**Forum:** Economic and Social Council

**Issue:** Addressing the problem of youth unemployment

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Introduction

The question regarding addressing the problem of youth employment has been a global challenge ever since several decades ago. Defined by the United Nations, youth employment is simply the unemployment of young people aged 16 to 24.

Recent studies reveal that approximately 621 million people ages 16 to 24 are not in education, employment, or vocational training. Even the employed 169 million youths are in indecent, unsatisfactory jobs, living on less than 2 U.S. dollars per day. Unfortunately, with the outbreak of the COVID-19 pandemic, the situation has been exacerbated, with youths experiencing much higher loss in employment than adults (defined as those 25 years or above). Even worse, young women exhibit much lower employment-to-ratio (EPR) rates than men, and the gender disparity has shown “no sign of closing over the past two decades” (Global Employment Trends for Youth 2022).

Efforts toward mitigating youth unemployment have been insufficient for past years. Decent progress has been made, but countries have failed to demonstrate striking changes in youth employment. The situation seems worse in LDCs where there are limited resources and support.

There are a wide variety of economic and social effects that constitute youth unemployment to be widely recognized. Most of these are impacts on human well-being and the economy.

Definition of Key Terms

Unemployment

Unemployment refers to people of working age who are actively looking for a job but who are not employed.

Labour

Total number of workers in the economy, and the effort (physical, mental, social) they put into producing goods and services.

Labour force

The number of people who are employed plus the number of people of working age who are unemployed (actively looking for a job). It is a fraction of the population that excludes children, adult students, retired people, all people who cannot work due to health conditions, and people who do not want to work.

Labour Market

A labour market is a place where employers and workers interact. In labour market, employers are in demand for labour, and workers provide the labour.

Government intervention

Government make decisions that impacts the economy.

Government subsidy

Money paid by the government to help an organization reduce its costs, so that it can provide goods or services at lower prices. There are mainly four types of government subsidies: production subsidy, consumption subsidy, export subsidy, and employment subsidy.

Employment-to-population ratio (EPR)

EPR is a macroeconomic statistical ratio that measures country’s working age population that is employed. This rate show how much an economy provides jobs for people who want to work. A low ratio indicates that majority of the population is unemployed.

Not in Education, Employment, or Training (NEET)

NEET simply refers to a people between the ages 16 to 24 who are unemployed and are not receiving education or vocational training. It includes both the unemployed (individuals without a job and seeking one) as well as individuals outside the work force (without a job and not seeking one).

Background

Gender Inequalities

Gender inequaly is one of the most significant contributing factor to youth unemployment. Studies have shown that girls and young women exhibit a very low EPR ratio than men; young men are even 1.5 times more likely to be employed than women. This gender disparity increases, especially in the Middle East and North Africa (MENA) regions. This is largely because of the lack of female education, rigidities in labour markets, and high reservation wages.

Skill Crisis

Quality and relevant education are considered the major cause of youth unemployment. This “skill crisis” is partially due to workers’ insufficient education. For instance, in Nigeria. Of its total of 167 million people, about 11.1 million are unemployed youths (2012). Among those unemployed 11.1 million, 50% have primary school education and above; 30% have secondary school education and above; and 20% are graduates of tertiary institutions. The data reveals that while facing unemployment, youths with lower levels of education tend to be more vulnerable. Yet, a high-level education does not guarantee a satisfying job.

Beyond the need to ensure access to all, education outcomes currently do not match well with the labour market’s needs. It leads to two consequences: youths' inability to find jobs and employers' inability to recruit workers with decent skills.

Addressed by UNICEF, workers’ inability to match with companies’ needs has become a global issue that countries should pay strong attention to. For example, in Tunisia. Medium to high-skilled youths in urban areas are still struggling to find decent employment. Most of the medium to high-skilled people have university education levels. Yet, their academic outcomes fail to match with skills needed by the private sector. Still, lots of effort is needed to bring a quality and relevant modern education system.

Government dependency

Observing across the globe, many countries provide government assistance and housing benefits to support unemployed youths. Though there are strict obligations and policies to maintain youths’ active search for jobs and apprenticeships; however, it still remains controversial whether government assistance could play a positive influence on youth unemployment. Many worried that youths may over-depend on government support, which could detrimentally discourage employment. Countries have started to take some action. For example, in the UK. On September 14th, Prime Minster David Cameron announced to decrease dependency benefits by cutting housing and employment benefit for 18–21-year-olds from £30000 to £23000. This announcement has brought several unsettled debates. Some believe it is an effective way to encourage youth to actively search for jobs, while others believe that such a policy could bring severe homelessness.

