



Task Force conclusions of the G20 Strategies on Youth Employment

a) The implications of the current youth unemployment crisis on labour and economic policies

While many of the problems currently faced by youth in G20 labour markets have long-standing roots, many have worsened since the beginning of the global financial crisis. In some cases, young women and men are now facing the risk of long-lasting scarring effects. The combination of poor economic prospects and long-term structural difficulties can be discouraging, dissuading them from furthering their education or looking for work. Policy makers need to pay not only adequate attention towards addressing the causes of youth unemployment in the country's economy, but generate an information and analysis system that allow youth to take appropriate decisions according to the labour market trends.

Young people must be given the means to seize opportunities. The adequate qualifications, skills and guidance to young people are not the only conditions to overcome the obstacles to labour market entry and ensure a smooth transition from education to employment.

The key longer term policy challenge in supporting young people –whether relatively skilled, low-skilled or un-skilled-- is to develop a well functioning labour market that provides plenty opportunities for them to find work or undertake further education and training. Labour market policy can and should play an important role in addition to the efforts of other policy fields. Alone, it cannot resolve structural labour market problems but can improve the individual pre-requisite of young people. This task involves pursuing a multi-faceted strategy involving:

- Pursuing macro-economic policies consistent with achieving sustainable economic and employment growth.

- Providing support and assistance that enhances the long-term employability and labour market attachment of young people.

- Helping youth to find work or to re-engage with education or training in order to gain the skills needed for successful long-term participation in the labour market.

b) Identification of key findings to be considered by Labour Ministers

When they met in Paris in September 2011, the G20 Labour and Employment Ministers decided to set up a Task Force on Employment for one year, which will report to them, with the mandate to address, as a first key topic, the issue of youth unemployment. In the Cannes Summit final declaration, the Leaders said the Task Force will provide input to the G20 Labour and Employment Ministerial Meeting to be held under the Mexican Presidency in 2012.

The Task Force presents the Labour and Employment Ministers the following analysis and recommendations. It should be noted that this is a menu of policies and measures that could be explored and adapted according to national circumstances:

1. *Well-functioning labour markets that produce high levels of employment and decent work, especially for youth, directly promote sustainable economic growth and contribute to social stability. Specifically, quality employment for youth diminishes their reliance on family support and social protection programmes and has a long-term impact on labour markets that can significantly affect potential output and address global economic imbalances. Therefore:*

- **In the G20 context, Labour and Employment Ministers should emphasise policy coherence between growth and employment, and between macroeconomic and employment policies.**
- **Policies should be reviewed on an ongoing basis as national economic circumstances change.**

2. *The youth employment challenge must be regarded from the broader perspective of demographic and macroeconomic challenges that can put significant pressure on the sustainability of social protection systems that G20 countries are seeking to preserve. Taking into consideration each national context and development, access to social protection programmes for young people can help provide the income security needed to acquire skills and engage in job search. This is key to ensure that, over the course of their lifetime, they will become productive workers and significant contributors to these systems. It is important to recognize the negative impact of youth unemployment, or under-employment in the informal sector, on contributions to the financing of the social protection floors. A “scarred” generation can result in major funding gaps for national social protection systems. It is, therefore, crucial to provide access to social protection for those youth who currently lack access to such support.*

- **G20 countries should aim at developing and, where appropriate, strengthening nationally-defined social protection floors combined with active labour market policies to provide greater access for young people to them.**

3. While the current problems faced by youth precede the crisis, challenges have worsened. In many countries, even relatively skilled youth are experiencing significant difficulty in finding productive jobs. Nevertheless, unemployment and under-employment problems for unskilled youth are significantly higher than that of those with skills. Youth who are unable to find jobs or are relegated to low-paying unskilled work often suffer long-lasting “scarring” effects. In G20 countries, there is an urgent need to maintain or scale-up social protection and combine it with active labour market policies that will sustain job search, facilitate the acquisition of required skills and offer an adequate safety net considering national realities and contexts. These mechanisms should play a counter-cyclical macroeconomic role (i.e., automatic temporary stabilizers) in times of crisis and complement one another with a stable, long-term and necessary safety net, at national and international levels.

