

Getting the young into jobs

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Presentation of the main findings of the OECD project *JOBS for YOUTH*

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Outline of the Presentation

1. Thematic review on Jobs for Youth
2. Youth labour markets in OECD countries
3. Recommendations

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Review of 16 OECD countries (2006-2009)

- 9 EU countries: Belgium, Denmark, France, Greece, Netherlands, Poland, Slovak Republic, Spain and United Kingdom
- 7 non EU countries: Australia, Canada, Japan, Korea, Norway, New Zealand and United States
- *Process*: questionnaires, replies, fact-finding mission, writing up, seminar, publication
- 12 country reports already published, 4 to be published in late 2009 (Poland, Denmark, Greece and the United States)

JOBS for YOUTH

Des emplois pour les jeunes

FRANCE

Jobs for Youth



JOB^S for YOUTH

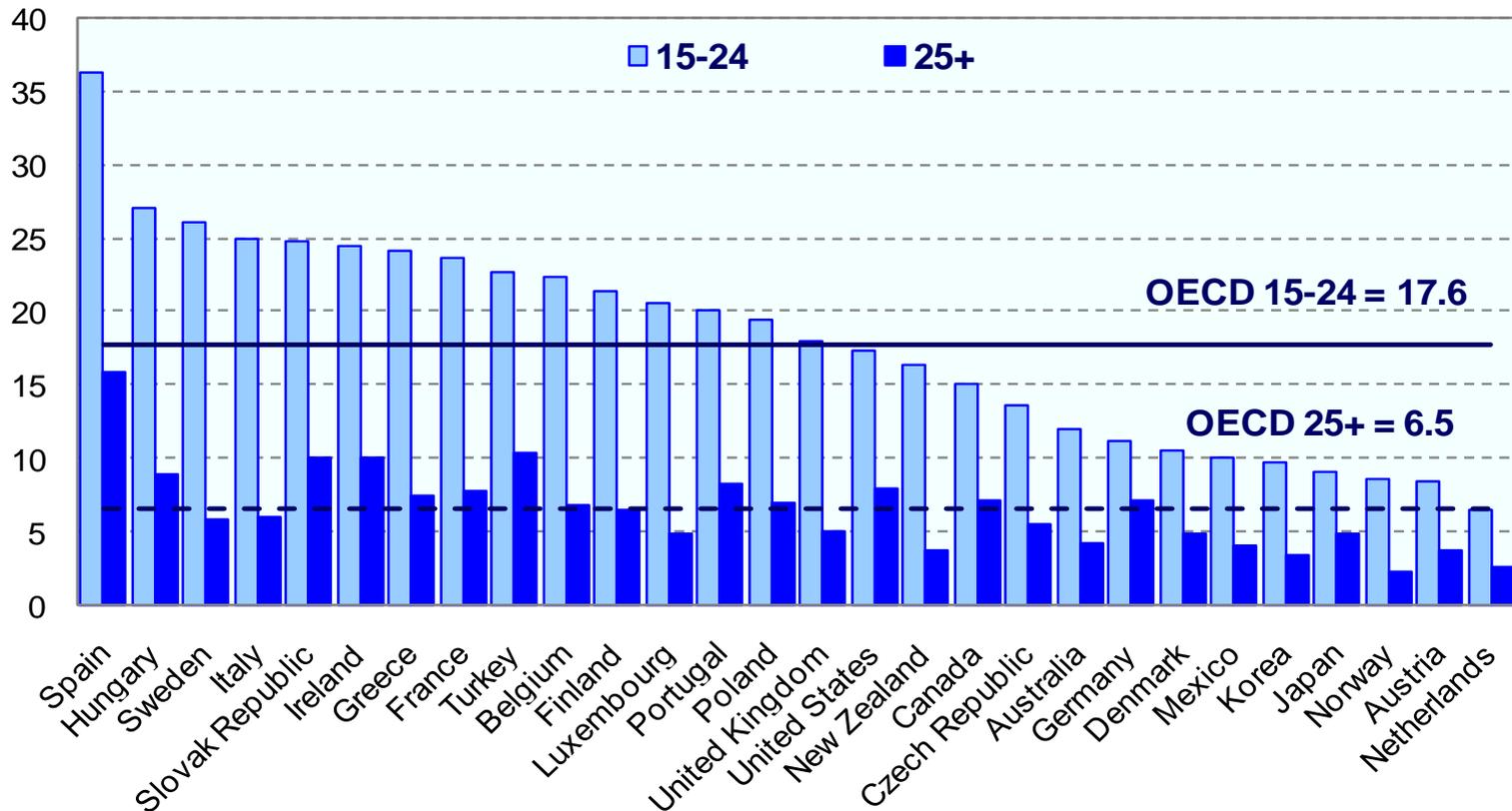
Synthesis Report in 2010

- The review process has highlighted a number of structural problems that affect the transition from school to work and the initial labour market experiences of young people with different levels of education
- The current economic crisis is exacerbating some of the underlying problems as presented in the document **Helping Youth to Get a Firm Foothold in the Labour Market** discussed at the OECD Labour and Employment Ministerial Meeting (28-29 September 2009) **Tackling the Jobs Crisis: The Labour Market and Social Policy Response**

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- In general, youth face a much higher risk of unemployment than adults
- On average in the OECD , the ratio of 15-24 to 25-54 unemployment rates is close to 3 in mid-2009