COVID-19

*Education*

 The COVID-19 pandemic has had a severe impact on the quantity and quality of education. During the pandemic, most schools switched to remote teaching. The large quantity of school closures has impacted more than 1.6 billion learners. Access and quality of remote education varied widely due to individuals’ financial and geographical situations. A survey of 143 countries records that in 2020, the majority of schools were closed for 79 days (about two and a half months) on average, with relatively long days of disclosure in LEDCs. Given that lots of families in LEDCs have disadvantaged financial situations, opportunities for online education are limited. For example, among the 240 million children attending schools in India, only 31 percent had adequate access to online education. Low-quality education could pose a potentially large threat to youths’ employment. According to the ILO report published in 2014, it divided education levels into non-educated, primary educated, secondary educated, and tertiary education. Among those four groups, the ILO concluded that youths with post-secondary education in LEDCs have a much higher chance of getting a decent job than youths with secondary or only primary education. Building on the result, ILO further suggests that the highest level of (tertiary) education “serves as a fairly dependable guarantee” for having a stable, formal job.

Yet, students with a higher level of education also faced an education crisis during the COVID-19 pandemic. According to ILO’s online survey, from 21 April to 21 May 2020, nearly 73% of young people were influenced by the disclosure of universities and training programs. At the same time, 13% experienced a complete halt in their academic pursuit.

School disclosure not only prevents youths’ access to educational opportunities but also leads to the phenomenon of “knowledge regression.” When students experience remote learning or no learning opportunity, they tend to forget what they learned earlier at school. According to data, nearly 92% of the children in India lost at least one fundamental skill in language, and 82% lost at least one fundamental skill in numeracy. These severe drops in subject abilities could potentially influence students to acquire higher-level education in the future, which could directly impact their job preparation.

*Health Care Sector*

Still, the pandemic has brought some positive influence to the health-care sector. In countries with a large. number of COVID-19 cases, patients have exceeded the capacity of current medical support and staff in-service. Thus, medical students, young volunteers, and early career professionals were recruited to support the COVID-19 response. For example, in Slovakia, hundreds of medical student volunteers joined the health centers to help with mandatory hospital testing. However, governments still need to work on improving the welfare of these student volunteers. They should not be considered cheap alternatives, instead, fair COVID protections and financial subsidies should be involved to encourage youths’ activeness.

Major Parties Involved

Youth Employment Network (YEN)

The Youth Employment Network (YEN) is a global organization that was established in a joint partnership with United Nations, International Labour Organization, and World Bank. It was established in 2001 to spur the commitment of the 2000 UN Millennium Summit for decent and productive work for young people. The organization provides an open platform connecting young job seekers from different industries. It also supports youths with education, training, and entrepreneurship. Its network includes governments, youth groups, and many different NGOs.

**The International Labour Organization (ILO)**

The International Labour Organization is a United Nation agency devoted to promoting globally recognized human and labour rights. Starting from the mid-1970s, the ILO starts to protect youth workers’ rights in the normative effort. Later, as ILO recognized the multi-faceted nature of the youth unemployment issue, it starts to change the approach. Starting from 2005, the ILO begin to tackle the issue in a combination of economic policies and measures addressing labour market demand and supply as well as the number of decent jobs. In 2012, the ILO adopted the resolution “The youth unemployment crisis: A call for action”. This supplement resolution focuses on fostering employment growth through national-level strategies and interventions. It calls for action to create decent job opportunities through economic policies, education training programs, youth entrepreneurship, and labour policies.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

UNESCO established an institution called International Centre for Technical and Vocational Education and Training (TVET). This institute cope with the evolving skills demands by investing in innovative learning pathways and programs. Currently, TVET systems around the world are in a state of transforming into transversal skill development for employability.

Switzerland

Switzerland is highly active in addressing the issue of youth unemployment. It maintained a low unemployment rate of 2.2 percent in August 2022, among the top five low youth unemployment rate countries. Such a satisfying result cannot be achieved without the highly effective apprenticeship program called Career and Technical Education (CTE). CTE is firmly placed in Switzerland’s education system, and two-thirds of Swiss high school graduates would participate after nine years of mandatory schooling. Through this four-year apprenticeship program, students will learn not only academic knowledge but also gain practical working experience. They would complete part of the program in the classroom, with the remaining time practicing skills in firms. The CTE has effectively filled in the knowledge gap between youth and the skills required by companies, which would allow more young people to enter the labour market. Under the influence of CTE, many countries in Europe have started to adopt this Swiss-style education program.

