

# The Role International Labor Organization has to Play in Solving the Global Problem of Youth Unemployment



# Outline

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1. Youth unemployment – a new global phenomenon and challenge
2. International Labor Organization global initiative for solving youth unemployment problem
3. Freelance as a possible method of solving the problem of youth unemployment

A person wearing a dark suit and a light-colored shirt is holding a large, rectangular piece of brown cardboard. The cardboard has the words "LOOKING FOR A JOB" written on it in large, black, hand-drawn capital letters. The person's hands are visible at the top corners of the sign. The background is a blurred, dark grey or blue wall.

LOOKING  
FOR A  
JOB

## Topic 1

# Youth unemployment – a new global phenomenon and challenge

Today, almost each fifth person in the world is aged between 15 and 24 years.



Overall there are more than 1.2 billion young people in the world.



60% –  
in Asia

17% –  
in  
Africa

**Most young people (close to 90%) live in developing countries**

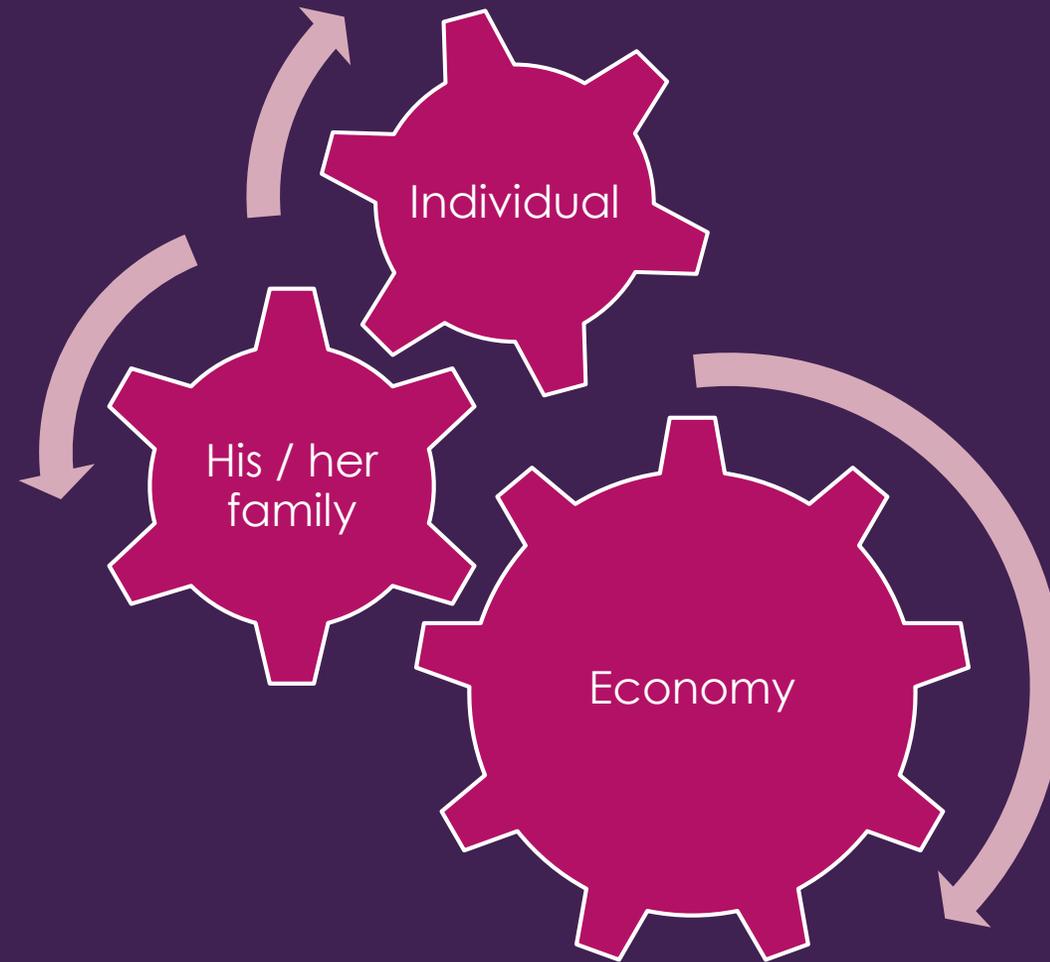
# Negative trends that are traced in recent years on the labour market:

- ▶ rising unemployment among young people, as well as temporary and part-time employment;
- ▶ increasing the number of employed in low-paid and low-skilled positions, as well as in the informal economy

Youth employment crisis is characterized by a lack of jobs for young people because of the mismatch between limited demand and growing supply on the labour market.



# Employment crisis may have long-term negative consequences for



# Youth employment crisis takes on totally new attributes, namely:

growth in the share of young people in the total volume of the working poor

employment growth among young people aged 15-24 at low-paid jobs

decline in the quality of jobs for young people

increase in the number of employed youth in informal economy

increase in the average length of job search after leaving school

rising unemployment among young people with higher education

lost generation formation

reducing the number of jobs in conditions of acute lack of skilled labour, such as engineers

predominance of gender inequality in employment among young people

LOCALLY OVER

**70** MILLION

YOUNG WOMEN &  
MEN ARE LOOKING  
FOR A JOB

MORE THAN

**160** MILLION

YOUTH ARE  
WORKING, YET  
LIVING IN POVERTY

PUT IN PERSPECTIVE, YOUTH  
UNEMPLOYMENT IS AT LEAST

**3X**

HIGHER THAN THAT OF ADULTS

**2** IN EVERY **5**

ECONOMICALLY  
ACTIVE YOUTH ARE  
WITHOUT WORK OR  
WORKING BUT POOR

That is why the fast growth rate of unemployment among young people is a very relevant issue today, which requires deep study and urgent solution.