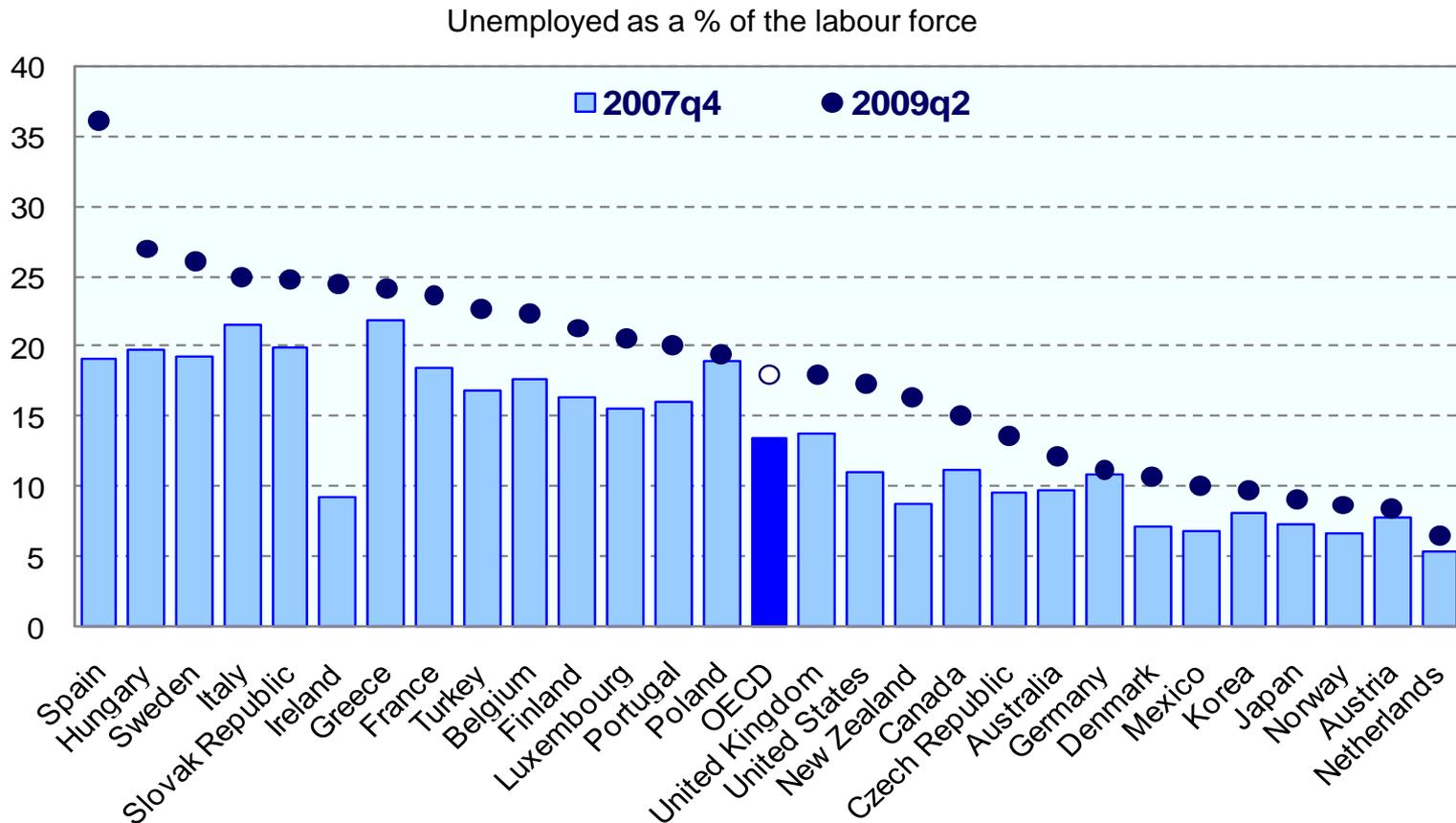
Unemployed as a % of the labour force



Source: National labour force surveys.

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- Youth are particularly exposed to a major downturn
