SOCIAL AND ECONOMIC POLICY

WORKING PAPER

WHEN THE GLOBAL CRISIS AND YOUTH BULGE COLLIDE

Double the Jobs Trouble for Youth

Isabel Ortiz

Matthew Cummins

February 2012

UNICEF POLICY AND PRACTICE

unicef

unite for children

UNICEF SOCIAL AND
ECONOMIC POLICY
WORKING PAPER

February 2012

When the Global Crisis and Youth Bulge Collide: Double the Jobs Trouble for Youth

Policy, Advocacy and Knowledge Management, Division of Policy and Practice
UNICEF
3 UN Plaza, New York, NY 10017
February 2012

The editors of the series are Isabel Ortiz and David Anthony of UNICEF Policy and Practice Division. For more information on the series, or to submit a working paper, please contact iortiz@unicef.org or danthony@unicef.org.

WHEN THE GLOBAL CRISIS AND YOUTH BULGE COLLIDE

Double the Jobs Trouble for Youth

Isabel Ortiz
Associate Director, Policy and Practice, UNICEF

Matthew Cummins
Social and Economic Policy Specialist, UNICEF

JEL Classification: J1, J21, J48, J8, E24, E6 and H12
Keywords: youth employment, youth bulge, jobs, crisis recovery, development policy

Comments may be addressed by email to the authors iortiz@unicef.org and mcummins@unicef.org, cc: socialpolicy@unicef.org

Table of Contents

Boxes, Tables and Figures

Boxes

Tables

Figures

Executive Summary

This working paper: (i) describes recent labour market trends; (ii) analyzes how young people are experiencing a double employment crisis as a result of the demographic phenomenon known as the 'youth bulge,' which aggravates the already low demand for labour during the economic downturn; (iii) explores the household level impacts of the jobs crisis, with particular attention to the severe risks posed to children and young workers; (iv) discusses policy responses during the two phases of the crisis—fiscal expansion (2008-09) and fiscal contraction (2010-); and (v) presents a UN agenda on how to generate decent employment, which covers macroeconomic and sector policy options along with labour-specific strategies to place jobs, especially for youth, at the center of recovery efforts.

The global economic crisis hit many countries just as they were experiencing a youth bulge—a demographic trend where the proportion of persons aged 15-24 in the population increases significantly compared to other age groups. The youth bulge has severe implications for labour markets worldwide. Each year, approximately 121 million adolescents turn 16 years old—89 percent of which are located in developing regions—and can enter the world's labour market. But most of those who want to work are unable to find jobs. Moreover, with nearly 1.1 billion new potential workers expected between 2012 and 2020, demographic forces will only exacerbate youth unemployment over time.

At the same time, the jobs crisis is also severely threatening children and poor households worldwide through higher incidences of hunger and malnutrition, illness, child labour, lower educational outcomes, children being left alone and even abandoned, vulnerability to ongoing and future shocks, domestic violence and social unrest. The jobs crisis has further heightened the risk that workers, especially youth, are being permanently 'scarred' in terms of future employability and earnings potential.

The lack of employment opportunities for young persons, aggravated by the 'youth bulge,' should be a primary concern for policymakers. Generating jobs requires macroeconomic and sectoral policies that foster investment and aggregate demand, coupled with active and passive labour market policies, social protection and social dialogue, as endorsed by all governments at the UN. However, these needed investments are incongruent with current fiscal consolidation trends. In 2012, 133 governments are undergoing expenditure contraction, which is dragging down economic growth prospects and casting increasing doubts on the ability of markets to generate new and decent jobs. For countries affected by the double whammy of pervasive youth unemployment and a quickly growing supply of young labour, it is imperative that employment growth, especially for youth, becomes a top priority to ensure a '*Recovery for All*.'

1. Introduction

In 2012, the jobs outlook is increasingly daunting. Overall, the crisis has increased the backlog of unemployment by 27 million worldwide, with an unprecedented 200 million persons without work (ILO 2012a). The number of unemployed young persons, aged 15-24 years, has also reached 75 million, up by more than four million since 2007. The global economic crisis has only exacerbated pre-existing trends, including a lack of sufficient jobs and rising vulnerable employment. Using employment-to-population ratios, which show the proportion of the working-age population that has some form of employment, the jobs crisis appears even more acute, with two out of every five workers in the world without a job; this is 40 percent of the potential global labour force, many of who are youth. This further shows that employment opportunities have grown at a slower rate than the increase in world population.

The deteriorating jobs outlook provides little solace. Through 2016, global unemployment is expected to remain unchanged (ILO 2012a). This largely reflects weakened economic growth since mid-2011. In particular, sovereign debt concerns in many developed countries have reverberated across financial sectors worldwide, reducing access to credit and lowering consumer confidence, both of which have negatively impacted aggregate demand and new job opportunities (United Nations 2012a). Fiscal contraction in both developed and developing countries is further dragging down economic growth prospects and casting increasing doubts on the ability of markets to generate new and decent jobs (Ortiz et al. 2011a). Even more alarming, more than 120 million potential new young workers are entering the global labour market each year, nearly 90 percent of which are from developing countries. Millions of jobs need to be created over the next ten years just to meet this growing supply of young job seekers—nearly 1.1 billion are expected between 2012 and 2020—and to evade further unemployment woes.

In this context, this working paper: (i) examines the scope of the jobs crisis, describing recent labour market trends; (ii) analyzes how young people are experiencing a double employment crisis as a result of the demographic phenomenon known as the 'youth bulge,' which aggravates the already low demand for labour due to the economic downturn; (iii) explores household level impacts, with particular attention to the severe risks posed to children and young workers; (iv) discusses policy responses during the two phases of the crisis—fiscal expansion (2008-09) and fiscal contraction (2010-); and (v) presents the UN agenda on how to generate decent employment, which covers macroeconomic and sector policy options along with labour-specific strategies to place employment, especially for youth, at the center of recovery efforts in support of a '*Recovery for All*,' including children and poor households.

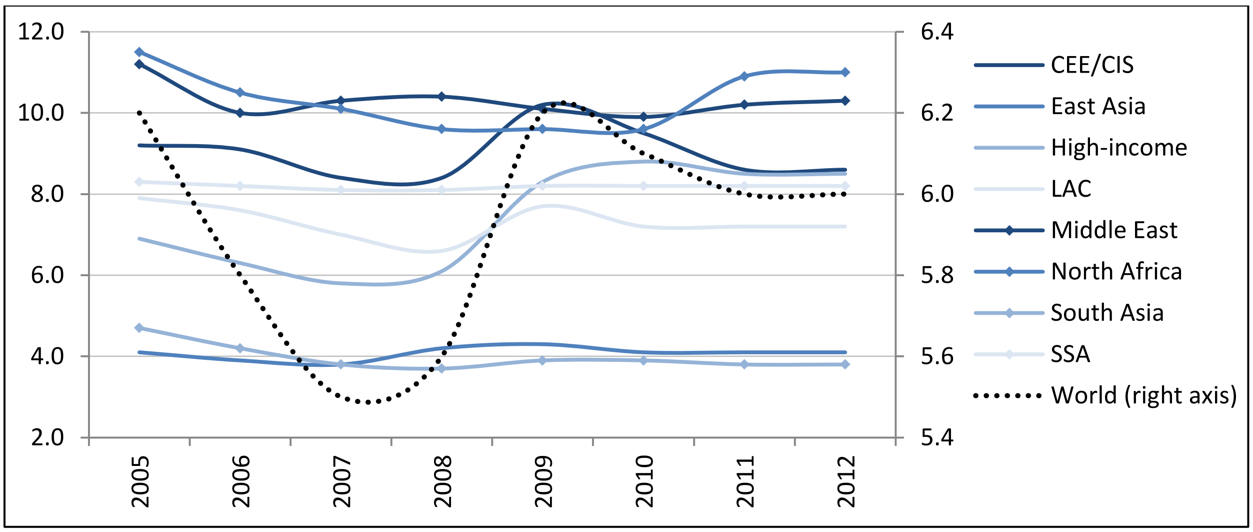
2. General Labour Market Trends

To contextualize the double jobs crisis facing youth, this section presents a brief review of recent developments in labour markets, namely, fewer jobs, lower wages and higher wage inequality, and more vulnerable and precarious employment.

