

The Updated OECD Youth Action Plan

Building Blocks for Future Action

Meeting of the OECD Council of Ministers
31 May and 1 June 2021

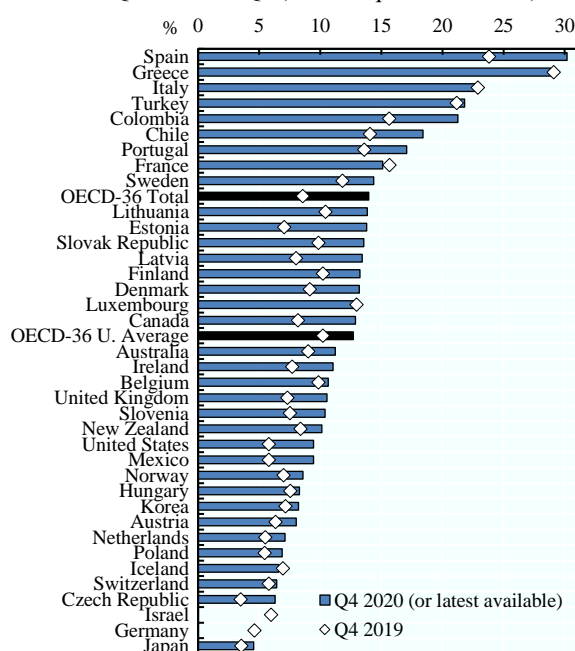
Young people are hit hard by COVID-19

Successful engagement of young people¹ in the labour market and society is crucial not only for their own personal well-being and economic prospects but also for overall economic growth and social cohesion. Yet, the current crisis reveals, once again, the vulnerability of young people. For many of them, the impact of the crisis will only be temporary, but for many others, there is a risk of long-lasting scars on their careers and broader social and economic outcomes.

As young people are over-represented in industries most affected by the crisis and are more likely to work on temporary contracts, the COVID-19 crisis pushed youth unemployment rates upwards in nearly all OECD countries, with an impact twice as strong as for the total population. By the end of 2020, the total OECD unemployment rate reached 14.0% for 15-to-29 year-olds, equal to 23.4 million unemployed young people. In addition, many young people are challenged by physical-distancing measures, remote learning, a drop in income, complicated situations at home and/or mental health conditions.

Unemployment rates of young people aged 15-29

As a percentage of the youth labour force,
2019-Q4 and 2020-Q4 (or latest quarter available)



Note: Data are not seasonally adjusted.

Source: European and National Labour Force Surveys.

School closures and remote learning have complicated access to education for many young people, raising the risk of learning losses and school dropout. Young people from more disadvantaged backgrounds and from regions with poor digital infrastructure are particularly affected, as are those in study branches that are hard to organise remotely. While there is a tangible risk of increasing numbers of young people not in education, employment or training (NEETs) in the coming years, the increased use of digital

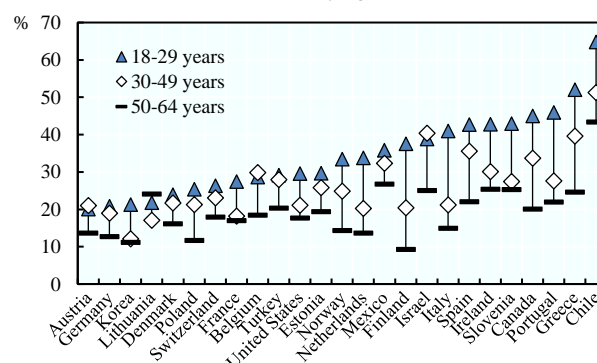
technologies accelerated the development of digital skills and opened new opportunities for remote learning.

Depending on the country, limited access to income support benefits can further aggravate the situation of young people who experience a drop in income. Some governments have been (temporarily) scaling up income support, but in other countries support remains limited or does not reach all young people in need, due to ineligibility for unemployment insurance schemes or limited access to social assistance schemes. In some cases, other actors, such as social economy organisations, have been stepping in to help young people meet basic needs, such as for food and housing.