- There is a significant deterioration of 15-24 unemployment rates mid-2009 compared to end-2007



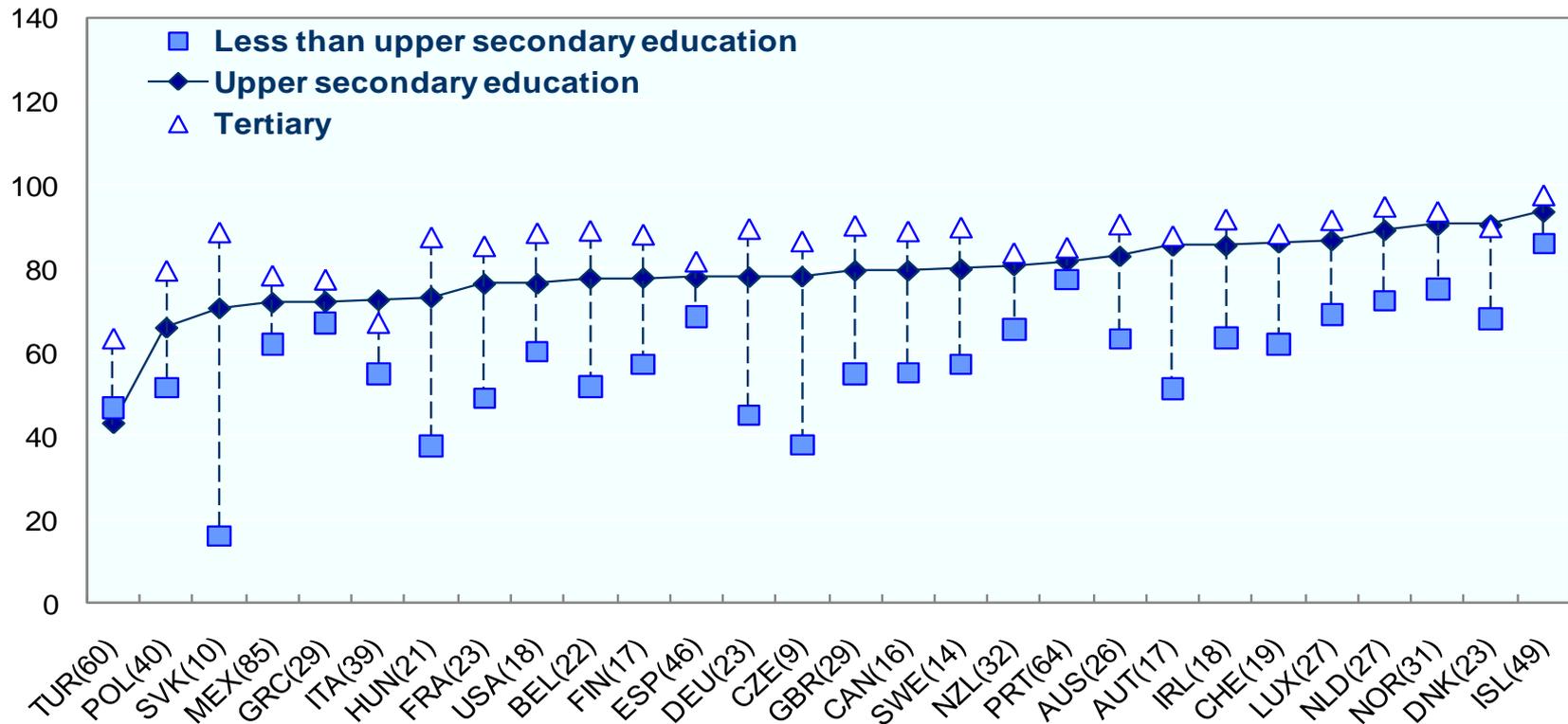
Source: National labour force surveys.