The global youth unemployment rate is expected to rise slightly in **2017**, reaching **13.1** per cent, although the expected **70.9** million young unemployed is well below the crisis peak of **76.7** million in **2009**.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p	2018p
Youth unemployment (millions)	73.6	76.7	74.9	75.0	73.7	72.9	70.5	70.3	70.7	70.9	71.1
Adult unemployment (millions)	104.8	120.9	120.4	121.4	122.7	124.8	124.3	124.8	128.0	131.3	134.2
Total unemployment (millions)	178.4	197.6	195.3	196.3	196.3	197.7	194.8	195.2	198.7	202.2	205.2
Youth unemployment rate (%)	12.3	13.0	12.9	13.1	13.1	13.1	12.9	12.9	13.0	13.1	13.1
Adult unemployment rate (%)	4.1	4.7	4.6	4.5	4.5	4.5	4.4	4.3	4.4	4.4	4.5
Total unemployment rate (%)	5.7	6.2	6.1	6.0	6.0	5.9	5.8	5.7	5.7	5.8	5.8
Ratio of youth-to-adult unemployment rates	3.0	2.8	2.8	2.9	2.9	2.9	2.9	3.0	3.0	3.0	2.9

Source: Global Employment Trends for Youth 2017: Paths to a better working future // International Labour Office – Geneva: ILO, 2017. – Available: [http://www.ilo.org/global/publications/books/global-employment-trends/WCMS\\_598669/lang--en/index.htm](http://www.ilo.org/global/publications/books/global-employment-trends/WCMS_598669/lang--en/index.htm)

# The main reasons of rising unemployment among young people are:

- mismatch between education received and demands of employers
- lack of experience of youth
- overestimated expectations on wages and career prospects
- limited access of young people to the capital market for creating their own business
- apathy and loss of hope to employ

# Youth unemployment can lead to emergence of «jobless generation»



- ✓ generation of marginalized workforce, which did not adapt to new working conditions for reasons of supply and demand mismatch on the labour market
- ✓ aggregate of people including the unemployed, partially or temporarily employed at low-paid jobs in the formal or informal economy, united by loss of interest in work, which ceased to be an effective means of meeting their needs for objective or subjective reasons.

	Unemployment rate (%)			Unemployment (millions)		
	2016	2017p	2018p	2016	2017p	2018p
<b>World</b>	<b>13.0</b>	<b>13.1</b>	<b>13.1</b>	<b>70.7</b>	<b>70.9</b>	<b>71.1</b>
<b>Africa</b>						
Northern Africa	29.0	28.8	28.6	3.7	3.6	3.6
Sub-Saharan Africa	11.0	11.1	11.2	11.5	12.0	12.4
<b>Americas</b>						
Latin America and the Caribbean	18.7	19.6	19.5	10.3	10.7	10.7
Northern America	10.6	10.4	11.1	2.7	2.6	2.8
<b>Arab States</b>	<b>30.4</b>	<b>30.0</b>	<b>29.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>
<b>Asia and Pacific</b>						
Eastern Asia	10.4	10.4	10.5	10.9	10.5	10.2
South-Eastern Asia and the Pacific	11.7	12.0	12.2	7.0	7.2	7.3
Southern Asia	10.9	10.9	10.9	13.8	13.9	13.9
<b>Europe and Central Asia</b>						
Northern, Southern and Western Europe	19.3	18.2	17.8	4.2	4.0	3.9
Eastern Europe	17.0	15.2	14.2	1.9	1.6	1.4
Central and Western Asia	16.9	17.5	17.4	2.1	2.2	2.2

The **Arab States** (closely followed by **Northern Africa**) continues to be the region with the highest youth unemployment rate at 30.0 per cent in 2017

Source: Global Employment Trends for Youth 2017: Paths to a better working future // International Labour Office – Geneva: ILO, 2017. – Available: [http://www.ilo.org/global/publications/books/global-employment-trends/WCMS\\_598669/lang--en/index.htm](http://www.ilo.org/global/publications/books/global-employment-trends/WCMS_598669/lang--en/index.htm)

# Reasons of youth unemployment increase in developing countries

a sharp increase in birth rate and a high proportion of youth in these regions

imperfect government policy on providing young people the opportunity to receive quality higher education and to ensure further integration into the labour market

inflexibility of national labour markets, characterized by high taxes on labour, strict rules of exemption and setting a high minimum salary by the state

