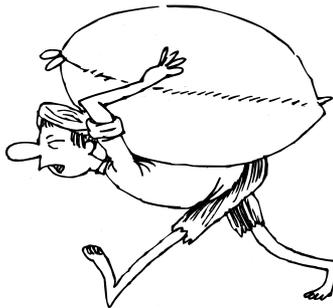

In Search of Elusive Jobs

by T. K. Rajalakshmi

The International Labour Organization (ILO) report "Global Employment Trends for Youth" for 2006, reveals the sorry state of youth employment in developing economies and demystifies certain notions about the factors that cause unemployment in the 15-24 age bracket.

It points out the perils of ignoring the agrarian sector, particularly in countries in South Asia, South-East Asia and sub-Saharan Africa, where much of the unemployment and underemployment appear to be concentrated. It hints that while employment opportunities may have increased in some countries, it is not necessary that the jobs generated can be described as decent work. There is also no direct correlation between the high rates of economic growth and decent employment. Also, high rates of economic growth may not necessarily have "employment content".

The highest regional youth unemployment rates are observed in West Asia and North Africa (25.7 per cent) followed by the Central and Eastern Europe,



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sub-Saharan Africa, Latin America and the Caribbean (16.6 per cent), South-East Asia and the Pacific (15.8 per cent), South Asia (10 per cent) and East Asia (7.8 per cent).

There are basically two kinds of unemployed, says the report. The first category comprises those who are looking for employment but are unable to find it; the second category consists of those who work under poor conditions and get willy-nilly thrown out of the labour market. They are also called "discouraged workers". The "working poor" are in some kind of work but yet are unable to find decent and productive work. They are found in the informal economy. Currently, 85 million unemployed youth and 300 million working poor youth subsist at the \$2 a day level and around 20 million discouraged youth face a deficit of decent work opportunities. The three categories together comprise around 35 per cent of the world youth population.

The report demystifies that access to education is still a major challenge for young people especially in South Asia and sub-Saharan Africa. Affordability was one of the main reasons.

Secondly it argues that while education may automatically lead to decent employment in developed countries, it is not so in the developing economies where economic development has not kept pace with the increases in educational attainments. One of the most obvious examples is the abundance of unemployed youth with higher education degrees.

A third and very important misconception highlighted is the perception that young people generally like to look or "shop" around for the best job. The "shopping around" was more likely to occur in a context where there was an abundance of demand for such skills; for example, the demand for computer programmers in the U.S. in the 1990s. While this demand itself has come down with the decline of the boom economy, nowhere in the world is insecurity of employment an exalted value, especially where there are not too many good jobs going around. Security of employment is often preferred over job satisfaction and "shopping around" is more a developed economy phenomenon. Also in developing countries a majority of the youth appeared more bothered with the conditions of work rather than unemployment itself.

While youth unemployment seems to be increasing, youth labour force participation rate (the share of the labour force in the working age population) has decreased globally. During the past decade, only the developed economies and the European Union saw a considerable decrease in unemployment. The report attributes this to a combination of successful youth strategies coupled with fewer younger people in the workforce. With a growing aging population in the developed economies, it is evident that the demand for employment is being generated. The sharpest increases in youth unemployment due to economic crises over the last 10 years were in South-East Asia, the Pacific, Latin America and the Caribbean.

Another popular misconception was that the poor are poor because they do not work, that they are indolent and rely on social safety nets. What is the state of the working poor amongst the youth? According to the United Nations, one in five young people in the world lives in extreme poverty, and using the \$2 (cumulative household income) a day criterion, nearly half of all young people can be categorized as living in poverty. It is also a matter of great irony that sub-Saharan Africa, which has been on the radar of global and donor attention for several decades now, continues to have six out of every 10 young people in situations of extreme poverty. There seems to be a connection, albeit limited, between tertiary enrolment in education and youth inactivity. Interestingly, youth inactivity rates rose between 1995 and 2005 and continue to be the highest in West Asia, North Africa and South Asia. Enrolment declined in higher education in Central and Eastern Europe (non-E.U.), the CIS region and sub-Saharan Africa. In South Asia, especially India, enrolment in higher education is less than 10 per cent.

The report rightly underscores the link between poverty and declining educational enrolment. The need to focus on the 18-24 age group has never been as acute as before and the social consequences of this cannot be emphasized enough. Lack of decent work, says the ILO report, if experienced at an early age, has the potential of permanently compromising a person's future employment prospects and could well lead to social exclusion. The trend is clear and it can only be reversed by conscious government policy aimed at addressing these new work-related vulnerabilities.▶

