

# Global spectre of youth unemployment

## What could help?

Young people make up 44% of the world's unemployed. **Mills Soko** who chaired an Africa-Germany working group on education and unemployment looks at possible ways of addressing this global problem.

One of the most pressing challenges facing societies across the world today is high youth unemployment. Even though the current generation of youth enjoy better educational opportunities, youth unemployment has reached alarming levels. Statistics culled from the *United Nations World Youth Report* and from the *International Labour Organisation's Global Employment Trends for Youth* paint a grim picture.

It is estimated that of the 1.1 billion young people across the globe, one out of three is either looking but unable to find work or has given up the job search completely. In excess of 200 million young people (18% of world youth) live on less than \$1 a day, while 515 million live on less than \$2 a day.

Although the youth population expanded by 13.2% between 1995 and 2005, youth employment rose by merely 3.8%. Jobless youth make up 44% of the world's total unemployed. About 85% of youth live in the developing world, where young people and children

frequently make up over 50% of the population and are vulnerable to severe poverty, disease, exploitation, crime and conflict.

Young people are three times more likely to be jobless than adults. Youth joblessness is concentrated mostly in developing regions, especially Western Asia, North Africa and sub-Saharan Africa, where young people make up a considerably higher share of the labour force than in industrialised societies.

It is even more pronounced among young women, most of whom still face hurdles in accessing opportunities. Moreover, rural youth have less education possibilities and are, therefore, confronted with bigger disadvantages in the labour market. So are HIV/AIDS-infected youth who bear the brunt of discrimination.

Different circumstances explain youth joblessness in industrialised and developing countries. In rich countries it is factors such as excessive specialisation in the labour market and relocation of industries abroad in search of better production conditions. In

the developing world it is, among other things, inadequate education systems, low foreign and domestic investment, poor infrastructure, small markets, as well as social and political instability.

### EDUCATION AND EMPLOYMENT

A central concern both in industrialised and developing countries has been a mismatch between the skills produced by educational institutions and those required by the labour market. There is a need to create a stronger link between education and employment.

Education should not be confined to formal schooling and it is also crucial to recognise informal learning. Education should provide learners with knowledge and expertise to secure employment and it should also impart skills necessary for success and survival - communication, decision-making, self-reliance, leadership, as well as critical and creative skills.

Strengthening the connection between education and employment could involve a number of things. These include promoting entrepreneurship among youth; developing policies that encourage the provision of internships and apprenticeships by local companies; promoting 'adopt-a-school' programmes by business or parastatals in order to reinforce the role of employers in helping to define the content of vocational education; promoting affirmative action in youth employment; advancing better cooperation between vocational training

institutions and business; and instituting labour-intensive public works programmes that include on-the-job training.

Education and training alone cannot create jobs, however. Nonetheless investing in education and training could help governments to reduce unemployment and poverty, while expanding national economic output and tax revenues. It would benefit the private sector by providing companies with a pool of skilled local workers. This would enhance the productivity and competitiveness of the economy which, in turn, would lead to increased foreign and domestic investment. It would also contribute towards poverty eradication and to the promotion of gender equality and women empowerment.

### GLOBALISATION – HELP OR HINDRANCE?

The abysmal picture painted in the above statistics suggests that young people have not benefited meaningfully from globalisation. On balance, globalisation has contributed to better living standards in rich countries. However, poor countries' experience of globalisation has been mainly negative.

Globalisation could provide the opportunities and incentives to address the mammoth challenges of youth unemployment and social exclusion. For this to happen, though, it needs to be more inclusive and equitable, and less predatory and exploitative.

One of the issues that requires urgent attention is the unfair global trade policies that condemn millions of rural youth to poverty. The agricultural sector accounts for over 40% of total employment in the world and continues to be the dominant economic sector in

developing regions, especially Africa. Trade protectionism in industrialised countries hurts the poor and undermines rural entrepreneurship in poor nations. Removing barriers to agricultural trade could contribute to increased rural youth employment in many parts of the developing world.

Protectionism at the borders is not only about goods and services, but also about people. It is necessary to liberalise international migration policies, and to allow temporary immigration into rich nations. International research has established links between international migration and development. In particular, this connection has focused on the potential positive role that migrant remittances, money sent by migrants to their families, friends and other social networks, can play in financing development.

These remittances have contributed to sustaining livelihoods and economies in the developing world. In many cases, recipients of remittances have used them to invest in, among other things, education, health, housing, and small business start-ups. Migrant remittances benefit people, and migration can improve trade and investment between host and home countries. Furthermore, migrants, when they return to their home country, bring new skills and can therefore contribute to nurturing local entrepreneurship. According to the World Bank, present population patterns in the world promise huge economic gains from migration. This is because the labour forces in many industrialised countries are expected to peak around 2010 and drop by about 5% in the next two decades. On the other hand, the labour forces in many developing nations have been growing rapidly.

This is likely to create a demand for workers in rich countries' labour markets, particularly for service sectors that can only be provided domestically.

Another area where globalisation can benefit youth is information and communication technologies. The technological revolution has provided youth with multiple opportunities, and has resulted in some important entrepreneurial initiatives in recent years. Yet access to these technologies is extremely unevenly distributed and poor countries remain excluded from the information superhighway. Bridging the global digital divide is crucial to creating economic opportunities for developing countries' youth.

Globalisation could provide some answers to the problem of youth unemployment. But other solutions must also be explored. Tackling youth joblessness also requires serious attention to domestic governance issues. Domestic policy interventions are necessary in such areas as political and economic reform, as well as education, public health and infrastructure development. Above all, it necessitates integrated strategies at macroeconomic and microeconomic levels. And these strategies must focus not only on labour supply and demand, but also on the quantity and quality of jobs.

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