2.1. Fewer jobs

Since the onset of the global economic crisis, unemployment figures have continued to weaken and reached unprecedented levels. According to the ILO (2012a), the number of unemployed persons worldwide rose by 5.8 million in 2008 and by an additional 21 million in 2009, where it reached roughly 195 million, or about 6.1 percent of the global working population, and held steady through 2011. In 2012, however, the number of unemployed persons is expected to further increase to around 200 million persons, or about 6.2 percent of the global labour force. Regional aggregates presented in Figure 1, of course, hide important country-level differences. Analysis of IMF estimates shows that 35 of 102 countries with available data are expected to have unemployment rates in excess of 9 percent during 2012 (IMF 2011).

Figure 1. Total Unemployment Rates by Regions and World, 2005-12



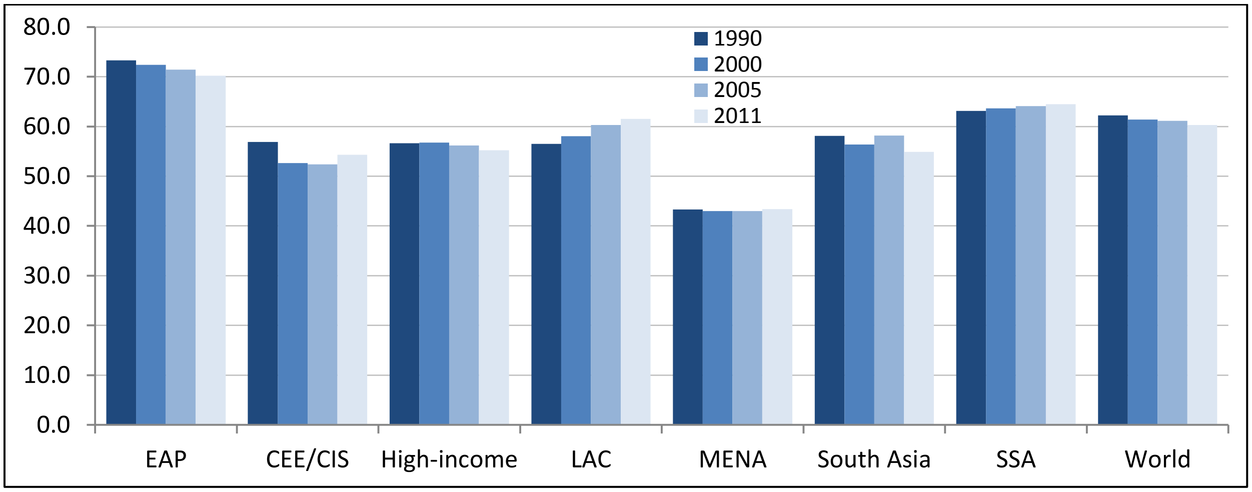
Source: ILO (2012a)

It is important to recognize, however, that aggregate unemployment estimates significantly understate the severity of the world's employment crisis. Since unemployment rates tend to reflect people who are claiming unemployment benefits and actively seeking work, they commonly exclude those persons who have stopped job hunting through official channels due to demoralization as well as those who are underemployed.[1] Turning to a broader measure of employment, the employment-to-population ratio shows that only 60 percent of the world's labour force has some type of job. In terms of the actual number of unemployed persons worldwide, this amounted to more than 225 million in 2011, or 7 percent of the total global labour force (ILO 2012a). More importantly, the employment-to-population ratio verifies that the capacity of the world economy to create jobs has been steadily declining since the early 1990s (Figure 2). Over the past two decades, the ratio has fallen by 2 percentage points, with the East and South Asian regions both dropping by more than 3 percentage points. Aside from

[1] To highlight the vast size of these populations, it is estimated that nearly 40 percent of jobseekers had been unemployed for more than one year in a sample of 35 countries, and that more than four million had stopped searching altogether by the end of 2009, all of who would not be counted in official unemployment rates (ILO 2010d).

Latin America, the global economic crisis has exacerbated the longer-term trend of declining job opportunities.

Figure 2. Employment-to-Population Ratios by Regions and World, 2005-11



Source: ILO (2012a)

2.2. Lower wages and higher wage inequality

In addition to fewer jobs, labour markets have also recently been characterized by negative wage growth and increasing wage inequality. The initial shock of the global economic crisis had a particularly strong, negative effect on average wages during 2008-09. When looking at regions, wage growth turned negative in the CEE/CIS, Central Asia and high-income countries (ILO 2010a, World Bank 2011). Negative real wage impacts were witnessed in other places, too, such as in South Africa (Verick 2010).

Wage trends should be viewed in the context of rising wage inequality, which is characterized by rapidly increasing wages at the top end of the income distribution and stagnating wages at the median and bottom end. Further, wage inequality should be considered as an important contributing factor to the world's severe income distribution asymmetries (Ortiz and Cummins 2011, Van der Hoeven 2010). When comparing the lowest and highest paid deciles of workers in 30 countries over the 1995-2000 and 2007-09 time periods, the ILO (2010b) found that the distance had increased in 17 of the countries.[2] While the rise in wage inequality was primarily attributed to significant increases among the top earners, wages at the bottom were also found to be dropping. This confirms studies on earlier crises, such as Heathcote et al. (2010), which conclude that the bottom of the earnings distribution falls off relative to the median during recessionary periods.

It is also probable that the jobs crisis will intensify longer-term earnings trends. On the one hand, a large number of countries have been experiencing dramatic increases in wage

[2] This list includes Argentina, Australia, Azerbaijan, Belgium, Canada, Czech Republic, Denmark, Finland, Honduras, Ireland, Norway, Poland, the Republic of Korea, Switzerland, the United Kingdom, the United States and Uruguay.

inequality since the 1970s, which could easily be accelerated in an environment of decreasing decent employment opportunities (Machin and van Reenen 2007, OECD 2008). For example, in the United States, while CEOs were paid 51 times as much as a minimum wage earner in 1965, this skyrocketed to 821 times as much in 2005 (Howell 2005). On the other hand, the near-record bonuses provided to executives and financial sector workers in advanced economies during 2010-11 can also be expected to have boosted the income share of the top earners.[3]

Who is most likely to be affected by wage inequality? A series of case studies on Brazil, Chile, China, Indonesia, the Philippines and South Africa indicate that the incidence of low-wage employment is strongly associated with personal characteristics, including level of education, age, gender, race and migrant status, as well as geographical issues and employment type (ILO 2010b). Overall, the highest wage inequality can be expected to occur to somebody who is uneducated, young (15-24), female, an ethnic minority and a migrant, who lives in a rural area and has a temporary or informal job in one of the following sectors: agriculture, retail trade, hotels and restaurants, transport, social services, including household activities, and certain areas of manufacturing (e.g., food processing and textiles).

2.3. Precarization and increasing vulnerable employment

Global labour markets have also been increasingly characterized by vulnerable employment, which is strongly related to low-paying jobs and difficult working conditions where wage inequality is high and fundamental worker's rights are likely to be in jeopardy.[4] Since a high and rising share of vulnerable jobs indicates that informal work can be expected to be widespread, this metric offers important insights about the supply of quality jobs. As displayed in Figure 3, globally more than 1.5 billion persons were estimated to be in conditions of vulnerable employment in 2011. Compared to the longer-term trend, the latest data reveal that the number of vulnerable workers increased by nearly 150 million between 2000 and 2011. In terms of the impacts of the crisis, the absolute number of persons in vulnerable employment is estimated to have increased by 34 million between 2009 and 2011, if excluding East Asia.

