

# Focus on Development

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## Youth in Developing Countries: A Generation Looking for Work

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Youth employment is rightly becoming an increasing focus of development cooperation. Never before have there been so many young jobseekers, and in developing countries their numbers will continue to grow in the future. Young people are three times as likely as adults to be hit by unemployment, underemployment or precarious working conditions.

A lack of jobs for youth has far-reaching negative consequences not only for the affected young people themselves, but also for society as a whole. Poor employment prospects waste economic potential. In extreme cases they cause violence by young people and destroy the development achieved. Too often, however, the debate on youth employment is still failing to produce appropriate solutions and according action.

This issue of Focus on Development analyses the present situation and current labour market trends for young people in developing countries. It also identifies important areas of activity to prevent the problem becoming even worse.

Youth employment is now very high on the agenda of many governments and international organisations. In 2012 the International Labour Organisation (ILO) once again called for urgent action on youth employment in its Labour Conference. The issue is also figuring prominently in the debate on a follow-on agreement to the Millennium Development Goals, which expire in 2015 – for a good reason, as demonstrated below.

### Share of youth higher than ever before and further growing in developing world

Around 1.2 billion people are now aged between 15 and 24 – more than ever before. The vast majority of these young people – around 90% – live in developing countries, mostly in Asia and Africa.

Since 1950 the young population worldwide has doubled overall, and in developing countries will continue to grow over the coming decades. Within the global youth population, major shifts are currently taking place between the regions. More than in any other region, the number of young people in Africa has exploded. In 1950 just 9% of all young people in the world lived in Africa. By contrast, in 2050 it is estimated that some 29% of them or around 350 million young people will be Africans.

### Youth bulge creates opportunities for development

While societies in industrialised countries are ageing, many less developed countries are experiencing a youth bulge, as shown in Figure 1. This is the case wherever 15-to-24-year-olds account for at least 20% of society as a whole, leading to a bulge at the base of the age pyramid. A youth bulge often occurs when health sector reforms have successfully reduced mother and child mortality and, as is frequently the case in developing countries, the birth rate at the same time remains high.

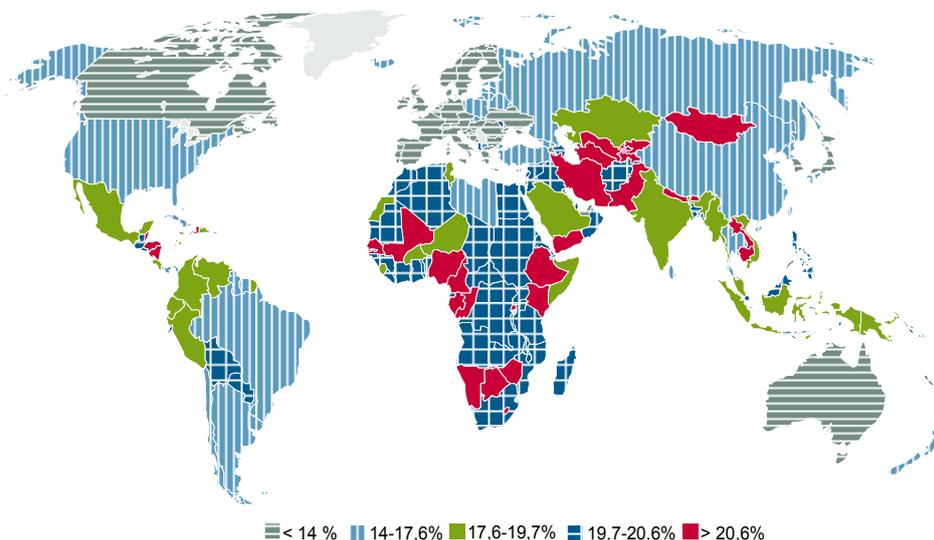
Young people possess powers of innovation and are capable of high-performance. A large number of young people therefore creates enormous opportunities for a demographic dividend in the form of economic growth and poverty reduction.

### Sufficient number of jobs is key to demographic dividend

An empirical study in peace research (Urdal 2004), however, shows that a youth bulge in combination with low economic momentum and weak political systems is an explosive mix. A World Bank study from 2010 also found that for one in two young respondents in fragile states, unemployment was the main reason for joining a rebel movement.

