a threat to the established social order, unpredictable, volatile, or, particularly in the case of adolescent females, as vulnerable (Mkandawire, 2000, 15-19). These prejudices often result in policies that treat view young people as clients (which from the Latin means dependants) of government programs and not as active agents able to participate in and respond to available opportunities. The challenge for governments and international agencies is to empower young people themselves to implement key aspects of a comprehensive employment strategy.

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