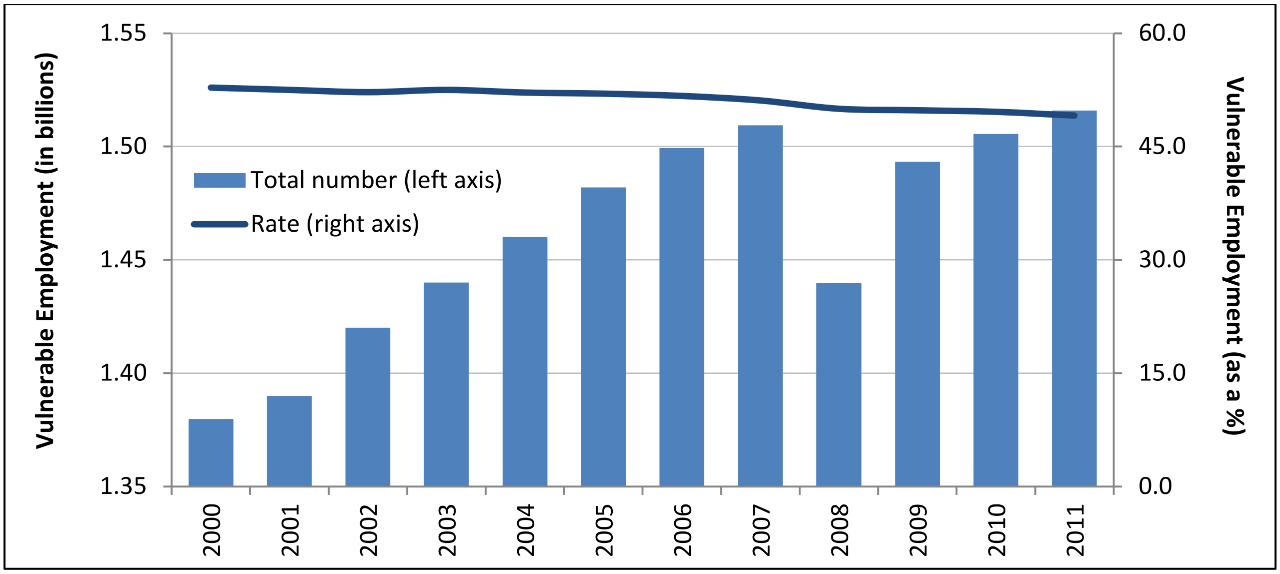
In terms of precarious and vulnerable work, there is an important gender dimension. Although female labour force participation rates have risen in most countries, the majority of working women are paid less than their male counterparts—even for the same level of productivity in the same job—and they are also concentrated in jobs that are undervalued, such as domestic work (Grimshaw 2010 and ILO 2010a).

Looking across regions, the incidence of vulnerable employment is very high in South Asia (77 percent), Sub-Saharan Africa (76 percent), and South-East Asia and the Pacific (61 percent), which reflects the predominance of the agricultural sector in those economies. While East Asia has made substantial progress toward reducing vulnerable employment since 2007, trends are worsening elsewhere. For example, vulnerable employment increased by 22 million in Sub-

[3] Lucchetti, A. and S. Grocer. 2011. "On Street, Pay Vaults to Record Altitude." *Wall Street Journal*, February 02.
Lublin, J. 2011. "Executive Bonuses Bounce Back." *Wall Street Journal*, March 17.
[4] The ILO (2012a) defines vulnerable employment as the sum of own-account workers and unpaid family workers.

Saharan Africa between 2007 and 2011, by 12 million in South Asia, by about six million in South-East Asia and the Pacific, by five million in Latin America, and by more than one million in the Middle East (ILO 2012a).

Figure 3. Global Vulnerable Employment Trends, 2000-11



Source: ILO (2012a)

Aside from the rising trend in absolute numbers worldwide and across most regions, a further cause for alarm is the high proportion of recent employment growth that can be attributed to vulnerable employment. Since 2007 vulnerable employment has accounted for nearly 70 percent of all jobs growth in Sub-Saharan Africa, more than 50 percent of all jobs growth in South-East Asia and the Pacific, and more than 25 percent of all jobs growth in Latin America (ILO 2012a). Other studies have also documented a significant expansion of employment in the informal economy. This includes Colombia, India, Indonesia, Kenya, Malawi, Pakistan, Peru, South Africa and Thailand (Horn 2011), Albania and Serbia (ILO 2011b), and Cambodia, Chile, Colombia, Ecuador, Indonesia, Nicaragua, the Philippines and Vietnam (Green 2010). These findings corroborate the rising trends in vulnerable employment, such as street vendors, waste pickers and home-based work, and suggest that informal jobs have likely undergone considerable increases in a number of developing countries since the start of the global crisis.

Relatedly, the phenomenon of increasing 'labour precarization' has been noted by many with concern. Standing (2011) describes the 'precariat' as a class in the making, a growing number of people across the world living and working precariously, usually in a series of short-term jobs, without recourse to stable occupational identities, social protection or protective regulations relevant to them. While they include migrant workers, most are locals. Standing argues that this class of people could produce new instabilities in societies worldwide. They are increasingly frustrated and dangerous because they have no voice, and, hence, they are vulnerable to the siren calls of extreme political parties. Standing further contends that getting the 'precariat' to re-engage positively into societies requires more equitable policies with universal social protection, which includes an unconditional basic income or wage for everyone that is publicly financed and can be topped up through employment.

3. Youth Labour Market Trends

Having reviewed general trends in labour markets, this section focuses on the evolution of opportunities for young workers since the onset of the global economic crisis. Adopting international standards, youth are defined as those persons aged 15-24 (ILO 2010c). Looking at this age cohort, it first explores the demographic phenomenon known as the 'youth bulge,' which has been affecting a large number of developing countries since the start of the crisis. It then assesses the ability of labour markets to absorb the increasing numbers of young workers.

Overall, this section argues that the youth bulge should be a primary concern for many governments. Every year, approximately 121 million adolescents turn 16 years old—89 percent of which are located in developing regions—and can enter the world's labour market.[5] But many of those who want to work are unable to find jobs. Moreover, with nearly 1.1 billion new potential workers expected between 2012 and 2020, demographic forces will only exacerbate youth unemployment over time. While many young persons will hopefully continue their education and enhance their careers with a technical or university degree, many may not have this opportunity, especially in developing countries. In short, it is imperative that economies promote employment growth and active labour programs for youth, as explained in Section 5.

3.1. Increasing demand for new jobs and the 'youth bulge'

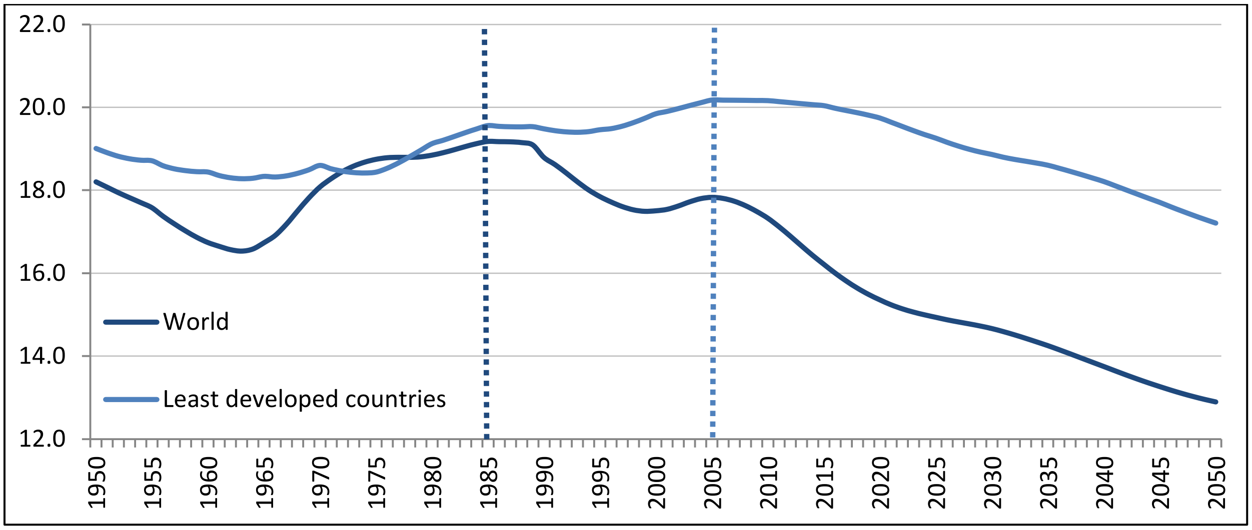
The global economic crisis hit many countries just as they were experiencing a 'youth bulge.' If a youth bulge is defined as a peak in the share of persons aged 15-24 in the population, then the world as a whole reached this demographic milestone around 1985 (Figure 4). However, when looking at the group of least developed countries, the youth bulge appears more recently, around 2005, where the total share of youth in the population in these countries is expected to remain above 20 percent through 2015.