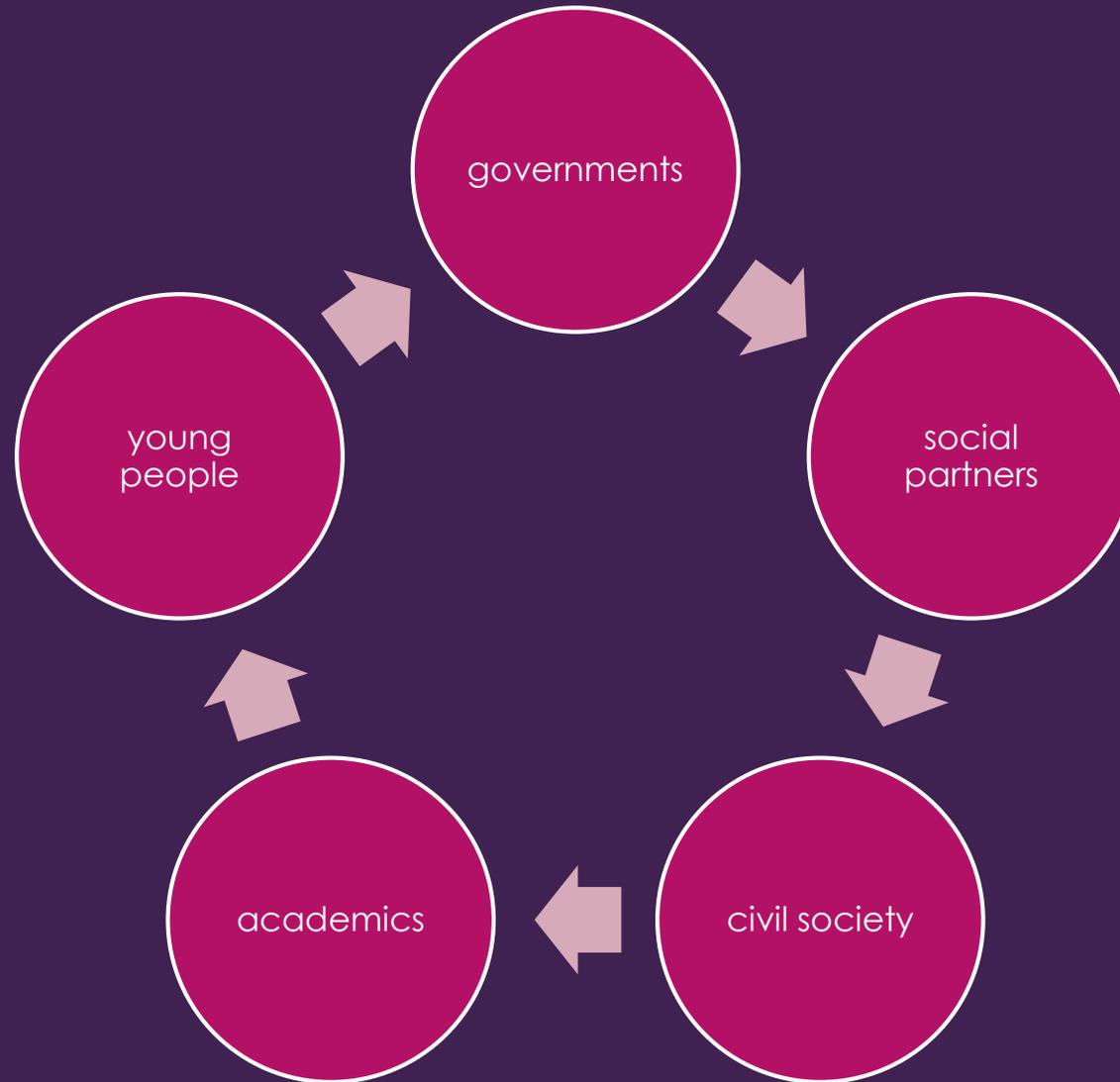
**Topic 2**  
**International Labor**  
**Organization**  
**global initiative for**  
**solving youth**  
**unemployment**  
**problem**



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International  
Labour  
Organization

**International Labor Organization (ILO)** has been supporting constituents to develop national strategies and action plans for youth employment





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International  
Labour  
Organization

## The ILO call for action on youth employment calls on governments and the social partners:

1

- To foster pro-employment growth and decent job creation through macroeconomic policies, employability, labour market policies, youth entrepreneurship and rights to tackle the social consequences of the crisis, while ensuring financial and fiscal sustainability.

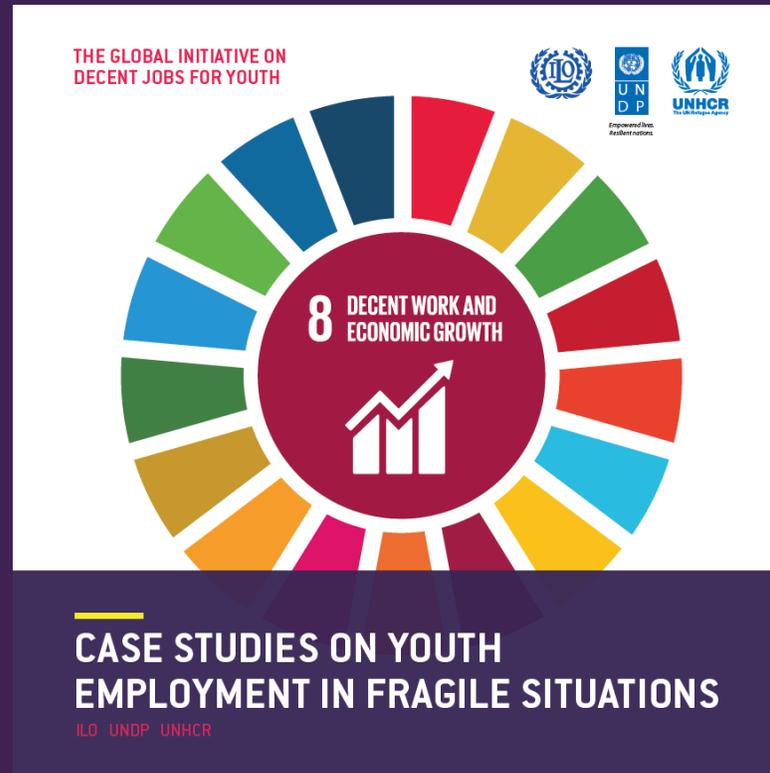
2

- To promote macroeconomic policies and fiscal incentives that support employment and stronger aggregate demand, improve access to finance and increase productive investment – taking account of different economic situations in countries.