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Access to employment is closely associated with education achievements and skills needed on the labour market

The employment probability of school-leavers aged 15-29 was much higher in 2006 for tertiary graduates, except in the South of Europe

Employed as a % of youth aged 15-29 having left education



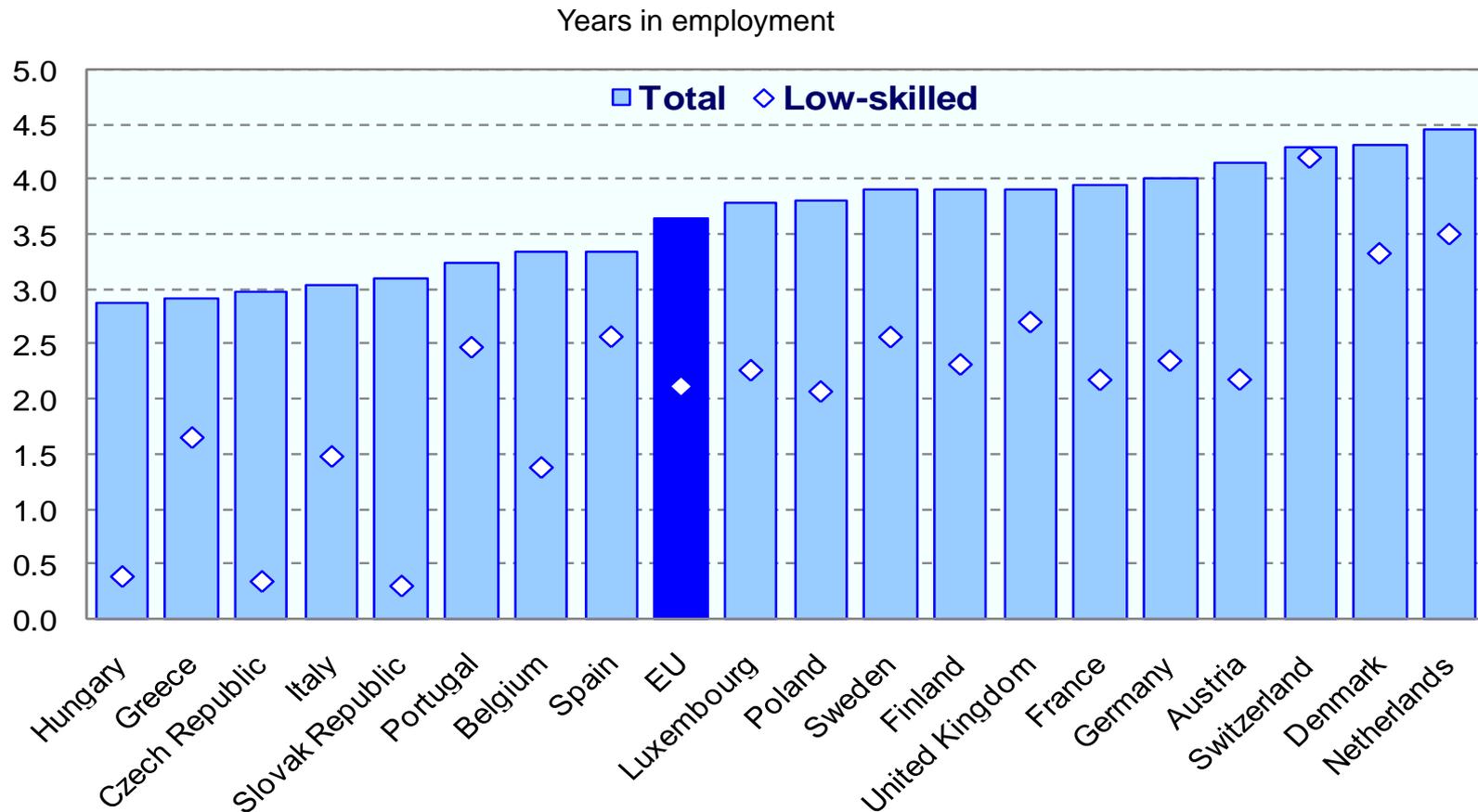
* Share of youth in with less than upper secondary education in parenthesis.