While this demographic trend reflects declining fertility rates coupled with the inertia in population growth as a result of large child-bearing populations, the youth bulge has severe implications for labour markets worldwide. Just as many developing countries are dealing with pervasive levels of high youth unemployment, so too are their youth populations quickly growing, with increasing numbers entering the labour force each year. For countries affected by this double whammy—a youth jobs crisis and an expanding supply of young labourers in need of work—the risk of even higher levels of unemployed youth and a 'lost' generation remains great. Such countries also jeopardize missing the one-time opportunity to boost economic growth through a rising share of working-age persons in their population.

---

[5] Authors' calculations based on United Nations' *World Population Prospects: The 2010 Revision* (2011), medium variant projections.

Figure 4. Share of Youth in World Population and Least Developed Countries, 1950-2050
(as a percent)



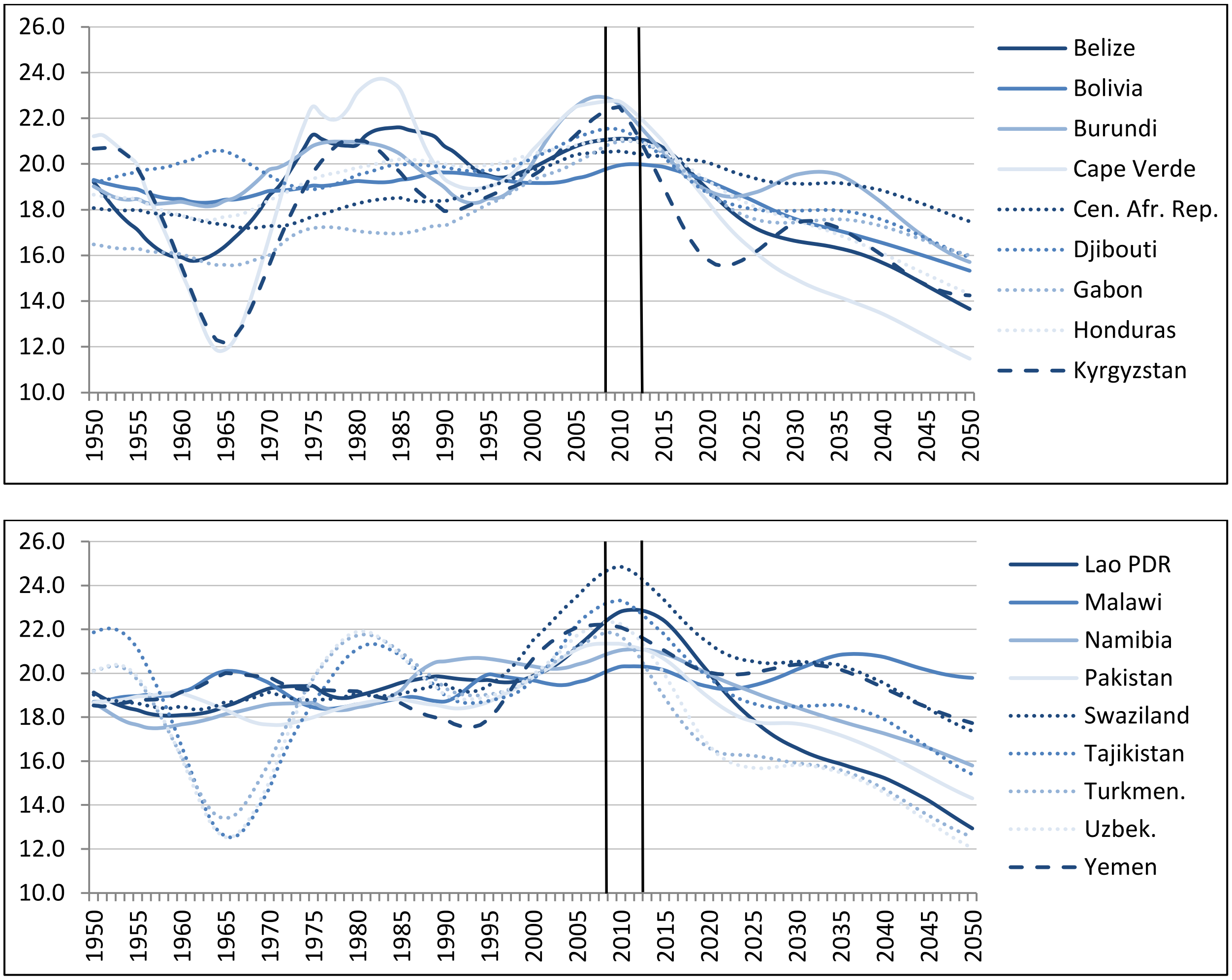
Source: Authors' calculations based on United Nation's *World Population Prospects: The 2010 Revision* (2011)
Note: Least developed countries are based on the UN classification.

Which countries have been impacted by the youth bulge during the global economic crisis? When examining population projections for 180 countries from 1950-2050, 140 countries have experienced their youth bulge prior to 2008, while 18 have an imminent youth bulge during the crisis period between 2008 and 2012 (Figure 5). Population projections further reveal that an additional 22 countries can expect a youth bulge after 2012. Annex 1 provides the complete list of estimated youth bulge peak years for all 180 countries, along with a brief note on the methodology.

To more accurately understand the interplay between the youth bulge and the global economic crisis, however, other considerations are warranted. Foremost, it is important to recognize that the actual peak year of a youth bulge is only symbolic insomuch that a given country experiences an abnormally high share of youth in its national population immediately before and after the peak point. Causal observation of population data suggests that this affects the preceding and succeeding four years, on average, from the actual high point. It is also important to note that the length of the recovery period of the global economic crisis is not yet clear, but is likely to last at least into 2014. Under these parameters, some 53 countries have been—or are expected to be—impacted by both the combined effects of the youth bulge and the global economic crisis (see Annex 1).

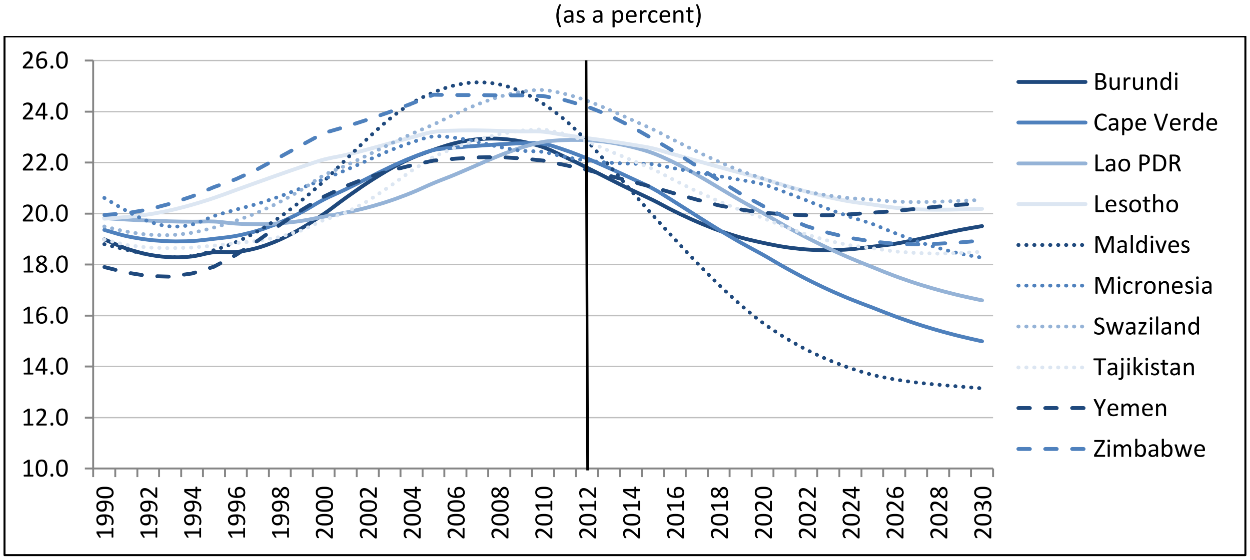
Focusing on the year 2012, the top 10 countries with the largest youth share in their respective populations are presented in Figure 6. With the exception of the Maldives, which recently became an upper-middle-income country according to World Bank classifications, all of these countries are low-income or lower-middle-income. Interestingly, this trend characterizes the list of the top 80 countries, all of which have 16-24 year old populations that equal 19 percent or more of their national population (Table 1).