3

- To adopt fiscally sustainable and targeted measures, such as countercyclical policies and demand-side interventions, public employment programmes, employment guarantee schemes, labour-intensive infrastructure programmes, wage and training subsidies and other specific youth employment interventions. Such programmes should ensure equal treatment for young workers.

Designed under the leadership of the ILO, the **Global Initiative on Decent Jobs for Youth** is the first-ever, comprehensive UN system-wide effort for the promotion of youth employment worldwide.



To make a difference in the lives of young people, **Decent Jobs for Youth** focuses on eight thematic priorities that respond to today's most pressing challenges



GREEN JOBS FOR YOUTH



DIGITAL SKILLS FOR YOUTH



QUALITY APPRENTICESHIPS



YOUTH IN  
FRAGILE SITUATIONS



YOUTH TRANSITIONING  
TO THE FORMAL ECONOMY



YOUTH IN THE  
RURAL ECONOMY

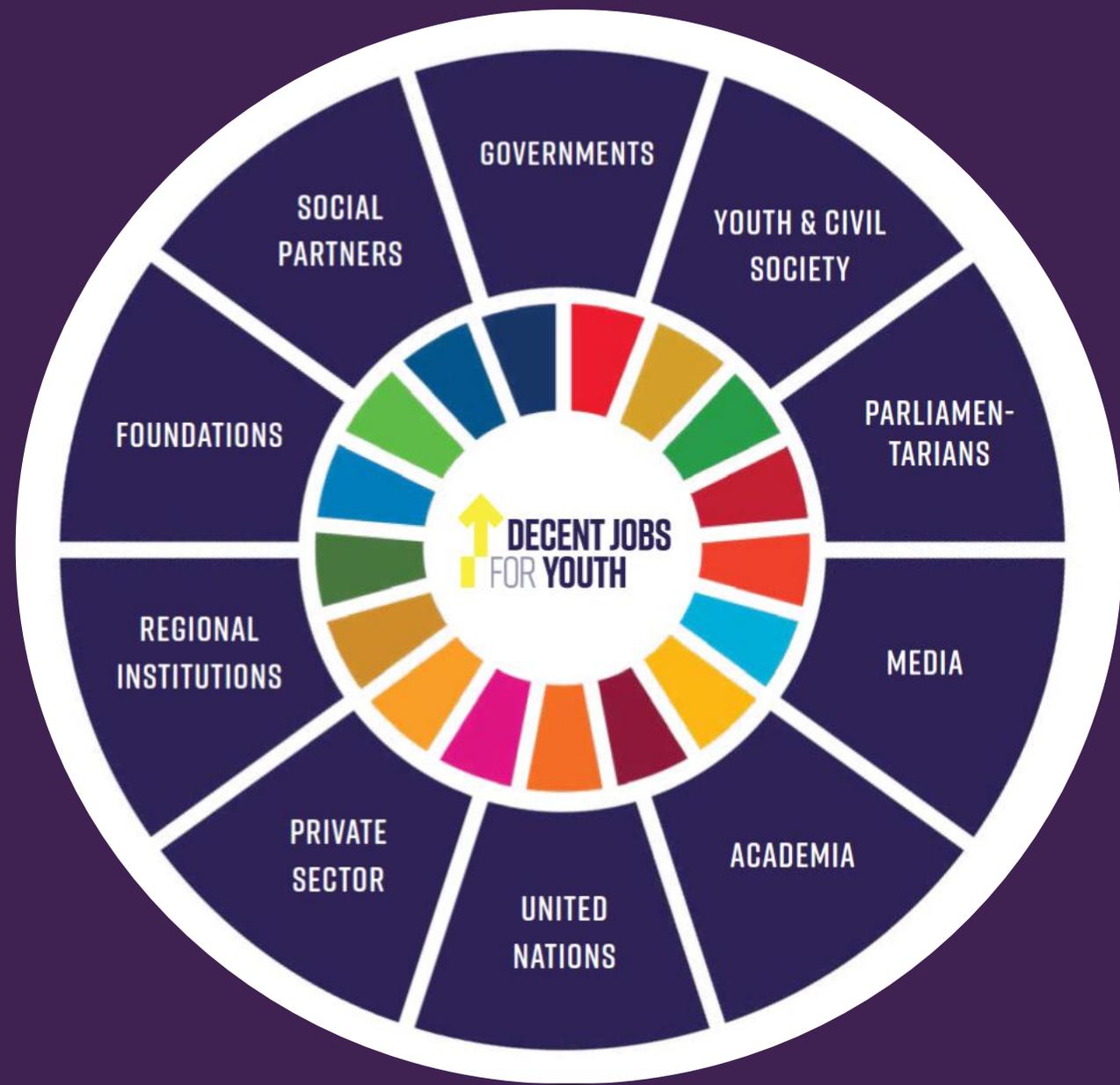


YOUTH ENTREPRENEURSHIP  
AND SELF-EMPLOYMENT



YOUNG WORKERS IN  
HAZARDOUS OCCUPATIONS

**Decent Jobs for Youth** brings together local, national, regional and international partners in a strategic and inclusive alliance.