Prevalence of depression and anxiety among young people surged at the onset of the crisis, and continues to increase in some countries. While the temporary closing of educational institutions and social, cultural and sport activities weakened social connections that help maintain good mental health, mental health support provided in schools and universities has been heavily disrupted in many countries. Young people are increasingly using other platforms for support, such as phone lines and youth centres, and mental health services are offering teleconsultations and remote forms of care to maintain continuity of services.

Impact of COVID-19 on mental health

Share of individuals reporting that their mental health or that of their household has been affected by the crisis, in selected OECD countries and by age, 2020



Source: OECD Risks that Matter 2020 survey.

Not all young people face the same difficulties. Factors other than age affect their needs and vulnerability, including the country and region in which they live, as well as their gender, race, ethnicity, health, migrant and socio-economic background. However, in all countries, disadvantaged young people face an increased risk of high and persistent unemployment, poor quality jobs when they do find work, and a high risk of social exclusion. Specific attention to these groups is needed to ensure they receive the support they need to thrive in life. As vulnerability stems from a range of complex factors that compound over time, investing in children and child well-being is crucial to improve youth outcomes.

¹ The Updated OECD Youth Action Plan defines youth as 15-29 year-olds.

The COVID-19 crisis accelerated existing trends

Young people have never stayed longer in education and training – around 85% of young people complete upper secondary education in the OECD on average – and financial support mechanisms have helped making tertiary education more accessible to more young people – 44% of 25-34 year-olds held a tertiary degree in 2018. Educational institutions are evolving to meet changing job market demands by promoting flexible pathways into tertiary education, balancing academic and vocational skills, and working more closely with employers and industry and training organisations. However, student orientation and career guidance are often insufficient to ensure that young people have adequate information on the range of available education and training opportunities. Vocational qualifications remain under-valued in many countries, despite their importance in providing the technical and professional skills that are needed in the labour market.

Trends such as automation, digitalisation, and artificial intelligence bring many new opportunities, but also polarise the labour market and challenge the integration of young people. In two out of three OECD countries (for which data is available), highly educated young people are now more likely to be in low-paid jobs than in high-paid ones. Before the onset of the COVID-19 pandemic, one in eight young people were NEETs, and, in the case of European Union (EU) member states, only one third of NEETs are registered with public employment services. In most developing countries, informality rates among young people remain high, while in some other countries, unpaid internships are gaining importance. While new forms of work organisation provide flexibility, they also challenge access to social protection systems, basic labour rights and training opportunities for an increasing share of young people in many countries.

Nearly half of young people say they would prefer entrepreneurship over working as an employee. However, young people are much less likely than adults to be self-employed, as they often lack the necessary skills, networks and capital to successfully run their own business.

Young people's transition to an autonomous life has become harder in recent years due to rising housing prices. Homeownership is increasingly out of reach for young people, limiting their ability to secure housing and build up wealth. Young people are living longer with their parents, or are renting in the private market, where prices have increased in all but two OECD countries in recent years – in some cases, significantly. Young people from low-income families are particularly affected by declining home ownership opportunities, as they are less likely to be high-income earners, and often less able to rely on family resources for acquiring real estate.

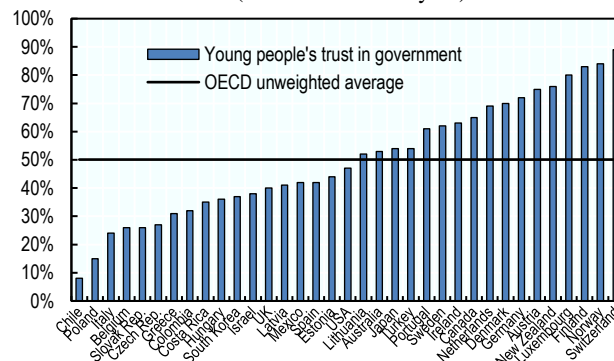
Intergenerational justice

Young people demonstrate strong motivation for addressing global challenges such as climate change, rising inequality, shrinking space for civil society and threats to democratic institutions. However, young people remain underrepresented in public institutions and there is great variation across countries in young people's trust in the government and public institutions. After a general deterioration in the aftermath of the 2008 global financial

crisis in many countries, governments had been slowly regaining the trust of young people, though the current crisis may affect trust again. Young people tend to be more vocal in the public debate through non-institutionalised participation channels, such as online raising awareness campaigns, protests or social movements.