Source: OECD Education database.

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The transition takes time almost everywhere, particularly for low-skilled youth

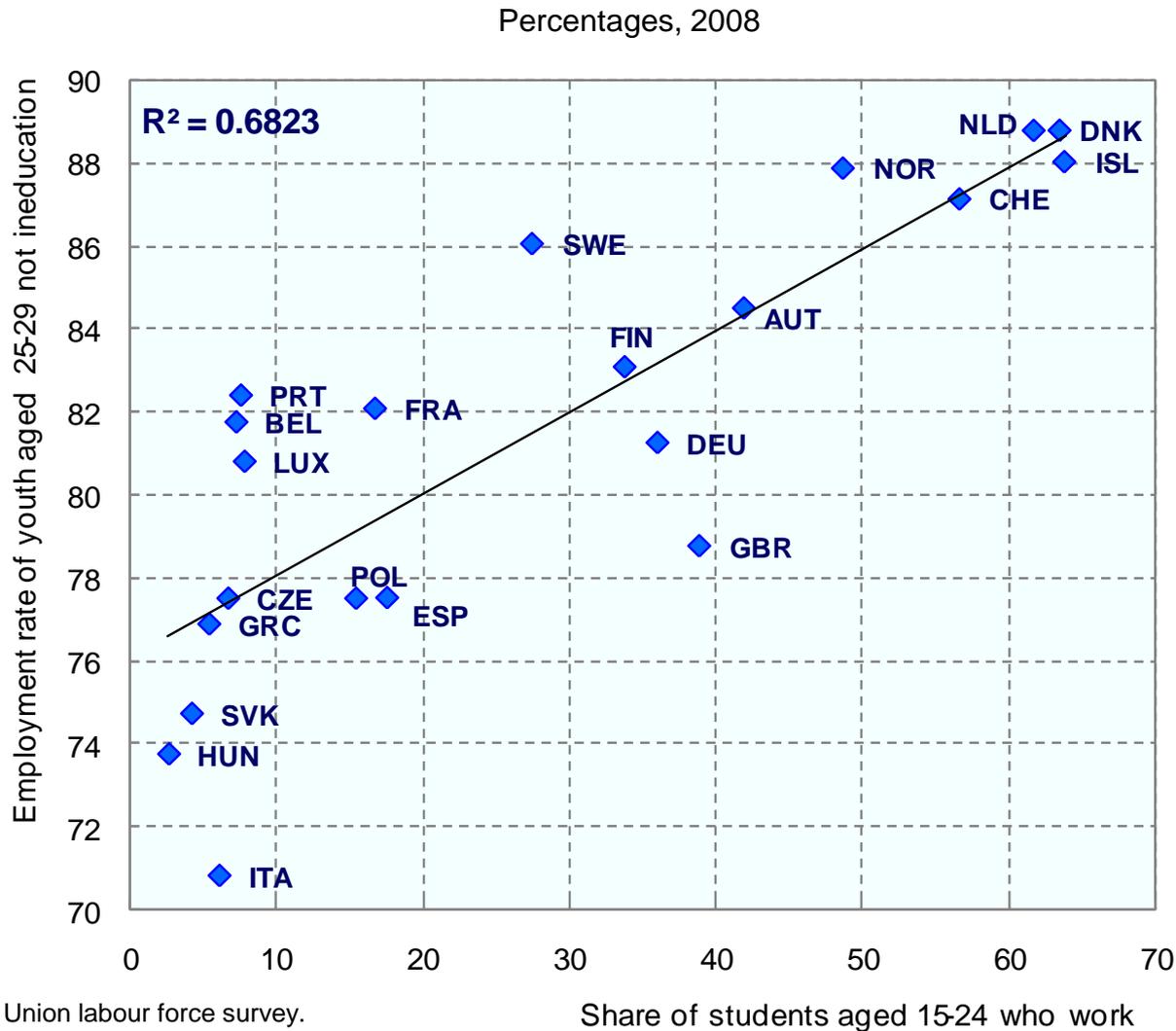
- Expected number of years spent in employment in the five years after leaving education, 2008