# Decent Jobs for Youth guiding principles

- Respect for youth's rights
- Multi-dimensional and multi-sectoral approach
- Impact quantity and quality of jobs
- Youth's access to productive assets
- Complementarity & coherence between public policies & private investment
- Gender equality
- Targeted approaches that acknowledge youths' diversity
- Immediate action plus long-term interventions
- Balance demand- and supply-side interventions
- Leverage existing platforms & lessons learned
- Promote labour market policies
- Focus on country and regional action
- Invest in quality education and skills development
- Encourage active youth engagement
- Expand multi-stakeholder partnerships

The ILO and its partners have developed tools to assist governments, employers' and workers' organizations in addressing future skills needs. Tools relevant for technology-driven transformation include:



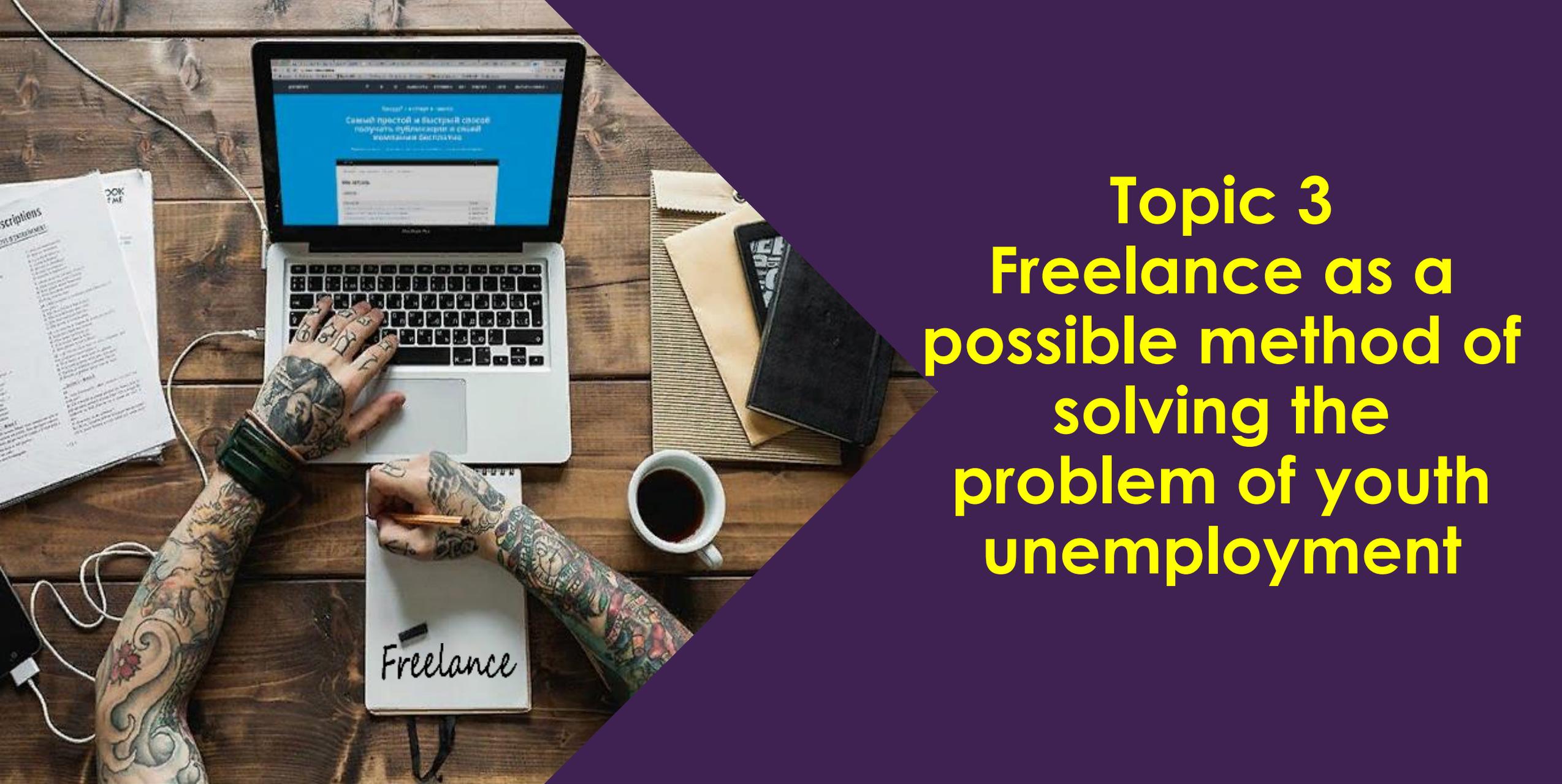
Skills Technology  
Foresight Guide



Guide to Anticipating  
and Matching Skills  
and Jobs

The ILO has developed entrepreneurship promotion packages, some of which are targeted at youth, such as:

- ▶ Entrepreneurship education tools Know About Business (KAB),
- ▶ GET Ahead for Women in Enterprise Training Package and Resource Kit,
- ▶ Start and Improve Your Business (SIYB) training package



# Topic 3

## Freelance as a possible method of solving the problem of youth unemployment

- ✓ One of the possible solutions to the global problem of unemployment among young people is virtualization of labour (labour relations' virtualization).