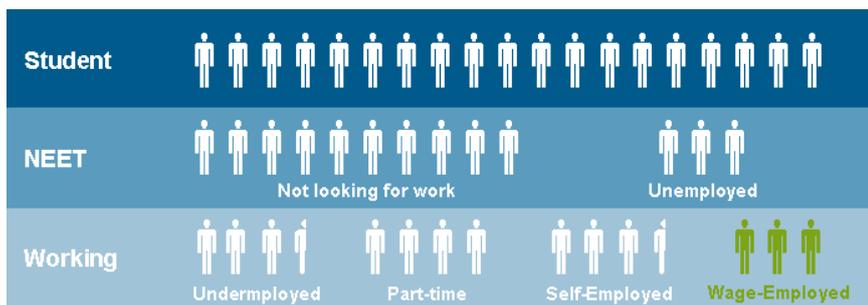
The key to harnessing the positive effects of a

Figure 1: World map of youth as a percentage of the total population



Source: UN, World Population Prospects 2010

Figure 2: Youth employment in North- and Sub-Saharan-Africa



Source: Based on African Economic Outlook 2012, OECD

youth bulge is therefore a sufficiently large number of productive jobs for young people.

**73 million young people look for work, many more are informally and under-employed**

Despite healthy growth rates at the global level, the increase in the number of decent and productive jobs is not keeping pace with the growing number of young people.

According to the most recent figures (ILO 2013), 73 million young people worldwide were looking for work. This means that on the global average, young people are three times as likely as adults to be unemployed.

The unemployment rate currently stands at 12.6% globally. In developing countries, however, this is only the tip of the iceberg. There, young people must also put up with underemployment, informal working conditions and are therefore more often than adults hit by poverty. In 2012, over 200 million young people were employed for less than 2 US dollars a day. According to the ILO some 25% of the working poor worldwide, i.e. people who are in work but nevertheless poor, are young.

Figure 2 provides an impression of the labour market for youth in Africa. Most young people are students. Many are 'Not in Education, Employment or Training' (NEET), though only a small proportion are actually counted as unemployed. Only about one in three young people in Africa is working at all. Of those, only a small proportion works full-time for an employer. According to the OECD, on the other hand, the vast majority of young people in work in Africa are involuntarily under-employed, voluntarily work part-time or are self-employed.

**NEET and young women merit special attention**

The increase in the number of NEET in the course of the global economic crisis is alarming. As also shown in Figure 3, only a small

proportion of NEET are young people looking for work. The majority of NEET are young people who are discouraged and completely abandoned looking for a job. The reasons for this disconnect from the labour market are manifold. In some cases, well-qualified young people are waiting for the economic situation to improve before resuming their search for work. In many other cases, though, NEET are school dropouts and youngsters who came into contact with gangs and drugs at an early age.

Figure 3 also shows that young women have particularly poor opportunities on the labour market, and therefore merit special attention. Women account for a much higher proportion of NEET than men. In India, for example, in 2009 more than 50% of young women were inactive, compared to just 10% of young men. In the Middle East and North Africa, in 2011 fewer than two out of ten young women were in work, compared with four out of ten young

men. In the Gulf States, even up to 70% of young women were not working.

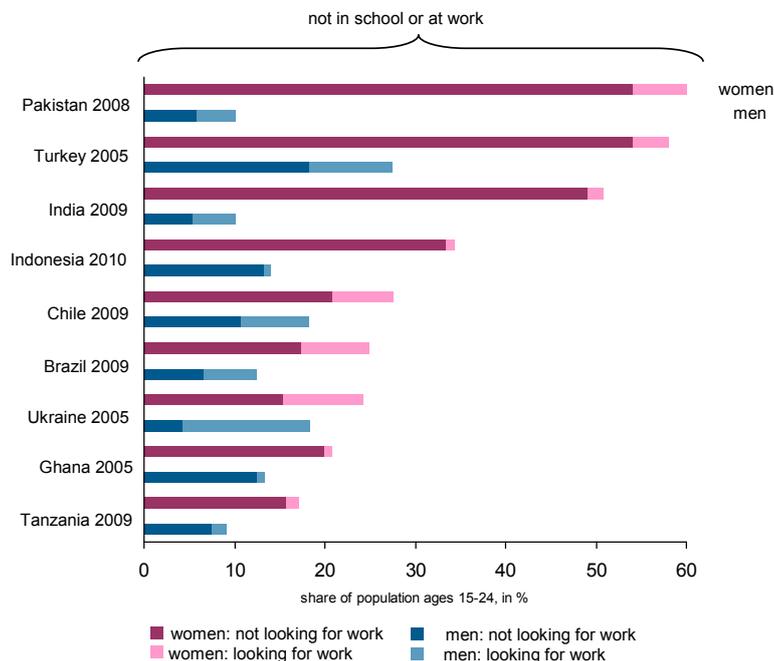
**High population growth and poor qualifications exacerbate handicaps of youth**

Basic handicaps experienced by young people on the labour market compared to adults are difficult to eradicate. As they make the transition from school to working life, young people may experience periods of unemployment as they learn where and how to search for work. At the same time, young people have little or no professional experience, which means they are hired less frequently, and in times of crisis are the first to lose their jobs again.