Figure 5. Youth Bulge Peaks in 18 Countries between 2008 and 2012
(as a percent)



Source: Authors' calculations based on United Nation's *World Population Prospects: The 2010 Revision* (2011), medium variant projections

Figure 6. Top 10 Countries with Largest Share of Youth in Total National Population, 2012
(as a percent)



Source: Authors' calculations based on United Nation's *World Population Prospects: The 2010 Revision* (2011), medium variant projections

Table 1. Top 80 Countries with Largest Share of Youth in Total National Population, 2012

#	Country	%	#	Country	%
1	Swaziland	24.4	41	Côte d'Ivoire	20.3
2	Zimbabwe	24.2	42	Cameroon	20.3
3	Lesotho	23.0	43	Guatemala	20.2
4	Lao PDR	22.9	44	Kenya	20.1
5	Maldives	22.8	45	Madagascar	20.1
6	Tajikistan	22.8	46	Uganda	20.0
7	Cape Verde	22.2	47	Bolivia	20.0
8	Micronesia	22.1	48	Burkina Faso	20.0
9	Burundi	21.8	49	Angola	19.9
10	Yemen	21.7	50	Bangladesh	19.9
11	Cambodia	21.7	51	Guinea-Bissau	19.8
12	Palestine (OPT)	21.6	52	Vanuatu	19.8
13	Uzbekistan	21.6	53	Mauritania	19.8
14	Ethiopia	21.5	54	Mongolia	19.8
15	El Salvador	21.5	55	Mozambique	19.8
16	Botswana	21.4	56	Guinea	19.7
17	Kyrgyzstan	21.3	57	Paraguay	19.7
18	Timor-Leste	21.2	58	Zambia	19.7
19	Djibouti	21.2	59	Philippines	19.7
20	Pakistan	21.1	60	Chad	19.7
21	Namibia	21.1	61	Benin	19.7
22	Belize	21.1	62	Sudan	19.6
23	Honduras	21.0	63	Rwanda	19.6
24	Gabon	21.0	64	Mali	19.6
25	Nicaragua	21.0	65	Ghana	19.6
26	São Tomé and Príncipe	20.9	66	Iraq	19.5
27	Nepal	20.8	67	Eritrea	19.5
28	Turkmenistan	20.8	68	Samoa	19.5
29	Haiti	20.7	69	Sierra Leone	19.5
30	Jordan	20.7	70	Guyana	19.4
31	Grenada	20.6	71	Tanzania	19.4
32	Togo	20.6	72	Solomon Islands	19.4
33	Syria	20.6	73	Iran	19.3
34	Afghanistan	20.5	74	Equatorial Guinea	19.3
35	Senegal	20.5	75	Nigeria	19.2
36	Bhutan	20.5	76	Papua New Guinea	19.2
37	Gambia	20.5	77	Liberia	19.2
38	Central African Republic	20.5	78	Congo, Republic of	19.1
39	Malawi	20.3	79	Algeria	19.1
40	Congo, Dem. Republic of	20.3	80	Vietnam	19.0

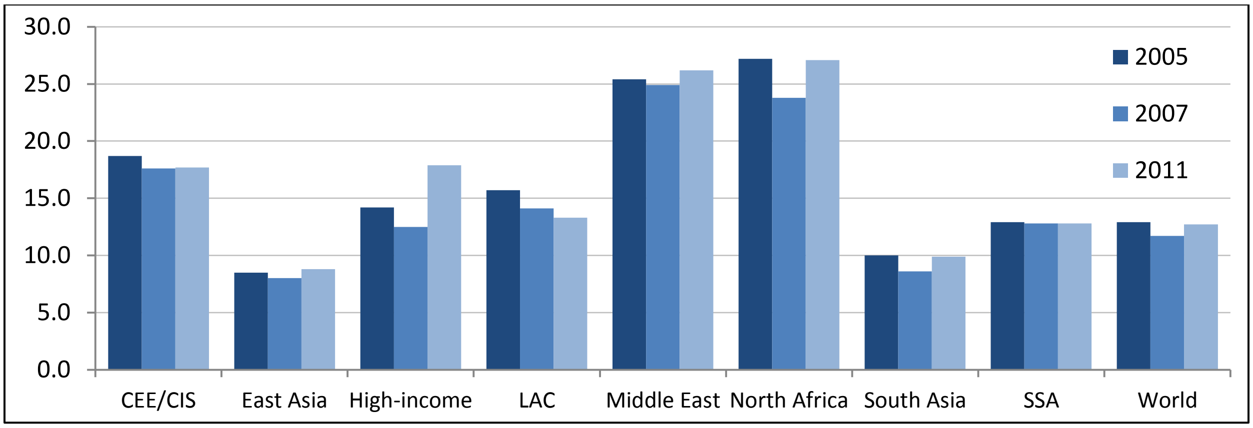
Source: Authors' calculations based on United Nation's *World Population Prospects: The 2010 Revision* (2011), medium variant projections

When looking at the data over time, it is further evident that many of these countries reached their youth bulge peaks either just before or during the global economic crisis. In such places, the youth bulge represents a potential opportunity to spur social and economic development. At the same time, however, it also represents a significant challenge in terms of creating jobs and other opportunities for advancement, which, in the current environment remains increasingly worrisome.

3.2. Limited employment opportunities

As demonstrated in the previous section, a growing number of young workers are in need of jobs. But are labour markets generating opportunities for the world's youth? Even before the global economic crisis, the answer was a resounding no. Over the 2005-07 period, the global youth unemployment rate was 12.3 percent, on average, with all regions, less Asia, experiencing double-digit rates (Figure 7). And when the global economic crisis struck, the worldwide youth unemployment rate jumped to nearly 13 percent where it remained through 2011. In aggregate numbers, approximately 75 million youth worldwide were without work in 2011, which represents an increase of more than four million since 2007 (ILO 2011a).

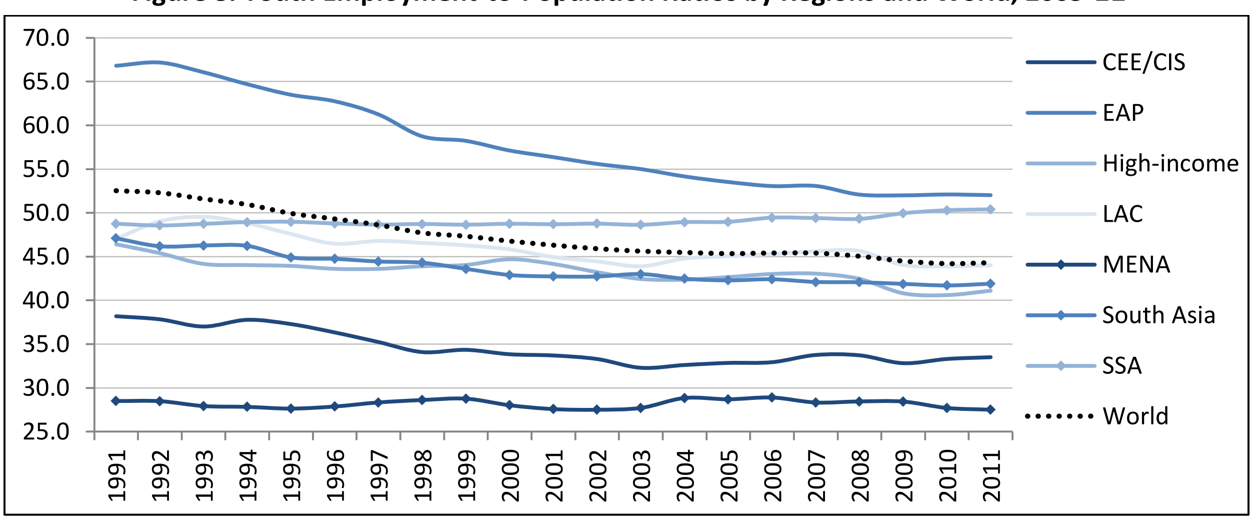
Figure 7. Youth Unemployment Rates by Regions and World, 2005-11



Source: ILO (2012a)

As was the case with overall employment trends, official unemployment rates also mask the actual severity of the jobs crisis confronting youth. Turning to an alternative gauge, the youth employment-to-population ratio suggests that more than one out of every two potential young workers was not in the labour force in 2011 (a global ratio of 44.3), which is truly staggering (Figure 8).

