



# THE OECD ACTION PLAN FOR YOUTH

## Giving youth a better start in the labour market

### Why action is needed

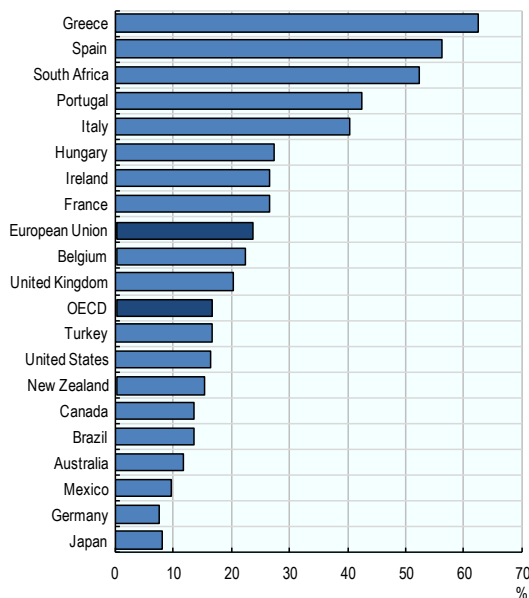
The global financial crisis has reinforced the message that more must be done to provide youth with the skills and help they need to get a better start in the labour market and progress in their career. Sharp increases in youth unemployment and underemployment have built upon long-standing structural obstacles that are preventing many youth in both OECD countries and emerging economies from making a successful transition from school to work.

Not all youth face the same difficulties in gaining access to productive and rewarding jobs, and the extent of these difficulties varies across countries. Nevertheless, in all countries, there is a core group of youth facing various combinations of high and persistent unemployment, poor quality jobs when they do find work and a high risk of social exclusion. In the context of rapid population ageing, successful engagement of this group in the labour market is crucial not only for improving their own employment prospects and well-being, but also for strengthening overall economic growth, equality and social cohesion.

In many countries, the immediate short-term challenge is to tackle a sharp increase in youth unemployment. In April 2013, the youth unemployment rate was close to 60% in Greece and Spain. For the OECD as a whole it was stuck at 16.5%, up from 12.1% just prior to the crisis, and two-and-a-half times the unemployment rate for those aged 25 and over.

### Youth unemployment rate

As a percentage of the youth labour force (aged 15-24), April 2013 or latest month available

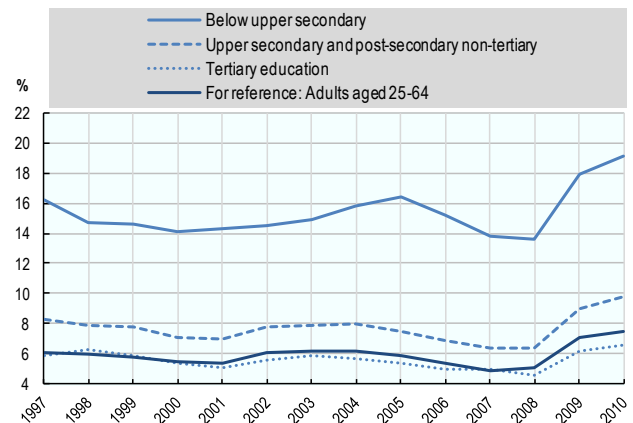


Policies must also tackle long-term challenges arising from poor education outcomes and a wide gap between the worlds of education and work. The proportion of school drop outs (i.e. youth who have not completed a high school education) remains high in many countries. This can lead to poor integration of youth into the labour market and to patchy

careers of low-paid work, often in the informal sector in many emerging economies, interspersed with open unemployment. For example, for young people aged 25-34 in the OECD area, the unemployment rate of those who did not complete upper secondary school has persistently remained at two-and-a-half to three times higher than the rate for university graduates.

### Unemployment rates for 25-34 year-olds by qualification

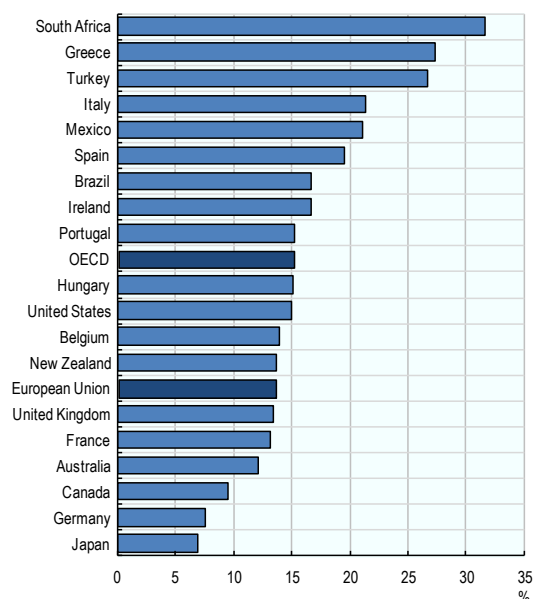
As a percentage of the corresponding group in the labour force



Of particular concern is joblessness encountered early in working lives which can have scarring effects that jeopardise youth long-term career paths and future earnings prospects. Youth not in employment, education or training (so-called "NEETs") are most at risk of scarring effects. In the OECD area, this group accounted for 15.2% of the youth population in the fourth quarter of 2012. More than one-fifth of all youth are in this situation in Greece, Italy, Mexico and Turkey and more than one-third in South Africa.