# Nowadays atypical forms of employment are spreading rapidly among young people

1

- employment at part-time or underemployment;

2

- employment in terms of long-term labour contracts;

3

- temporary, fickle employment, including outsourcing; remote employment;

4

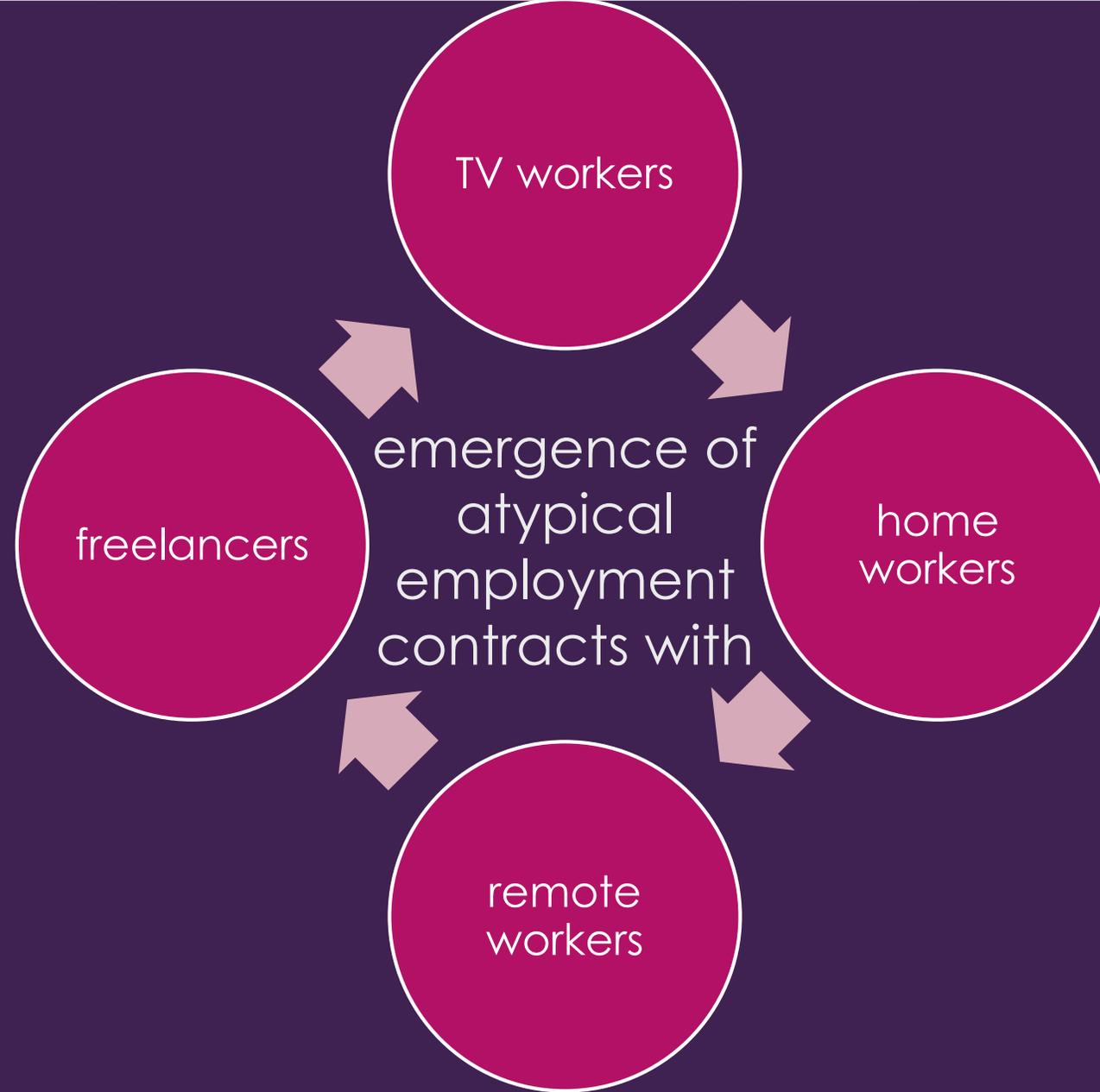
- employment contracts based on civil law;