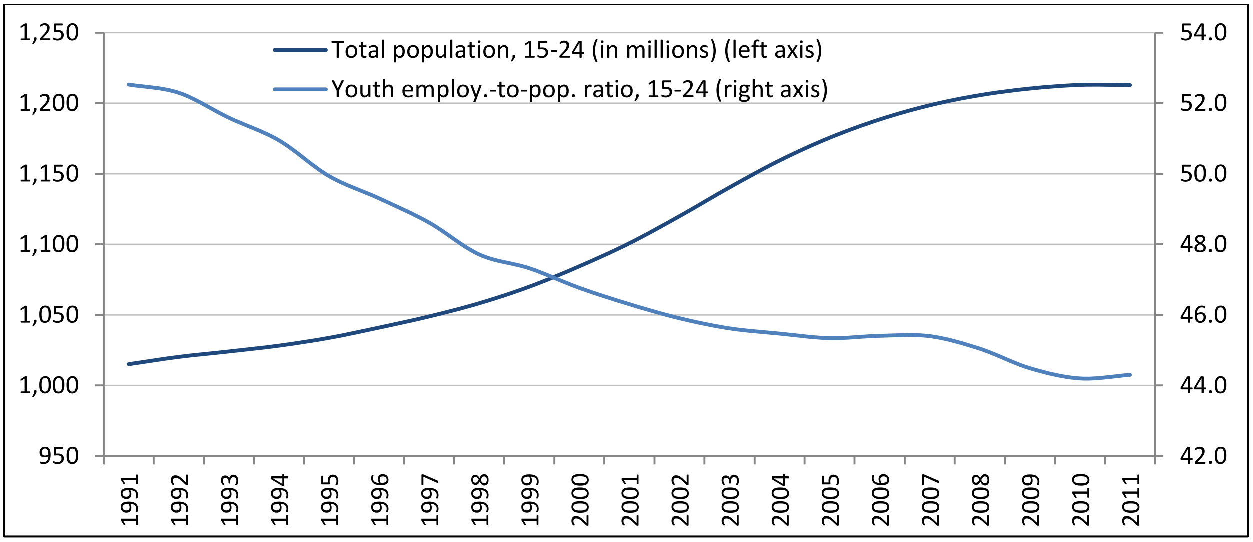
Figure 8. Youth Employment-to-Population Ratios by Regions and World, 2005-11



Source: ILO (2010c)

Perhaps more alarming, however, is the longer-term trend. Over the past two decades, the youth employment-to-population ratio has plunged by nearly 10 percentage points globally (Figure 9). At the same time, the number of youth in the world population has increased by about 200 million. When combined, these factors indicate that the world economy has failed impressively to create enough jobs for youth. As described earlier in Section 3.1, much of this can be explained by the demographic forces driving the youth bulge, especially in East Asia and the Pacific where the youth employment-to-population ratio plummeted by nearly 15 percentage points between 1991 and 2011.

Figure 9. Global Youth Employment-to-Population Ratio and Share of Youth in World Population, 1991-2011



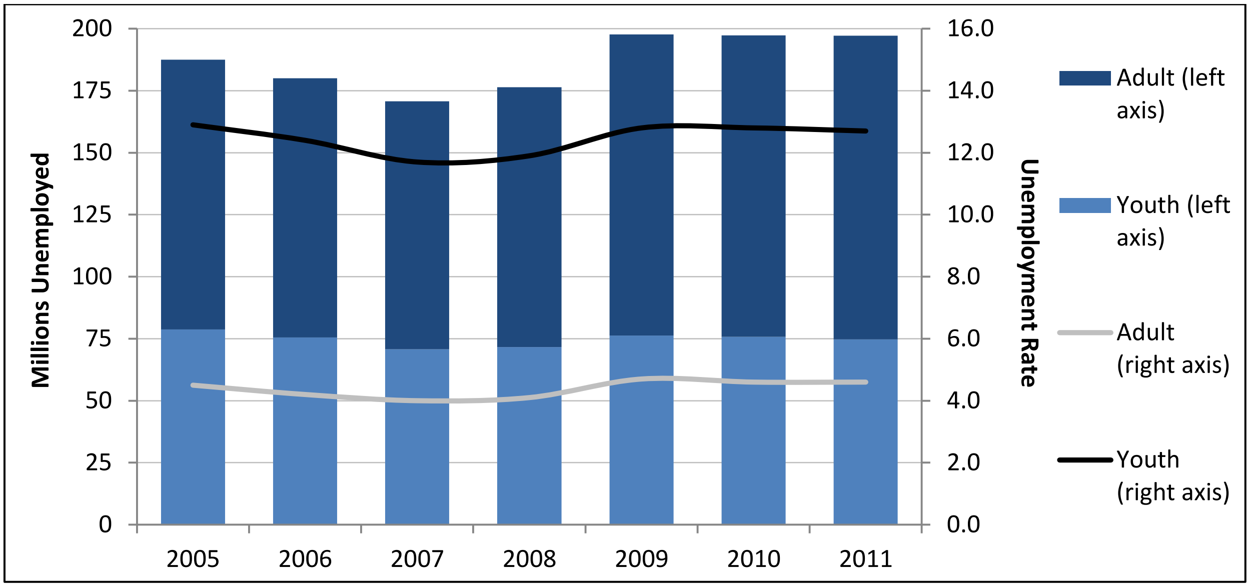
Source: Authors' calculations based on ILO (2010c) and United Nation's *World Population Prospects: The 2010 Revision* (2011), medium variant projections

The global economic crisis has further weakened the capacity of economies to create jobs for youth. Globally, the youth employment-to-population ratio dropped by more than a percentage point between 2007 and 2011, with all regions outside of Sub-Saharan Africa recording declines. Latin America and high-income countries were most affected, as their ratios fell by nearly 2 percentage points, on average. The more negative outlook painted by employment-to-population ratios when compared to unemployment rates is partly reflected by the estimated 6.4 million youth who have given up hope of finding a job and dropped out of the labour market altogether (ILO 2012a).

Job quality is another important consideration when assessing employment opportunities for youth. And, regrettably, youth who do have jobs are increasingly likely to be in situations of part-time work, often on temporary contracts. Projections for 2012 further indicate that the number and share of unemployed young persons is unlikely to change over the near term, which is coupled with a rising share of youth withdrawing from the labour market (ILO 2012a). As a result, the near-term outlook for increasing job opportunities for youth remains dismal.

Importantly, youth have been disproportionately affected by jobs losses since the start of the global economic crisis (Figure 10). Overall, young persons are about three times as likely as adults to be unemployed; the ratio of the youth-to-adult unemployment rate stood at 2.8 in 2011, up from 2.6 in 1998.[6] This confirms the heightened vulnerability of young persons to shocks and supports the common notion that youth are 'first out' and 'last in' during economic downturns.