Source: European Union labour force survey.

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- Combining school and work facilitates labour market entry
- There is a positive correlation between the employment rate of youth aged 25-29 and the share of students working before they reach 25

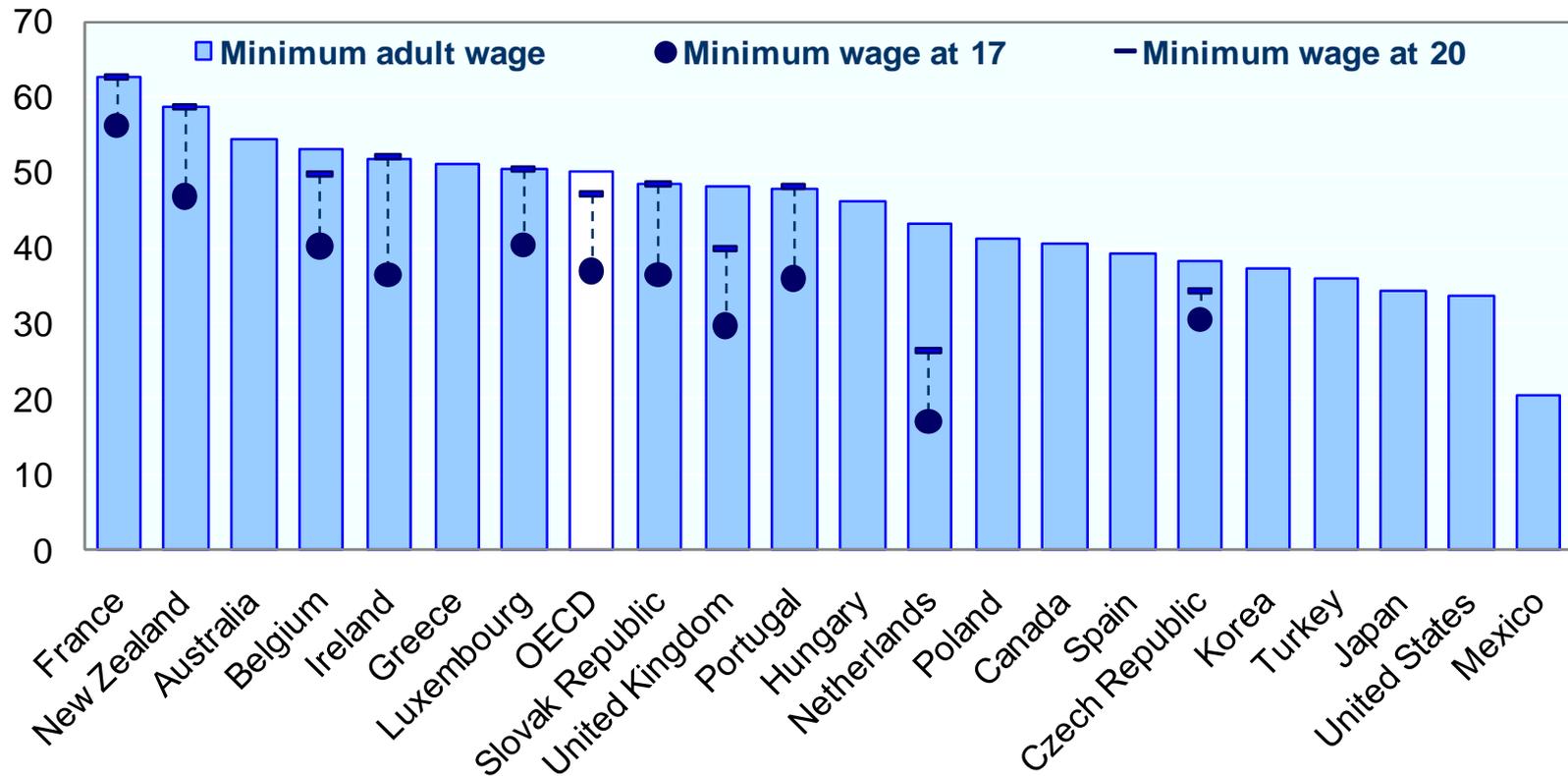


Source: European Union labour force survey.

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- The cost of employing low-skilled youth is too high in some countries

Minimum wage as a percentage of the median wage by age, 2007



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Recommendations: Target groups

- **Two groups of youth have difficulties in getting a firm foothold in the labour market**
 - The group of “poorly integrated new entrants” *
—
 - The group of “youth left behind” *
—
 - The size of these two groups is likely to increase during the recession, heightening the risk of long-term scarring

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Recommendations: Policy challenges

A comprehensive, coherent, partnership and well co-ordinated approach based on 4 mutually-reinforcing areas:

1. Education
2. School-to-Work Transition
3. Labour Demand
4. Active Labour Market Policies

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Recommendations: Policy challenges

1. Education

- *Ensure that everyone leaving the educational system is capable of gaining the skills needed on the labour market*
- Ensure better co-operation between employment services and the education system to reach youth as soon as possible when risk of disengagement is detected
