

## CONTENTS

<b>Abbreviations</b>	<b>ix</b>
<b>Acknowledgements</b>	<b>xi</b>
<b>Introduction</b>	<b>1</b>
<b>Part I The problem</b>	<b>7</b>
<hr/>	
<b>1 Youth unemployment</b>	<b>9</b>
1.1 A global concern	9
1.2 Defining youth	10
1.3 Youth and adult unemployment	11
1.4 Key questions and issues	14
<b>2 The characteristics of youth unemployment</b>	<b>17</b>
2.1 A youth labour market?	17
What is unemployment? Is this “the problem”?	18
2.2 Which young people?	22
Teenagers versus young adults	22
Women versus men	22
Ethnic origin	29
Young people with disabilities	30
Regional disparities	30
Education/skills levels	30
2.3 Concluding remarks	36
<b>3 The causes and consequences of youth unemployment</b>	<b>39</b>
3.1 The causes	39
Aggregate demand	40
Wages	42
Wages versus aggregate demand	42
Size of the youth labour force	45
3.2 Does it matter? The consequences	50
3.3 The implications	52

## Contents

<b>Part II Policy</b>	<b>55</b>
<b>4 Youth policy: General issues</b>	<b>57</b>
4.1 Coordination and linkages	57
4.2 Youth and the ILO	59
4.3 Youth and the international policy context	61
<b>5 Labour market information, monitoring and evaluation</b>	<b>65</b>
5.1 Labour market information	65
5.2 Monitoring	67
What is monitoring?	67
The requirements of monitoring	67
The role of monitoring	68
5.3 Evaluation	70
Non-experimental methods: Gross outcomes	70
Weakly experimental evaluation: The use of comparison groups	72
Quasi-experimental evaluation	72
Highly experimental evaluation	75
Which type of evaluation?	76
5.4 The role of information in the design and implementation of labour market policies for young people	77
<b>6 The minimum wage and youth employment</b>	<b>79</b>
6.1 Minimum wages, employment and productivity	79
6.2 The effects of a minimum wage on youth employment	82
6.3 Youth minimum wages and international labour standards	87
6.4 The practice in selected countries	89
6.5 Concluding remarks	91
<b>7 Education and training systems</b>	<b>95</b>
7.1 Education and training system models	95
The sequential versus the dual system	95
School versus the workplace	96
Certification	97
What works?	98
7.2 Germany's dual system	100
Strengths	103
Weaknesses	104
7.3 Concluding remarks: Lessons to be learned	105
<b>8 Active labour market policy</b>	<b>109</b>
8.1 Policies that promote wage employment	109
Policy issues	110
ALMP and youth unemployment: The United Kingdom	115
The New Deal: A new start?	120
ALMP and youth unemployment: Jamaica	121
8.2 Policies that promote self-employment	125

Promotion and introduction of the self-employment option	125
Skills training	127
Mentor support	128
Finance	128
Access to work space	129
Business expansion support	130
Creating support networks	130
Further design issues	131
8.3 Programmes for disadvantaged young people	133
The personal dimension	134
The labour market dimension	137
Skills mismatch	138
Considerations for policy-makers and practitioners	139
8.4 Concluding remarks and policy recommendations	142
<b>9 The role of employers' and workers' organizations</b>	<b>147</b>
9.1 School/industry linkages	147
Training in schools and workplaces	147
Placements and sponsorship	148
Other school/employment links	148
9.2 Active labour market policy	148
9.3 Guaranteeing training	149
9.4 International action	152
9.5 Potential problems	155
9.6 Policy implications	156
<b>Part III Towards an effective response</b>	<b>159</b>
<hr/>	
<b>10 Conclusions and recommendations</b>	<b>161</b>
<b>Appendices</b>	
<hr/>	
1 ILO instruments containing standards regarding youth	173
2 ILO resolution concerning youth employment	175
3 Selected active labour market programmes for young people	178
<b>Bibliography</b>	<b>192</b>
<b>Index</b>	<b>207</b>
<b>List of tables</b>	
<hr/>	
2.1 Unemployment rates and non-employment rates for 18-year-old males in selected OECD countries, with rankings, 1997	20
2.2 Unemployment/population ratio and unemployment rates of 15- to 19-year-olds, with rankings, 1998	21
3.1 Elasticity of youth unemployment rates with respect to the adult unemployment rate and the youth/adult population ratio, with country and time-fixed effects	48

## Contents

3.2	Annual average growth rates of the labour force in developing regions, 1990–2010	49
5.1	Hypothetical example of post-programme outcomes	71
6.1	Summary of the principal empirical results of studies carried out in the United States	83
6.2	Summary of the principal empirical results of studies carried out in France	84
6.3	Summary of the principal empirical results of studies in a selection of other countries	86
6.4	Categorization of selected countries according to the status of young workers in relation to the minimum wage	90
8.1	The effects of the United Kingdom's Youth Training Scheme on the probability of employment for an "average" individual one year after programme completion	117

## List of figures

---

1.1	Unemployment rates by age in the OECD countries, 1980–98	12
1.2	Jamaica: Unemployment rates by age, 1975–95	13
2.1	Unemployment rates by age in selected countries, 1998	23
2.2	Ratio of female-to-male youth (15–24) unemployment rates in selected countries, 1998	24
2.3	Ratio of female-to-male youth (15–24) unemployment rates in the OECD countries, 1981–98	25
2.4	United Republic of Tanzania: Unemployment rates by age and sex, 1990–91	26
2.5	India: Youth urban and rural unemployment rates, 1993–94	27
2.6	Chile: Youth unemployment rates by sex, 1986–95	28
2.7	Jamaica: Ratio of female-to-male unemployment rates by age, 1975–95	29
2.8	United Kingdom: Unemployment and labour force participation rates by age and disability, winter 1994–95	31
2.9	Unemployment rates by level of education in selected countries and territories, 1996	32
2.10	Indonesia: Unemployment and labour force participation rates by level of education, 1993	34
2.11	Indonesia: Youth unemployment rates by level of education, 1993	35
3.1	Youth labour force by region, 1950–2010	46
3.2	Youth/adult population ratio by region, 1950–2010	49
3.3	Proportion of the unemployed (young people and adults) in long-term unemployment in the OECD countries, 1997	51
5.1	The role of monitoring in policy design and implementation	69
6.1	The effect of the minimum wage in a competitive model	80
6.2	The effect of the minimum wage in a non-competitive model	81
7.1	Ratio of youth (15–24) to adult (25–54) unemployment rates in the OECD countries, 1998	99
7.2	The German education system	101