Therefore, taking into account each domestic situation and possibilities, the following short-term, medium-term and long-term strategies could be considered by G20 Labour and Employment Ministers to address the challenge of youth employment:

- **Ensure that unemployed youth have access to adequate income support -- unemployment benefits or other forms of safety nets -- while searching for jobs, combined with effective re-employment services.**
- **Public Employment Services should assist and support young people to enter the labour market.**
- **In the short-run, consider policies that promote job creation and work experience through reductions in non-wage labour costs, hiring subsidies and other measures. These policies are many and varied and could be across-the-board or targeted to assist the most vulnerable youth; focus only on firms that expand their overall employment and/or on small businesses, among other possibilities. These policies should take into account the cost of labour in relation to productivity and provide protection for young workers. Young workers should be paid fairly, have access to social protection, and be protected by labour regulation standards. While it is recognized that these policies do not address the source of the problem, they would allow youth to**

remain in the labour market, gain valuable experience and skills, and help provide an opportunity to access long-term quality employment.

- Training programmes can provide youth the knowledge and skills necessary to enter and remain in the labour market. The pursuit for formal employment should be the priority, since having more youth in the formal sector will contribute to government revenue to invest in youth employment programmes.
- Policies to ensure the skills and expertise of highly skilled youth are used in a productive manner should be taken into consideration.

4. The crisis has also accelerated the need to strengthen key aspects of the education and training systems to prepare young people for the needs of the labour market. Basic education, including literacy and numeracy, is critical, as is the acquisition of both “hard” and “soft” skills. Governments, employers, workers and the training and education communities should work together to provide access, guidance, job search assistance, and social skills that can help young people find and maintain quality employment. Comprehensive policies should be developed for those young people who face particular difficulties beyond accessing the labour market. Governments should consider initiatives to reach the most vulnerable youth.

To properly address the school to work transition, governments should consider at the national level and as appropriate, the following actions:

- **Promote the acquisition of quality basic education.** Governments should work to increase the **educational attainment of young people**, extending the capacity of their country’s workforce. **Completion of secondary education** is becoming essential in all G20 countries to ensure a smooth transition to work and to enhance the career prospects of young people. This can be achieved in some countries by raising the age of compulsory education, while in others by removing barriers to accessing secondary education. **Programmes making social welfare contingent on children’s school attendance, such as conditional cash transfers, have proven to be effective investments in human capital and increase opportunities for children living in poverty.**
- **Support the integration of school leavers into the labour market** with the use of **vocational education and work experience programmes**, among others. In some countries, well-targeted **second chance programmes** can make a difference in re-integrating disconnected youth.

- **Assess how changes in the structure of the economy could affect the demand for specific skills and competencies.** Training programmes should be developed to respond both to current and future labour market needs. Labour market information tools can anticipate future demands and skills requirements. Technical cooperation in this field could be promoted.
- **Encourage labour representatives, employers and training providers to work together on the design of vocational training, so that the curricula matches current and future labour market needs, including those of high-growth sectors, like green industry, among others.**
- **Promote free career guidance in school curricula from secondary school onwards** and provide students with **relevant information** about present and future labour market needs (including web-based tools).
- **Promote self-employment/business creation**, by increasing awareness of and providing support to entrepreneurship among youth in school. These projects could be complemented with other forms of assistance, such as professional advice, public support and funding facilities.

Provide support for different categories of young people, including assistance in job training and job search, adult mentoring, alternative education and work experience. **Consider designing programmes or dedicated structures for vulnerable youth**, including young women and rural populations that address diverse academic and social needs. **Promote individualized approaches to address personal needs of vulnerable youth** to help them achieve educational and job success.

5. Promote vocational training, including apprenticeships and internships.

Education and training systems play a key role in preparing young people for the needs of the labour market. Ongoing training in the workplace is important to fostering employment stability and career enhancement. The majority of G20 countries are either considering or have implemented formal work/training schemes. In addition, governments could, where appropriate and according to national contexts:

- **Consider making national commitments to further develop high-quality apprenticeship and internship programmes.**
- Foster opportunities for young people to get their first job by **promoting and financially supporting apprenticeships and by encouraging businesses to**

retain their former apprentices. Encourage the inclusion of work experience in all higher education curricula.

