



Rising youth unemployment

212 million – number of unemployed by 2019

99% – of teenagers in Zambia working informally

Rising youth unemployment

With unemployment rates already over 50% in some nations, access to work is a rising barrier. Especially across North Africa, the Middle East and southern Europe, a lost generation of 100m young people fails to connect with or gain from global growth.

There are currently about 75 million young people looking for a job around the world. The International Labour Organisation (ILO) predicts that by 2019, more than 212 million people will be unemployed. Irrespective of location, young people, especially young women, will be disproportionately affected; unemployment is expected to be around three times higher for them than for their older counterparts and will reach 100m by 2025. In some regions, this proportion is already as high as five times the adult rate. Globally, young people are nearly one in four of the working poor, stuck in low quality jobs with no hope of progression. For many, the transition from education to a full-time job does not run smoothly: they lack the necessary skills, there are no available jobs in their area, they find it difficult to move house to find work.

Neither does higher education necessarily guarantee a decent job. In Tunisia, 40% of university graduates are unemployed against 24% of non-graduates. In the Middle East and North Africa highly educated young women are particularly disadvantaged. In Turkey, the unemployment rate among university educated women is more than 3 times higher than that of university educated men; in Iran and the United Arab Emirates, the figure is the same; and in Saudi Arabia, it is 8 times.

Aside from being unable to contribute to the economy, unemployment can rob anyone of the capacity to enjoy mental and physical well-being; at its worst it can lead to social and political instability, constrained productivity and poor economic growth. Its effects can last for years, and potentially create a generation who have lost all expectation of a full and productive life.

New technologies are changing the nature of work across every sector, from agriculture to industry to services, while new skills are needed for even the most traditional of roles. A generation ago manufacturing jobs required manual ability, and perhaps basic literacy, but now require technical capabilities. Worse, increased automation and artificial intelligence means that both unskilled and skilled jobs are decreasing at the same time as the number of people seeking work is increasing. Such is the extent of the problem that, to make up for jobs lost during the economic crisis, and to provide productive opportunities for those in or entering the labour market, including young people, the ILO estimates that 600 million jobs will have to be created globally over the next decade.

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Unequal access



Where they are will matter; the inability to move to where the jobs are can limit employment opportunity. In the West this may be in part due to attachment to home but rules around social housing and poor transport links also play their part. In Europe, only 2.8 of young people have moved for work, compared to the US where almost 30% of Americans live in a different state to their birthplace. Language barriers, cultural differences and non-transferable qualifications make it much harder for Europeans but public policy also shapes behaviour, as most euro-area countries support their unemployed for more than a year. In most American states, jobless workers qualify for only 26 weeks of unemployment benefits.

Those who begin their careers without work are more likely to have lower wages and suffer unemployment again later in life partially because they have missed out on training and experience but also because young workers typically changes jobs and increase their salaries at a much higher rate than those who are older. The economic loss can be substantial, too, and not just in the form of higher welfare payments. Those who are forced into unsatisfactory work or who cannot find work often end up on a productivity trajectory well below what they might otherwise have expected. One estimate suggests that the total

economic loss from youth unemployment in Europe in 2011 was equivalent to 1.2% of GDP. Realising this problem, governments are trying to address the mismatch between skills and jobs: apprenticeships in Britain have increased in recent years, for example. There is evidence too that companies are investing more in the young and revamping their training programmes. New technology is providing educational opportunities to people who might otherwise remain outside the job market. There is some cause for hope, then. But the scale of the problem is daunting.

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The formal sector is clearly not creating enough jobs so the informal sector looks set to remain the largest provider of jobs for youth going ahead. In developing economies, a relatively high share of youth is likely to be involved in unpaid family work, starting their working life supporting (informal) family businesses or farms. The World Bank estimates that this affects 99 per cent of working teenagers in Zambia for example. In the rich world, it estimates that a third of under-24s are on temporary contracts. Although it is better than not working at all, informal sector jobs are generally unregulated, don't pay much and often involve poor working conditions with no benefits or protection. Young people in the Middle East and Africa are particularly susceptible to this and there is enormous dissatisfaction in the region over the quality of jobs available. Among youth surveyed by the ILO, 58 per cent reported dissatisfaction with the availability of good jobs.

Some people choose not to or are unable to work. About a quarter of the unemployed are south Asian women who do not work for cultural reasons. In the Middle East only 15% of women are in formal employment and in North Africa the number only 16%. To avoid increases in unemployment rates, the ILO estimates that 15 million new jobs will have to be created in the region each year for the next decade.

To add an extra layer of complication, after years of declining birth rates some countries with large populations, such as Egypt and Russia, have experienced increasing fertility rates, counter to the global trend. Over the next decade this will mean more young people will live in countries which may not be able to sustain them.

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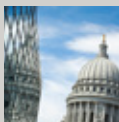
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Caring for those left behind



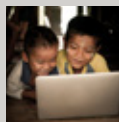
Although significant progress has been made positive change has limited reach. Millions of people continue to be left behind from main-stream progress -especially the young, the poor and those who are disadvantaged.

Declining government influence



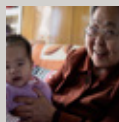
National governments' ability to lead change comes under greater pressure from both above and below - multinational organisations increasingly set the rules while citizens trust and support local and network based actions.

Education revolution



Broader access to improved education acts as a major catalyst for empowerment, sustained economic growth, overcoming inequality and reducing conflict. We need an education system fit for the digital revolution.

Imbalanced population growth



A growing population adds another billion people but it is also rapidly ageing: a child born next year will live 6 months longer than one born today. While migration helps to rebalance, increasing dependency ratios challenge many.