5

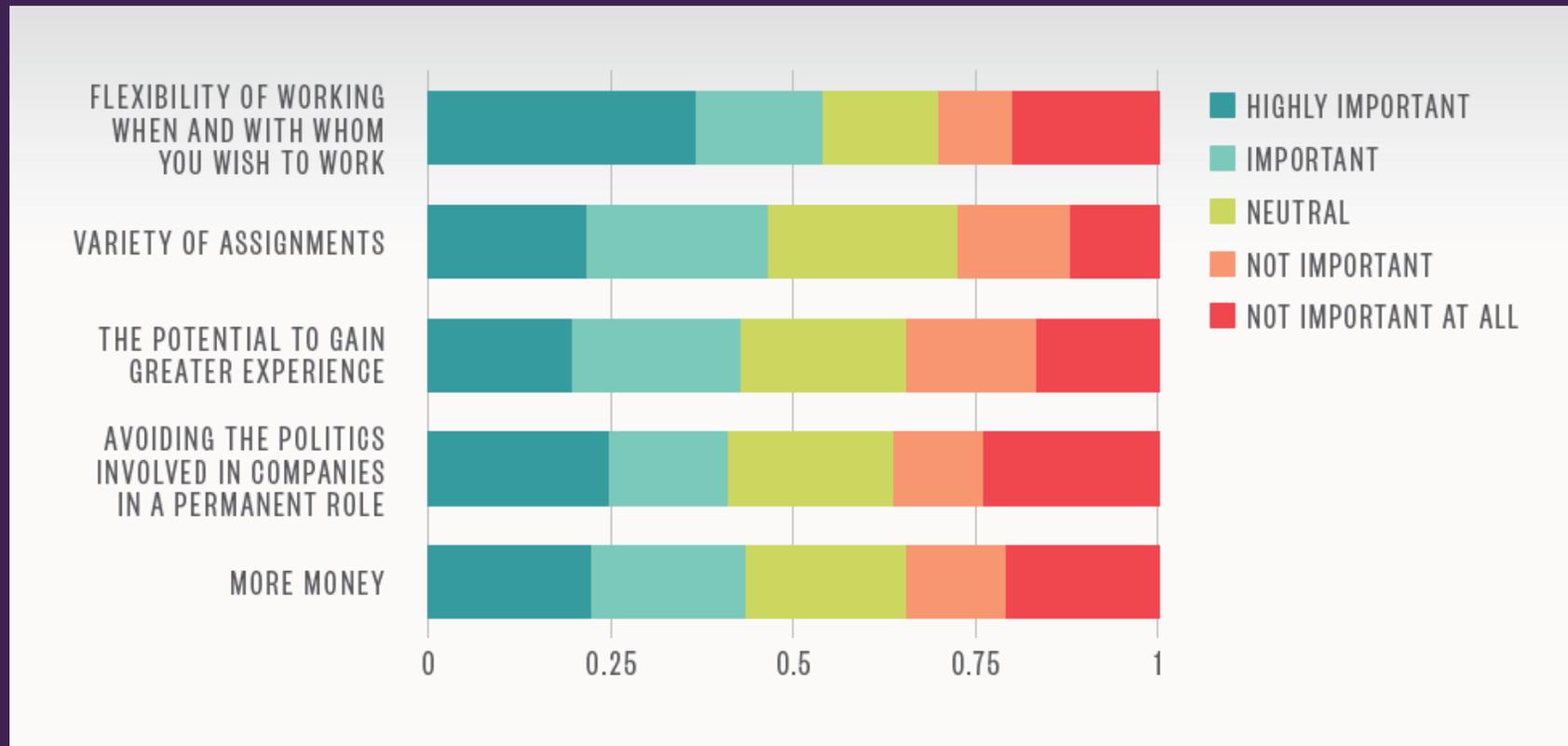
- self-employment;

6

- informal employment in the formal sector

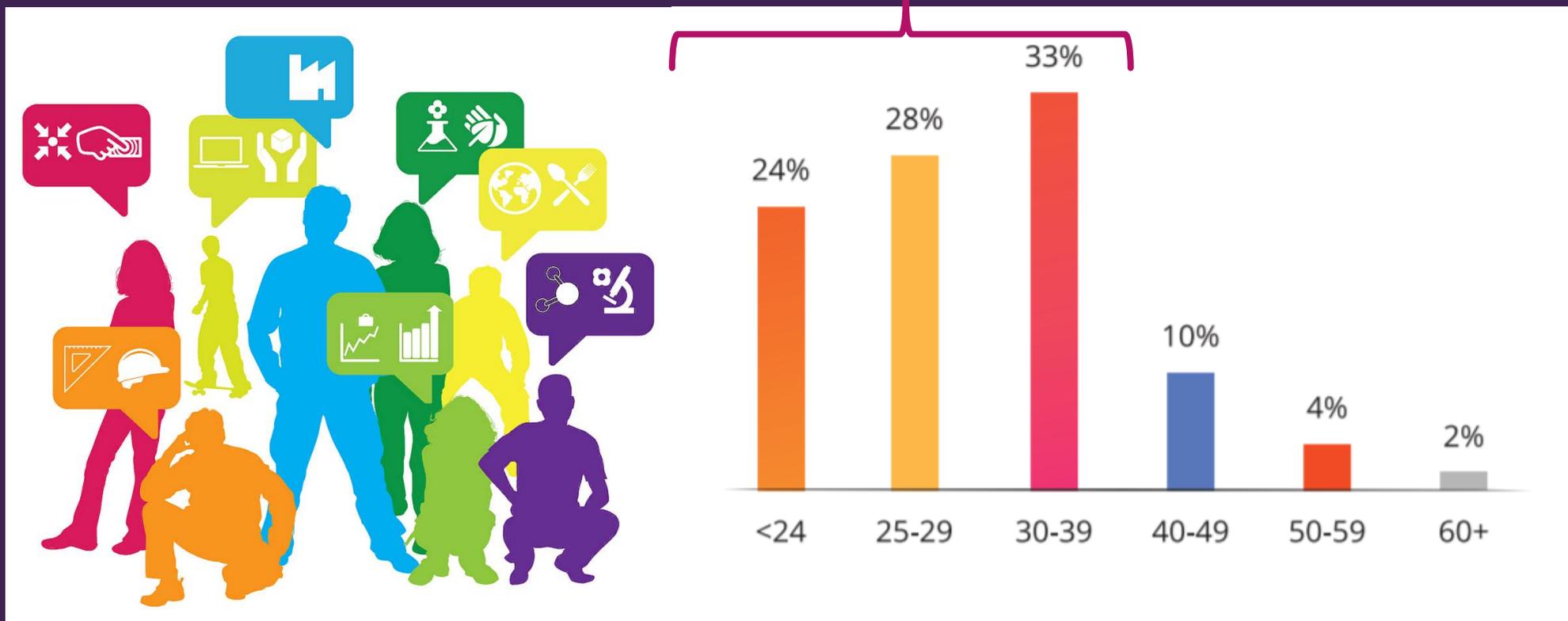


# What factors influenced the young people decision to go freelance in the first place?



Source: Freelance market insight 2017 // Web-site of Major Players Limited. – 2017. – Available: <https://www.majorplayers.co.uk/freelance-report/freelancereport2017.pdf>