In certain regions, young people face further disadvantages when looking for work as a result of demographic factors. The situation is especially critical in countries with high population growth combined with only average economic growth. This is the case for instance in many countries in the Middle East and North Africa, where some 65% of the population are below 30 years of age. Young people there are more than four times as likely to be unemployed as adults. Youth unemployment in the region is the highest in the world, at just under 30%.

The likelihood of finding a job rises significantly, the higher the qualifications of the jobseeker. A positive trend in training levels is evident worldwide. Even in Africa, experts anticipate a significant increase in secondary and tertiary level qualifications (see Figure 4).

Figure 3: Young women and men "Not in Education, Employment or Training" (NEET)



Source: World Development Report 2013, World Bank

It is not just the level of training that is crucial to productive employment, though: so too are the quality and relevance of that training. Today, so many young people in North Africa and the Middle East are struggling to find a job despite their high level of education. Experts agree that one major reason why highly qualified young jobseekers fail to find employment is the mismatch between the qualifications being supplied, and those in demand. Training in developing countries is often highly theoretical, and qualifications include a focus on humanities and social sciences, which are less in demand in the private sector than technical qualifications.

### Solutions that go beyond promoting general growth are few and far between

The search for solutions to promote youth employment in developing countries yields disappointingly few useful findings.

Promoting economic growth in general is one basic and key approach to creating employment – including youth employment. When the business environment is improved for the private sector, which creates 90% of all jobs in developing countries, young people benefit too. One recommended approach to promote small enterprises in the informal sector (which often employ young people) is improving access to electricity and financial services. This area of activity also encompasses the promotion of start-ups, including businesses launched by young entrepreneurs.

Industrial policy to promote certain sectors of the economy is another form of general growth promotion. In some sectors where young people have better job prospects than adults, they benefit to a particular degree from specific sectoral support. In its Jobs Study of 2012, for

instance, the IFC identified the specific potential of information and communication technology (ICT) for youth employment. IFC estimates that by 2016 the ICT sector will create around 4 million additional jobs directly, and even up to 16 million indirectly – some of them in less developed countries. For these jobs, which are usually well paid, young people are often better qualified than adults. In India, where the ICT sector is already an important economic factor, around 70% of the ICT workforce is under 35 years of age. A similar sector-specific advantage for young people was also identified in Slovenia, which according to the World Development Report 2013 is a positive example of the successful fight against high youth unemployment.

A further recommended area of activity for youth employment is providing young people with practical training that matches labour market needs. Among other things, this includes involving the private sector more closely in curriculum development, and offering young people information services and job counselling on future career opportunities.

To deliver results, growth promotion and training need time. For fragile states with high youth unemployment, a further recommendation is therefore providing poorly qualified young people with temporary employment in government-funded programmes (e.g. road construction and maintenance, water supply, afforestation). To reduce potential for conflict, it can be helpful to involve young people more closely in political processes, for instance by increasing the number of young decision-makers in political parties, or through youth parliaments.

It is becoming clear, however, that there is no

blueprint for promoting youth employment. The actions must rather be tailored to suit the specific settings of a country and reflect the lifestyle of young people.

### Conclusion: actions for youth employment must increase

In the future, actions to promote youth employment in developing countries with high population growth will be more urgently needed than ever before. According to the ILO, by 2020 alone some 600 million additional jobs will need to be created for youth reaching working age in developing countries.

Although many developing countries have now acknowledged youth employment as a central challenge, both appropriate solutions and according actions remain few and far between. This also applies to programmes of many international donors. An evaluation commissioned by the World Bank for its youth employment programmes (IEG 2013) revealed that such programmes are still very scarce. It also identified a lack of sound analyses that would indicate which solutions for youth employment deliver results in which context, and which do not.

It is therefore all the more urgent to develop locally specific strategies to promote youth employment, and to provide international donor support to developing countries as they do so. ■

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Figure 4: Growth of educated youth in Africa to 2030