Figure 10. Global Youth and Adult Unemployment Trends, 2005-11



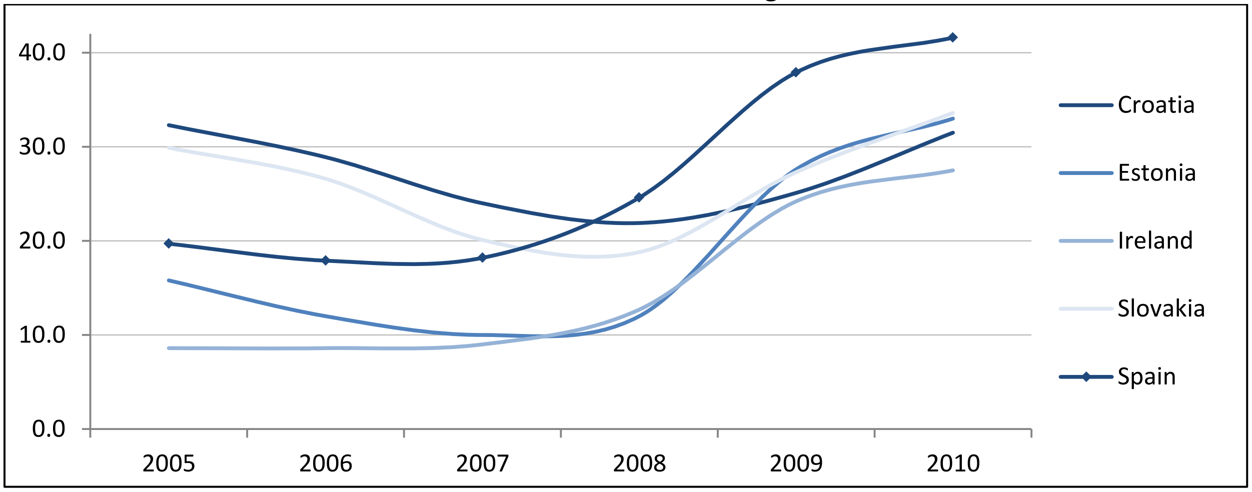
Source: ILO (2012a)

Turning to country-level data, youth unemployment rates mirror those observed in the total population since the start of the crisis. Similar to the findings presented earlier, three unique country typologies emerge when looking at the impact of the crisis on unemployed young persons in a limited sample of countries for which data are comparable over the recent time period. On the one hand, in a large set of countries youth unemployment rates rose quickly beginning in 2008 and continued to steadily increase through 2010 (Figure 11A—Hard Hit and Still High). This trend characterizes 11 of the 43 countries that have available data, but it is likely to be much more widespread in light of the small sample size that is mainly restricted to high-income countries and the CEE/CIS region. On the other hand, another group of countries suffered high spikes in youth employment in the early phase of the crisis, but quickly reversed this trend during 2010 (Figure 11B—Hard Hit, but Recovering). In yet a third set of countries, the global economic crisis appeared to have little-to-no impact on youth unemployment (Figure 11C—Muted Impact). It is worth noting that these countries tended to have a low incidence of youth unemployment prior to the crisis.

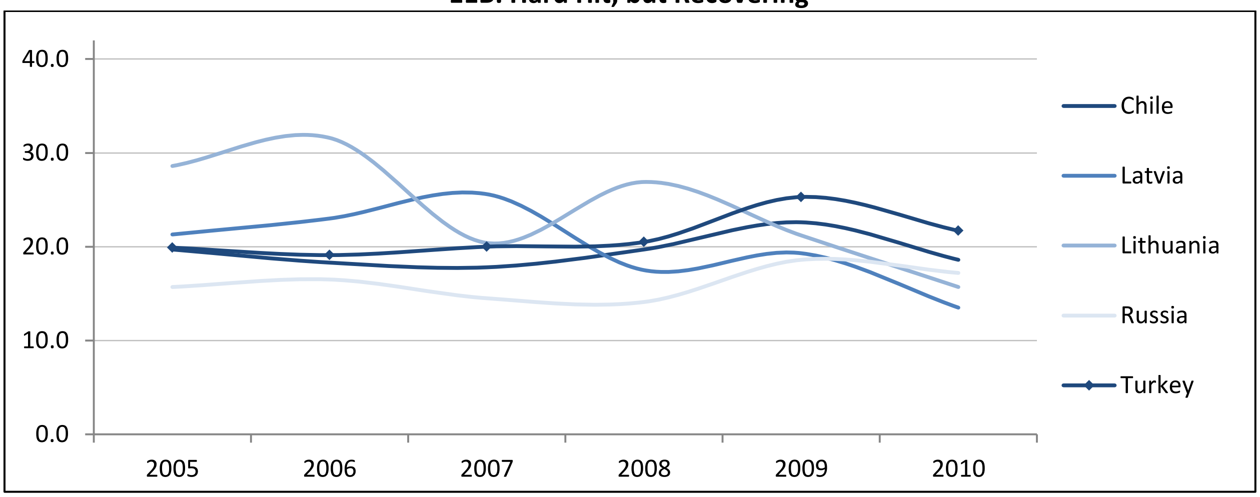
[6] Authors' calculations based on ILO (2010c).