Millennials and late Gen-Xers represent the vast majority of the global freelance workforce. Over 50% of the freelancers surveyed are under age 30 and nearly a quarter are under age 25.

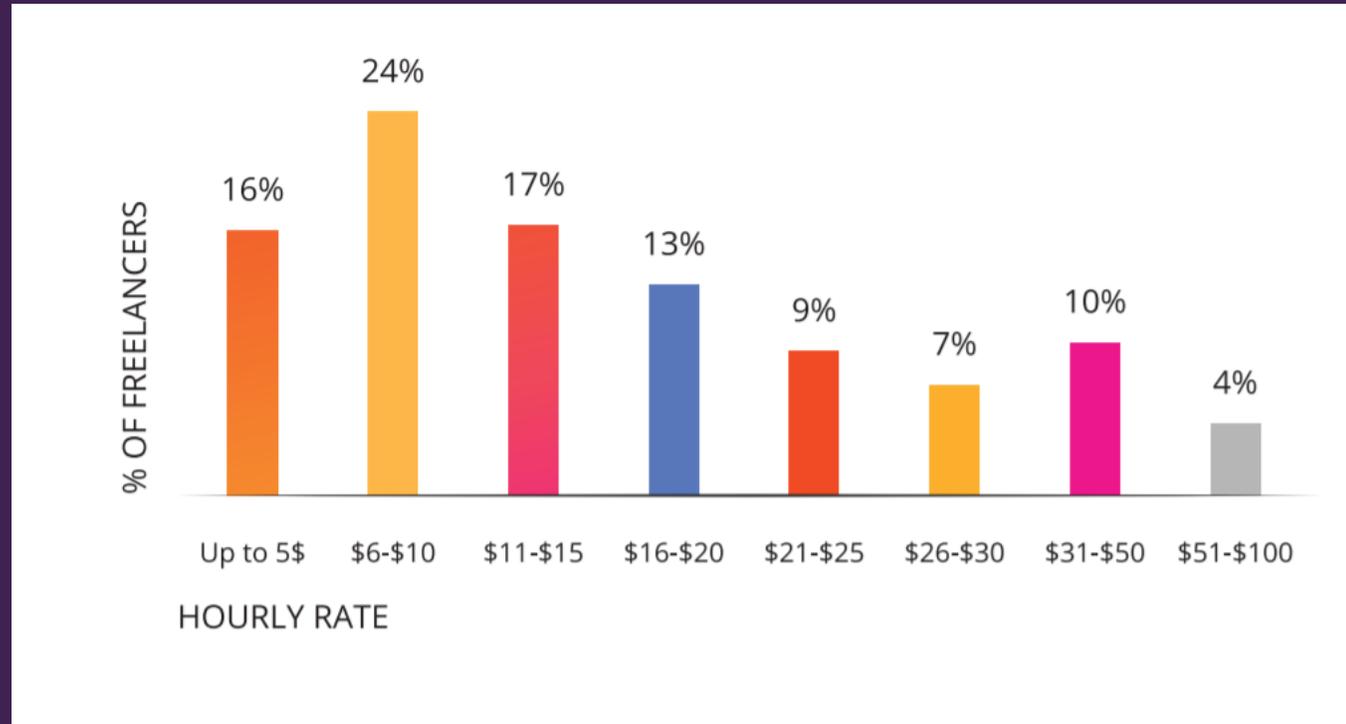


Source: The Payoneer Freelancer Income Survey // Web-site of Major Players Limited. – 2018. – Available: <https://www.payoneer.com/downloads/freelancer-income-report-2018.pdf>

Average hourly earnings can depend on several factors, including field, education and location. The worldwide average hourly rate charged by freelancers is \$19



Globally, more than half of freelancers (57%) charge under \$15 an hour for their work, while 14% of the respondents charge over \$30.



Source: The Payoneer Freelancer Income Survey // Web-site of Major Players Limited. – 2018. – Available: <https://www.payoneer.com/downloads/freelancer-income-report-2018.pdf>

Age appears to translate to experience, which is rewarded with higher earnings. Freelancers over the age of 60 are earning nearly 60% more than the 20-somethings.



Source: The Payoneer Freelancer Income Survey // Web-site of Major Players Limited. – 2018. – Available: <https://www.payoneer.com/downloads/freelancer-income-report-2018.pdf>

The growing popularity of online marketplaces has helped millions of freelancers build a worldwide client base – over 70% freelancers find projects via these marketplaces.



Source: The Payoneer Freelancer Income Survey // Web-site of Major Players Limited. – 2018. – Available: <https://www.payoneer.com/downloads/freelancer-income-report-2018.pdf>

*Thank you for your attention*