### Youth not in employment or in education and training (NEET)

As a proportion of the youth population, 2013 Q1 or latest quarter available



## The OECD Action Plan for Youth

OECD Ministers at their meeting on 29-30 May agreed to take a comprehensive range of measures as set out in the [OECD Action Plan for Youth](#) (see Box). The first objective of these measures is to tackle the current situation of high youth unemployment and underemployment. The second objective is to produce better outcomes for youth in the longer run by equipping them with relevant skills and removing barriers to their employment.

### Key elements of the OECD Action Plan for Youth

#### *Tackle the current youth unemployment crisis*

- ✓ Tackle weak aggregate demand and boost job creation
- ✓ Provide adequate income support to unemployed youth until labour market conditions improve but subject to strict mutual obligations
- ✓ Maintain, and where possible expand, cost-effective active labour market measures
- ✓ Tackle demand-side barriers to the employment of low-skilled youth
- ✓ Encourage employers to continue or expand quality apprenticeship and internship programme

#### *Strengthen the long-term employment prospects of youth*

- ✓ Strengthen the education system and prepare all young people for the world of work
- ✓ Strengthen the role and effectiveness of Vocational Education and Training
- ✓ Assist the transition to the world of work
- ✓ Reshape labour market policy and institutions to facilitate access to employment and tackle social exclusion.

It was also recognised that particular attention should be paid to the most disadvantaged groups of youth, such as the low-skilled or those from migrant backgrounds, who face the greatest risk of becoming permanently marginalised from the labour market along with a range of social problems. In line with the OECD Skills Strategy, effective action requires coordinated measures across all relevant ministerial portfolios and at the national and local level to ensure that youth acquire the right skills, bring those skills to the labour market and are able to utilise them effectively.

The OECD Action Plan for Youth is intended to build on and support existing national and local initiatives as well as the ILO Resolution on “The youth employment crisis: a call for action”, the G20 commitments on youth employment and the EU Council's agreement on the Youth Guarantee.

## How can the OECD help implement this plan?

### ➤ *Working with countries to develop national and local action plans*

The OECD is committed to working with countries to help them implement the OECD Action Plan for Youth in their own national and local context. This could take different forms. It could be part of a tailored national skills strategy project or in the form of advice on specific youth policies, short policy notes or more comprehensive country reviews.

### Advice on specific youth policies

OECD could provide countries with in-depth advice on specific areas of the Action Plan for Youth where they need to improve youth outcomes – for example, to tackle school dropout, *implement* a youth guarantee scheme, promote youth entrepreneurship or strengthen the effectiveness of vocational education and training.

### Short policy notes

For those countries where there has been a recent comprehensive OECD review of policies for youth, a short policy note could be prepared which would identify the key challenges for policy, progress to date with responding to these challenges and remaining action to be taken. The note would be prepared over a period of two to three months and would be preceded by a short country visit to consult with key stakeholders.

### Country reviews

A more comprehensive country review on youth could be carried out to identify the key education and labour market reforms required to help youth get off to a better start in the labour market. This could be combined with the OECD's ongoing review of social policies for young people, with a special focus on disadvantaged youth. The precise scope of the review would be discussed with the country concerned. This review would take place over a period of six months and would typically include: a fact-finding study trip, the preparation of a draft report, and a seminar to present the report.

### ➤ *Organising workshops on good practice*

There are large country differences in education and labour market outcomes for youth and this opens up the scope for mutual learning from successful measures and programmes that countries have taken to improve youth employment and skills. Therefore, the OECD intends to organise a series of international workshops on topical issues where good practice examples and lessons concerning policy implementation could be identified based on different country experiences. These topics could include, for example, apprenticeships schemes, youth guarantees, measures to promote youth entrepreneurship and special programmes for the most disadvantaged groups of youth. *Countries are encouraged to signal both their preferences for the topics to be covered as well as their interest in hosting one of these workshops.*

### For further information

For further information, please contact Mark Keese who is in charge of this initiative ([Mark.Keese@oecd.org](mailto:Mark.Keese@oecd.org)), Directorate for Employment, Labour and Social Affairs, or Deborah Roseveare ([Deborah.Roseveare@oecd.org](mailto:Deborah.Roseveare@oecd.org)), Directorate for Education and Skills, or Sylvain Giguere ([Sylvain.Giguere@oecd.org](mailto:Sylvain.Giguere@oecd.org)), Centre for Entrepreneurship, SMEs and Local Development.

[www.oecd.org/employment/youth](http://www.oecd.org/employment/youth)

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