Trust in the government among young people

Share of 15-29 year olds who trust their government, 2020 (or latest available year)



Source: OECD calculations based on Gallup World Poll.

Four out of ten (40%) young people aged 18–29 feel that the government does not incorporate their views when designing or reforming public benefits and services (total population: 49%), whereas two out of three (65%) young people think the government should be doing more to ensure their economic and social security and well-being (total population: 67%). Overall, young people tend to express higher satisfaction with policy outcomes when they are more systematically involved in policymaking.

Engaging young people in decision making is indeed crucial, as the costs of climate change, population ageing and COVID-19 debts will fall for a large part on the shoulders of the current youth generation. As they tend to participate less in elections than their older peers and their share among voters is shrinking as a result of population ageing, they have too little say in how these issues can be solved in a way that assures intergenerational justice.

Giving young people the support they need now

In the aftermath of the global financial crisis, governments acted inadequately in addressing young people's difficulties, leaving many of them with long-lasting scars on their careers and overall well-being. It took a whole decade before the OECD youth unemployment rate returned to its pre-2008 level, while many other outcomes have remained fragile.

Countries have been trying to mitigate the impact on young people, but the far-reaching effects of the COVID-19 crisis and broader societal trends require a more ambitious and comprehensive policy package so that no young person is left behind. Such package is particularly needed in those economies that have been hit hard by the COVID-19 crisis, or had not yet recovered fully from the global financial crisis. Early action is the best way to prevent long-term damage and the fiscal costs of the required interventions are small in comparison to the benefits that accumulate over the rest of young people's lives. This OECD Youth Action Plan provides the building blocks for improving support in key areas.

Examples of Actions Undertaken by OECD Countries to Support Young People

1. Ensure that all young people acquire relevant skills

- Strive to ensure that all young people, through formal as well as informal and non-formal learning, acquire the adequate skills, including social, emotional and creativity skills, to successfully engage in increasingly digitalised and greener economies
- Design education pathways that enable progression and prepare learners for a wide range of aspirations, in line with skills demanded in the labour market
- Provide effective and early career guidance and counselling to assist young people in transitions within the education system and from school to work
- Address systematic barriers, stereotypes and biases based on the intersections of gender, sexual orientation, race, class, ethnicity, religion, disability and migrant status, etc. in education and career choice
- Promote access to lifelong learning, upskilling and re-skilling, skills recognition and quality work-based learning, and strengthen ties with the private sector and social economy
- Address and mitigate early school leaving, and provide early school leavers with attractive second-chance opportunities and skills recognition programmes
- Address digital divides and explore flexible and innovative approaches to facilitate distance and e-learning for all students

2. Support young people in their transition into the labour market

- Promote job creation through macroeconomic policies and targeted investment policies, as required, including through hiring subsidies and tax incentives
- Promote labour rights and protection regardless of employment status, remove labour market barriers for young people, and reduce the percentage of young people in precarious employment
- Stimulate social dialogue and effective collective bargaining to ensure fair labour market outcomes for young people
- Invest in good quality, cost-effective employment services with early identification of young people most at risk of labour market exclusion, and provide tailored support
- Promote access to entrepreneurship through improved counselling (including post-creation coaching), education and training, and access to finance and networks

3. Combat social exclusion and promote youth well-being beyond economic outcomes

- Improve access to and coverage of social protection systems, as appropriate, to provide adequate income support for young people with insufficient means, subject to strict mutual obligation requirements
- Engage national, regional and local stakeholders to reach out to young people in vulnerable situations (in particular unregistered NEETs), and provide integrated and individually tailored health, social and employment support
- Make housing more affordable for all young people
- Invest in and promote timely and affordable mental health support for young people
- Invest early in children and families and strengthen whole-of-child well-being policies
- Invest in local infrastructure to promote sport, cultural and social activities for all