- Strengthen apprenticeship targeted at low-skilled youth and young immigrants
- Promote second-chance learning opportunities for school drop-outs

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Recommendations: Policy challenges

2. School-to-Work-Transition

- *Make the transition from school to work less abrupt*
 - Promote the combination of work (no more than 15 hours a week) and study
 - Set up compulsory internships at university starting at the bachelor's level
 - Penalise firms that abuse “fake internships” for young people who have already graduated

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Recommendations: Policy challenges

3. Labour Demand

- *Tackle the demand-side barriers to youth employment*
 - Reduce the cost of employing low-skilled youth: youth sub-minimum wage, reduction in social security contributions paid by employers for low-pay workers
 - Continue efforts to reduce labour-market duality overall: “flexicurity” framework
 - Fight discrimination against the hiring of visible minorities
 - Actively encourage the mentoring of graduates with an immigrant background

Recommendations: Policy challenges

4. Active Labour Market Programmes

- *Make active labour market measures for the least employable youth more effective with a rigorous "mutual obligations" approach*
 - Provide more resources to personally assist unskilled young people to find jobs and improve governance in order to better co-ordinate national and local actions
 - Make social assistance conditional to a learning obligation to get a qualification
 - Make sure that skill-upgrading services offered are tailored to the current profiles of jobless youth

