UN Millennium Development Goals

Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth

Indicator 45: Unemployment rate of 15- to 24-year-olds

Young men and women around the world face a deteriorating employment situation. Action is needed if they are to avoid a future of high unemployment, low incomes and unrealized aspirations.

Introduction

In the developing countries, young women and men faced much more limited employment opportunities; they also experienced increasing competition for jobs due to the rapid increase in the number of young labour market entrants. Since economic growth has recently been slowing worldwide, while the rapid expansion of the young population continues in many developing economies, pressure on the youth labour market is likely to increase in these regions, leading to higher youth unemployment rates unless preventative strategies are undertaken.

The indicator

The youth unemployment rate (youth unemployment as a percentage of the youth labour force) is a general measure of utilization of the labour force of young persons, defined as persons aged 15 to 24 years, to obtain jobs. It is important to note that the youth unemployment rate alone cannot fully gauge the ability of youth to meet their full-productive capacity; however, it can serve as a useful proxy of the health of the labour market situation facing this group.

Unemployment is but one dimension of the employment problem faced by young people, however. A disproportionately large number of the young in many countries are underemployed, some working fewer hours than they would like to and others working long hours with little economic gain. Stagnation and decline of employment opportunities in the formal sectors of most developing countries has intensified the problem in recent years, with young women bearing a disproportionate burden. Other indicators of interest in assessing issues facing youth employment issues should include, therefore, measures of underemployment, the informal sector, educational access and labour force participation, amongst others.

Current trends

- The International Labour Organization (ILO) estimates that around 66 million young men and women were unemployed throughout the world in 1999. This means that young people account for about 41 per cent of the global 160 million persons classified as unemployed.\(^1\) The global situation is deteriorating. Around the world, youth unemployment rose by 8 million between 1995 and 1999. See figure 1.

- Rates of youth unemployment are generally high or very high in many countries. Of the 60 developing countries for which recent information is available (1995 or later), no less than 41 have youth unemployment rates of over 15 per cent, and 34 over 20 per cent.

- Looking at the latest year available for each country with unemployment information, the youth unemployment rate of females exceeds that of males in 61 out of 97 countries.\(^2\) In many cases the gap is marginal; however, in certain cases the female-to-male variation is substantial. See figure 2.

\(^1\) Global figures were calculated by the ILO Key Indicators of the Labour Market Team and will be reproduced in W. Schaible and R. Vijaya, *World and regional estimates for selected key indicators of the labour market*, ILO Employment Paper (Geneva, forthcoming).

\(^2\) In addition, young women in developing countries are likely to have lower participation rates implying that young women faced with dismal employment prospects may fall disproportionately into the informal sector and subsistence-oriented activities.
Youth unemployment rates almost always exceed adult unemployment rates. See figure 3. The ratio shows that in the majority of countries, youth unemployment rates are at least double adult unemployment rates.

**Conclusions**

One reason for the higher youth rates may be that young people tend to spend more time in looking for a job; that is, with generally high education levels and high job expectations, young jobseekers may be more likely to “shop around” for a suitable job rather than to accept any job. Furthermore, young people having lower family responsibilities can better afford to remain unemployed than the adult population with families to support. Nevertheless, the fact that young people are conspicuously more affected by unemployment than adults suggests that they face certain barriers in integrating into the labour market. In some cases, young people have not acquired the occupational skills required by the world of work. Moreover, a lack of on-the-job training obstructs even further the reduction of this gap. Thus, when an economy grows, employers may find it less expensive to hire adults who already have experience and on-the-job know-how.

From a policy point of view the trends shown above largely confirm the importance of the four “E”s identified by the high-level panel of the UN Secretary-General’s Youth Employment Network - employability, equal opportunities, entrepreneurship and employment creation - both for the diagnosis of the youth unemployment problem and for formulating policies to address this problem. The Youth Employment Network provides a strong partnership between the United Nations, the World Bank, the ILO and a broad alliance of civil society experts and practitioners for both policy development and action in this field.

Therefore, in evaluating progress on achieving the Millennium Target 16 on access to productive and decent work for young people, it will be useful to monitor progress in each of these four areas. Furthermore, the panel has recommended that UN member states prepare national reviews and action plans on youth employment. Such plans would provide an opportunity to develop better indicators and data on this target.

6 May 2002
Figure 2. Female-to-male percentage point gap in youth unemployment rate, latest years

![Map showing female-to-male percentage point gap in youth unemployment rate.](image)

The colours correspond to:
- 10 percentage points and over
- Between 5 and 9.9 percentage points
- Between 0 and 4.9 percentage points
- Between 0 and -4.9 percentage points
- <5 percentage points and over
- Data not available

Source: Key Indicators of the Labour Market 2001 (ILO, Geneva)

Figure 3. Youth and adult unemployment rates, latest years

![Graph showing youth and adult unemployment rates.](image)

The colours correspond to:
- Youth to adult unemployment ratio of less than 1
- Youth to adult unemployment ratio between 1 and 2
- Youth to adult unemployment ratio between 2 and 3
- Youth to adult unemployment ratio greater than 3

Source: Key Indicators of the Labour Market 2001 (ILO, Geneva)