- Promote apprenticeships in large, medium and small enterprises.
- **Consider facilitating international mobility for students in college, vocational training or apprenticeships**, so that they can work with businesses and training organisations. Encourage more comparability of college agendas, curricula, and diplomas would help G20 college students studying abroad.
- **Consider legislative changes which may extend the periods of training and education to facilitate the integration of young people into the labour market.**

6. In G20 and other countries, youth are disproportionately represented in “precarious employment”—jobs in the informal sector or with fixed-term duration and limited career prospects. Further efforts should be made to encourage firms to offer young people open-ended (formal) job contracts that provide access to social security and career prospects. Therefore, bearing in mind national circumstances, G20 countries could:

- **Implement regulatory and structural reforms that promote quality employment for young people, that is, permanent job opportunities with social security and a career prospect.**
- **Promote and effectively enforce employment protection, minimum wage, and tax legislation to facilitate the transition of youth from temporary to permanent employment. Adaptations to the legal framework could be explored in dialogue with social partners.**
- **Promote transitions from informal to formal employment for young people. Formal recognition of skills acquired on the job in informal activities can enable young people to attain formal employment. The validation of informal training can also support this transition.**
- **Foster entrepreneurship opportunities, particularly in emerging or non-traditional sectors such as the green economy.**

7. Special policies for youth should be considered in developing countries where the majority of the workforce is in the informal sector. To help promote the employment of young workers, and in accordance to national circumstances, governments could:

- Make young workers aware of employment opportunities by providing information, vocational guidance and support for those interested.
- Improve the oversight of working conditions in those areas of the informal sector where youth are particularly vulnerable.
- Develop programmes that help young workers who have migrated from rural areas to make the transition to an urban environment. This could include programmes that provide training, job search techniques, and that help fight discrimination against new domestic migrant workers.
- Develop an infrastructure for delivering, **testing and certifying short-term modular employability skills.**
- **Encourage self-employment and the provision of micro-credit.**
- **Promote entrepreneurship as a way for youth to join the formal economy.** Efforts should be made to provide specialised training, mentoring and access to credit
- **Develop supplementary employment schemes for seasonal unemployment.**
- **Develop active labour market information systems that cater to the need of the informal sector.**
- **Aim to extend social security measures for workers in the informal sector.**
- **Promote co-operatives.**

8. *When they meet on May 17-18, 2012 in Guadalajara, Mexico, the G20 Labour and Employment Ministers could consider the following:*

- **Sharing their concerns to the G20 Summit on the implications of high youth unemployment for the sustainability of nationally defined social protection floors and the speed of skill acquisition to sustain high productivity-lead growth.**
- **Sharing with the G20 Summit the exchange of best practices, key elements and proposals, including a range of initiatives on labour market skill acquisition and orientation for youth that the G20 Task Force on Employment prepared.**

- **Committing to intensify their national efforts on one or more measures from a body of common experiences and policy orientations.**
- **Agreeing to work together with one or more countries if desire, to introduce or adapt additional measures that complement their national policies.**
- **Promoting technical cooperation programmes based on best practices that can be conducted by G20 countries in conjunction with countries seeking to address youth employment. These may be conducted on a bilateral basis, but might also include groups of donor countries along with groups of recipient countries.**
- **Instructing the G20 Task Force on Employment to follow-up and update the present strategy; to ensure that the best practice forum is continuously updated, regarding national initiatives that encourage permanent employment for young people with social security and a career prospect, new best practices, and other initiatives.**
- **Consider developing a common approach of G20 countries regarding apprenticeships.**
- **Encourage social partners to provide suggestions to develop a G20 template for quality apprenticeship systems; including balancing the length of training programmes so that young people receive an adequate amount of instruction and experience but are not continued in positions to take advantage of lower salaries.**
- **Support a dialogue with social partners to develop tripartite solutions for reducing the prevalence of the informal sector.**
- **Support a business initiative to promote youth entrepreneurship. This might include the provision of advice, financial support, mentoring and the facilitation of mobility of young entrepreneurs.**
- **Working with the ILO & OECD, and other international organisations, to better understand the situation of young people in G20 countries.**
- **Consider the possible linkages with the report requested by G20 Finance Ministers on how the G20 Framework on Strong, Sustainable and Balanced Growth can contribute to job creation, especially for youth, which is being prepared by international organizations.**