Timeline of Events

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| Date | Description of event |
| February 27th , 2012 | The United Nations Economics and Social Council (ECOSOC) held the “Breaking new ground: Partnerships for more and better jobs for young people” event to discuss issues affecting policy-making and promoting youth employment. |
| October 9th , 2014 | IMF- World Bank meetings with the UN Youth Envoy to publicly introduce the Solutions for Youth Employment |
| September, 2016 | The United Nations introduced sustainable development goals, a collection of 17 global goals that aim to develop our globe into a better place by 2030. Among those goals, SDG 8.6 specifically directs to promoting youth employment, education, and training. |
| 2016 | United Nations launched its first-ever system-wide scheme, Decent Jobs for Youth, to address youth unemployment crisis. |
| 2022 | The International Labour Organization’s Global Employment Trends for Youth 2022 report reviews unemployment rates and past attempts to resolve such issues. |
| 2030 | The sustainable development goals are set to be achieved. |

Previous Attempts to Resolve the Issue

* Youth Guarantee of the European Union (EU)

This act was adopted by the EU in October 2020. Its main goal is to ensure young people, those under the age of 30, get a good quality offer of employment, continued education, and an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. To reflect the reinforced Youth Guarantee, several EU countries have updated and established new youth strategies. For example, Spain’s 2021-27 Strategy for the reinforced Youth Guarantee was developed and compromised with trade unions, businesses, and youth stakeholders. Moreover, in Ireland, the Pathways to Work 2021-2025 act demonstrates strengthened strategies for employment services and young job seekers.

* 2006/15; Resolution number: **Ref. E/2006/26**

This is a resolution that has been implemented by the UN Economics and Social Council. It tackles the issue of promoting youth employment. The main purpose of this convention is to develop opportunities that allow young people everywhere a real chance to find decent, productive jobs. It mainly stresses immediate support from government bodies to conduct national reviews, develop action plans, or publish progress reports. Collaboration among different governmental bodies and youth organizations is also highlighted in order to develop and promote their national action plans.

* The 2015 Go Negosyo Act
* The Youth Entrepreneurship Act

These two acts were signed into law by the Philippines in 2014 and 2015, respectively. The Go Negosyo Act, which is also known as the Republic Act No.10644, aims to strengthen the micro, small and medium enterprises (MSMEs) to establish more job opportunities in the country. Its basic policies include encouraging national development, promoting inclusive growth, and reducing poverty by “the establishment of MSMEs that facilitate local job creation, production, and trade in the country” (Go Negosyo Act No. 10644 - Negosyo Centers Support Msmes To Create Jobs). The Youth Entrepreneurship Act also promotes youth unemployment by providing entrepreneurship, education, and literacy training as a mechanism to encourage youth employment.

Possible Solutions

* Improve flow of information

Many young people are actively searching for a job; however, they tend to fail to search for jobs that match their abilities. The information gap between workers and employers could prolong the time for the right applicant to match up with the right job. The issue could be especially severe in Low Economic Development Countries (LEDC) due to limited access to the internet. There are multiple ways in which countries can promote the availability of job-searching assistants both offline and online. For instance, NGOs and governments can work as an intermediary to connect workers and employers. Companies can also publically advertise their demand for workers through online resources.

* Encourage the establishment of apprenticeship and training programs

This solution focuses mainly on the early effort to help individuals who are Not in Education, Employment, or Training (NEET). Advocacy for offering training programs is necessary for the business sector. By establishing more vocational skill training programs and apprenticeships, youths with sufficient working experience will be able to fulfill the right labour market’s needs. To encourage training program establishments, the government could consider necessary subsidies and financial incentives to community centers and NGOs. Governments can also aid local community centers for a broader range of young people to access training.

* Encourage youth entrepreneurship

While it takes a long time to pin down the exact mismatch between workers and the labour market demand, entrepreneurship could be a new approach to decreasing the youth unemployment rate. Governments could release more attractive loans and related policies to encourage young people to start their own businesses. Setting up open spaces and opportunities for youths to share and exhibit their ideas to the public also encourages them. Moreover, society could increase the advocacy for the benefit of youth entrepreneurship. It allows more young people to see the potential of entrepreneurship as an effective solution to solve unemployment.

* Transition to green and blue economies

Our world has been suffering from a youth unemployment crisis for decades. Jobs have been disappearing due to the outbreak of the coronavirus pandemic, as well as the advancement of automation. However, research has proven that investing in green and blue economies have considerable potential in the creation of decent, productive jobs, poverty eradication, and even sustainable development. The green economy is an economy that aims to improve human well-being, social equity, and environmental damage. The blue economy is simply an economy that promotes the preservation and development of the marine environment. The implementation of green and blue economies was estimated to create 8.4 million more jobs by 2030; jobs relating to green and blue economies also took up big parts of the overall jobs. Therefore, governments may invest more in areas like agriculture and fisheries to increase labour demand and generate more jobs for youths.

* Modification in universities and insititution programs

There is a sharp rise in concern about educational institutions not fulfilling their job of guiding youths in the right direction in their education. The lack of education is the main reason they are worried about their future pathways. Therefore, governments must encourage universities to implement a flexible curriculum that keeps up with the economy; they should focus on teaching youths the trend and theory of constantly-evolving market demands. Increasing experiential learning opportunities also seems crucial. This will allow young students to directly experience and feel what working life is like. Furthermore, classes that incorporate career coaching give chances for students to explore and gain knowledge of the diverse world of careers.

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