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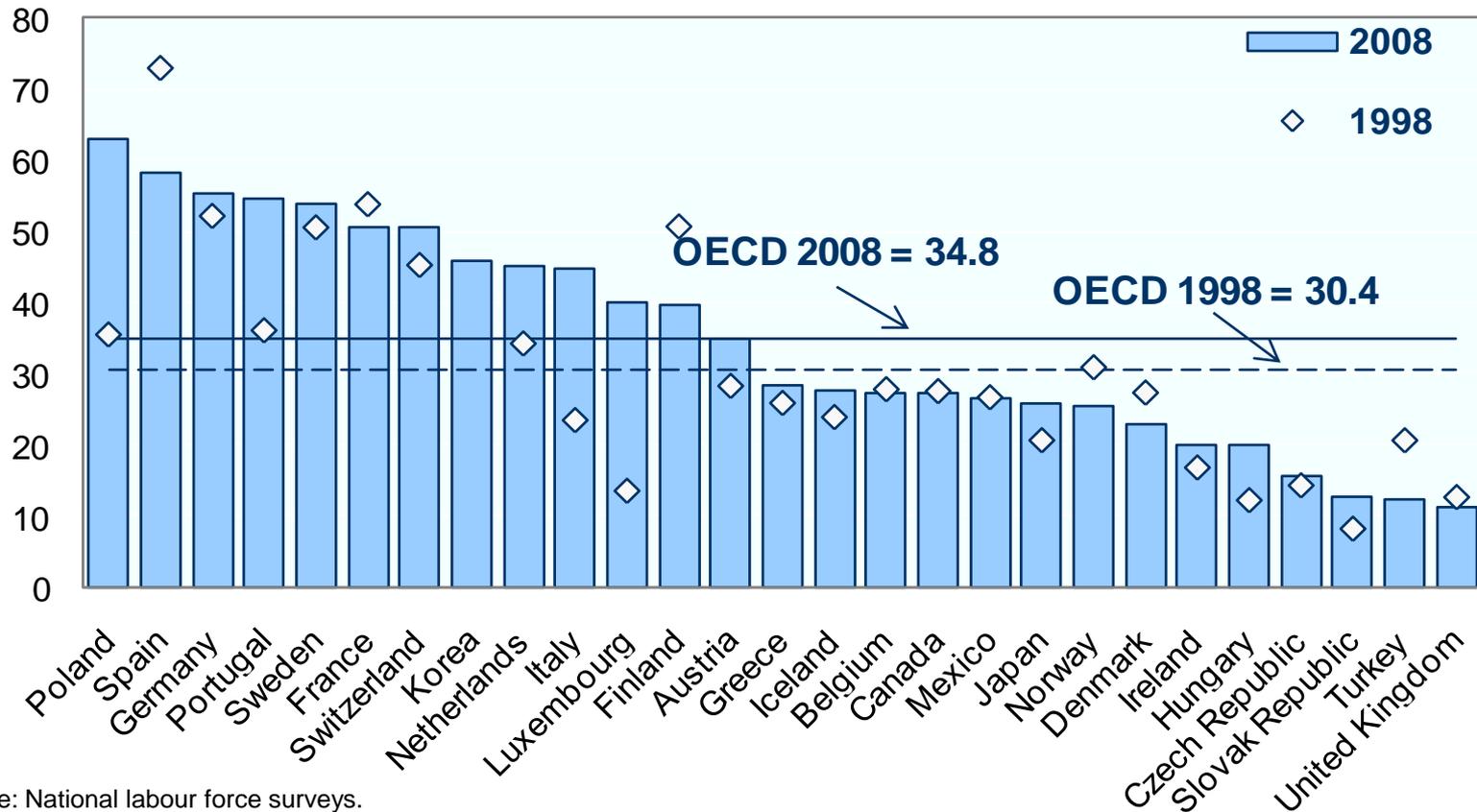
Recommendations during the crisis

- *Key short-term challenges*
 - Prevent the current generation of school-leavers becoming a “lost generation”
 - Secure the safety net and the employment and training pathways of young workers
 - Making active labour market measures for the least employable young people more effective and strengthening social protection for the most disadvantaged
- *Prepare young people to be ready and equipped for work for the recovery*

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- “Poorly integrated new entrants”, who often have diplomas, frequently go back-and-forth between temporary jobs and unemployment, even during periods of strong economic growth
- On average in the OECD, 35% of youth employment was temporary in 2008, 5 percentage points more than in 1998

Temporary employment as a % of employment among 15-24



Source: National labour force surveys.

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- “Youth left behind” cumulate disadvantages (no diploma; from immigrant/minority background; living in deprived neighbourhoods) and are at risk of dropping out of the labour market
- The NEET group (neither in employment, nor in education or training) represented 12 % of 15-24-year-olds in the OECD in 2006

As a % of the age group