4. Strengthen the relationship between young people and political institutions

- Remove barriers and promote meaningful youth engagement in democratic processes and public and political life, and representation in governmental institutions
- Promote spaces for dialogue among different age cohorts
- Promote the representation of young people in the public sector workforce, as well as inter-generational learning between older and younger employees
- Mobilise and support youth stakeholders to increase representation, resilience and social cohesion
- Strengthen trust in government and public institutions among young people and address the risk of polarisation and dissociation from democratic institutions

5. Reinforce administrative capacities to deliver youth-responsive services and address age-based inequalities

- Improve the collection of evidence disaggregated by age and other intersecting identity factors (e.g. gender, race, disability, sexual orientation, socio-economic and migrant background) to track inequalities and inform decision-making
- Support the development of laws, policies, youth strategies, as well as adequate institutional and financial capacities, to promote an integrated approach to youth policy making and service delivery and youth-responsive policy outcomes
- Design public administration tools for policy makers to embed the principle of intergenerational justice in rule making, public spending decisions and stakeholder consultation

How to maximise the use of this Youth Action Plan?

OECD RECOMMENDATION

It is proposed to develop an OECD Recommendation to promote a government-wide strategy to support young people. The proposed Recommendation would aim at strengthening youth policies and outcomes in relevant policy areas, including employment and education policies, social policies and public governance. It would be elaborated by the relevant OECD committees through appropriate coordination and consultation with stakeholders, including the OECD social partner advisory committees Business at OECD (BIAC) and TUAC.

TOOLS TO SUPPORT IMPLEMENTATION

Several tools could be developed to support the implementation of the policy recommendations set out in the Youth Action Plan at the national, regional and local level. Support could take different forms, including comprehensive country reviews, advice on specific youth policies, and workshops and policy notes on good practices.

Country, region or city reviews

Comprehensive country reviews on youth to identify the key reforms that are required to help young people during this crisis and in the recovery period. The precise scope of the review would be discussed with the country concerned. Reviews in specific regions or cities can also be undertaken.

Advice on specific youth policies

In-depth advice on specific policy areas of the Youth Action Plan. Such advice could be undertaken with a specific OECD body or in collaboration with several bodies, depending on the focus and scope of the support.

Workshops and policy notes on good practices

There are large differences across countries and regions in terms of youth outcomes and youth policies, opening up the scope for mutual learning from successful measures that countries/regions have taken to improve youth outcomes. A series of workshops on topical issues could be organised where good practice examples and lessons for policy implementation would be identified based on different country/regional experiences.

A VOICE FOR YOUNG PEOPLE

Young people as well as youth organisations will be engaged in the process through different channels to give them a voice and opportunities to propose solutions for the challenges that their generation faces today.

Engagement with young people, youth organisations, youth policy makers and other actors

The network of youth policy makers from OECD countries will be engaged to provide strategic guidance and feedback on the Youth Action Plan.

The OECD's network of youth-led civil society organisations, including representatives from regional umbrella organisations, national youth councils and youth-led/-focused associations operating at the national and subnational level, will be mobilised to boost their participation in OECD work and events.

Partnerships with OECD-related social partners/stakeholder networks that are launching new initiatives for young people, as well as international organisations active in the youth field will be explored. The OECD will also ensure complementarity with relevant frameworks and instruments launched by other international organisations.

Young people will be consulted through Youthwise, a group of 23 people aged 18-30 from a wide range of OECD countries. Youthwise members will participate in meetings and discussions and who acts as a sounding board for the OECD's work.

OECD/CEPR Young Researcher Day

An OECD/CEPR Young Researcher Day will be organised. Young researchers will be invited to present their research work in thematic sessions, with staff of the OECD Secretariat and OECD Member countries as discussants.

OECD leads by example

The OECD Internship Programme and Young Associates Programme are designed to give highly qualified and motivated students and recent undergraduates a professional experience in the world of multilateral policymaking, research and analysis.

For further information, please contact Stefano Scarpetta (Stefano.Scarpetta@oecd.org), Director of Employment, Labour and Social Affairs, who leads this initiative at the OECD along with other directorates.

www.oecd.org/employment/youth