Figure 11. Youth Unemployment Rates by Country Typologies, 2005-10

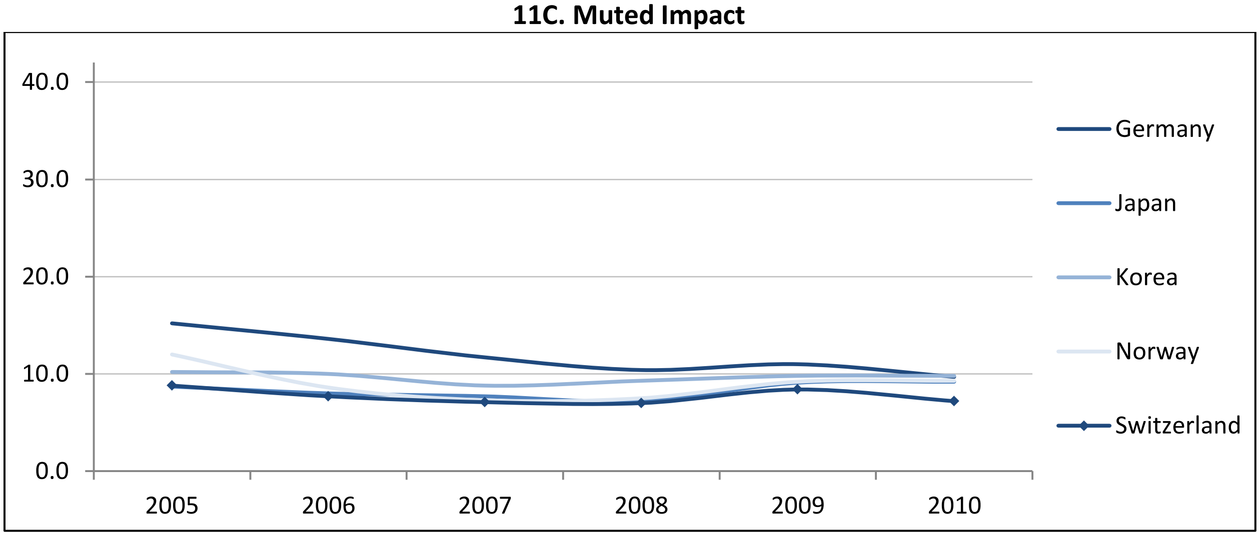
11A. Hard Hit and Still High



11B. Hard Hit, but Recovering



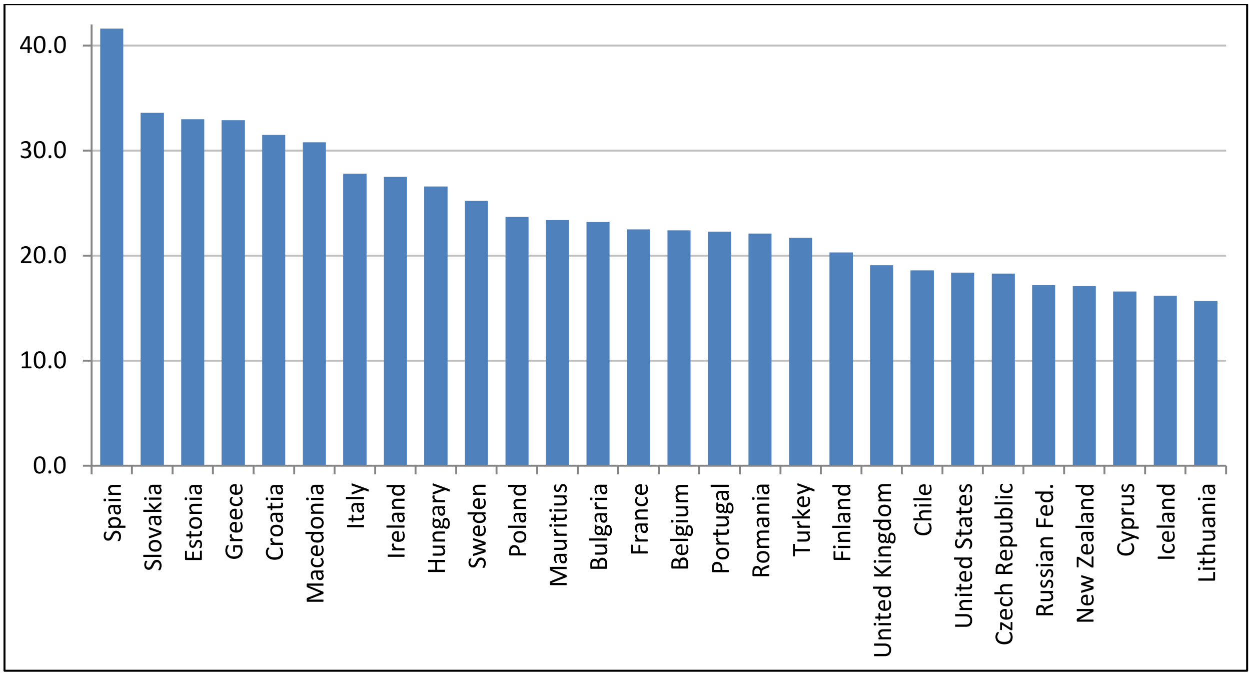
11C. Muted Impact



Source: ILO's *LABOURSTA* (2012)

Still youth unemployment rates remain alarmingly high in a large number of countries. ILO estimates show that 28 of the 43 countries with available data had youth unemployment rates above 15 percent in 2010 (Figure 12). Six countries, in particular, boasted youth unemployment rates in excess of 30 percent, including Croatia, Estonia, Greece, Macedonia, Slovakia and Spain.

Figure 12. Youth Unemployment Rates in Selected Countries, 2010



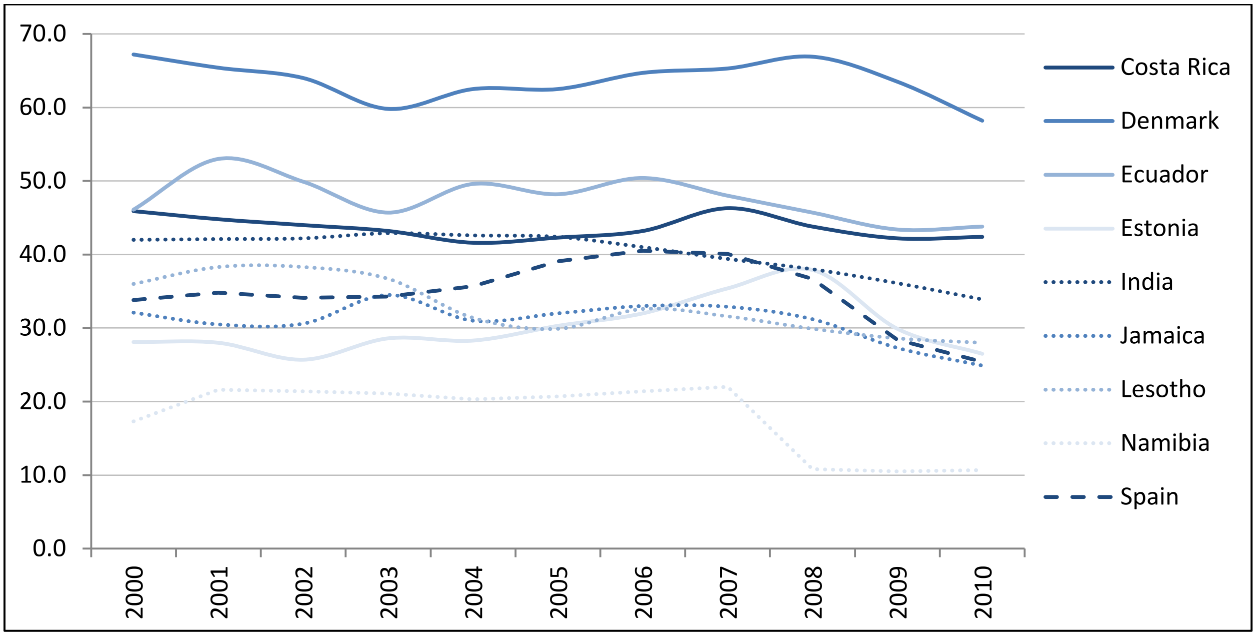
Source: ILO's *LABOURSTA* (2012)

Country-level youth employment-to-population ratios further evince rapid declines in job opportunities for young workers since the start of the crisis. Between 2007 and 2010, the ratio fell or stayed the same in 127 of 169 countries with available data.[7] In 51 of those countries, the ratio plummeted by more than 2 percentage points since the start of the crisis, and by more than 5 percentage points in 19 countries, several of which are illustrated in Figure 13.

The latest estimates also reveal that youth employment-to-population ratios are dangerously low in a significant number of countries (Table 2). Overall, ratios are under 50 percent in 125 countries and below 30 percent in 47 countries. In the case of the latter group of countries, seven out of every ten potential young workers is unable to find a job, and in places such as Namibia, Saudi Arabia and South Africa, nearly nine out of every ten young persons is outside of the labour force. Annex 2 provides the youth and adult employment-to-population ratios for 169 countries. Having outlined recent labour market trends among adult and youth populations, the next section looks at the household-level implications.

[7] Authors' calculation based on ILO's *LABOURSTA* (2012).

Figure 13. Youth Employment-to-Population Ratios in Selected Countries, 2005-10



Source: ILO's *LABOURSTA* (2012)

Table 2. Top 50 Countries with Lowest Youth Employment-to-Population Ratios, 2010

#	Country	Ratio, 2010	Change, 2007-10	#	Country	Ratio, 2010	Change, 2007-10
1	Namibia	10.7	-11.3	26	Syria	24.1	-2.7
2	Saudi Arabia	11.5	-0.9	27	Bulgaria	24.2	-2.9
3	South Africa	13.0	-3.1	28	Romania	24.4	-0.1
4	Gabon	14.7	-0.1	29	Czech Republic	24.6	-3.6
5	Macedonia, FYR	15.4	0.1	30	Egypt	24.8	0.1
6	Palestine (OPT)	15.9	-1.7	31	Jamaica	24.9	-8.0
7	Mauritania	16.3	0.3	32	Croatia	25.1	-2.0
8	Bosnia and Herz.	16.6	2.8	33	Belgium	25.2	-2.8
9	Iraq	16.9	-1.3	34	Taiwan	25.3	-3.0
10	Moldova	18.0	-0.4	35	Spain	25.4	-14.7
11	Armenia	18.0	1.6	36	Swaziland	25.8	0.0
12	Hungary	18.4	-2.6	37	Estonia	26.5	-8.9
13	Suriname	19.4	0.0	38	Yemen	26.5	0.7
14	Jordan	19.5	-0.6	39	Sudan	27.0	-0.6
15	Lithuania	19.6	-5.6	40	Poland	27.0	0.6
16	Georgia	20.1	-1.5	41	Latvia	27.3	-11.4
17	Italy	20.3	-4.5	42	Israel	27.3	-0.3
18	Slovakia	20.7	-6.7	43	Lesotho	28.0	-3.6
19	Greece	21.2	-4.1	44	Portugal	28.7	-6.4
20	Luxembourg	21.5	-0.9	45	Libya	28.9	-0.9
21	Algeria	21.8	-0.4	46	Haiti	29.3	-0.7
22	Tunisia	22.7	-0.1	47	Morocco	29.9	-2.8
23	Lebanon	22.8	-0.5	48	Sri Lanka	30.1	-4.3
24	Korea, DPR	23.8	-3.8	49	Belarus	30.5	-0.1
25	Iran	24.0	-1.5	50	Afghanistan	30.7	0.7

Source: Authors' calculations based on ILO's *LABOURSTA* (2012)

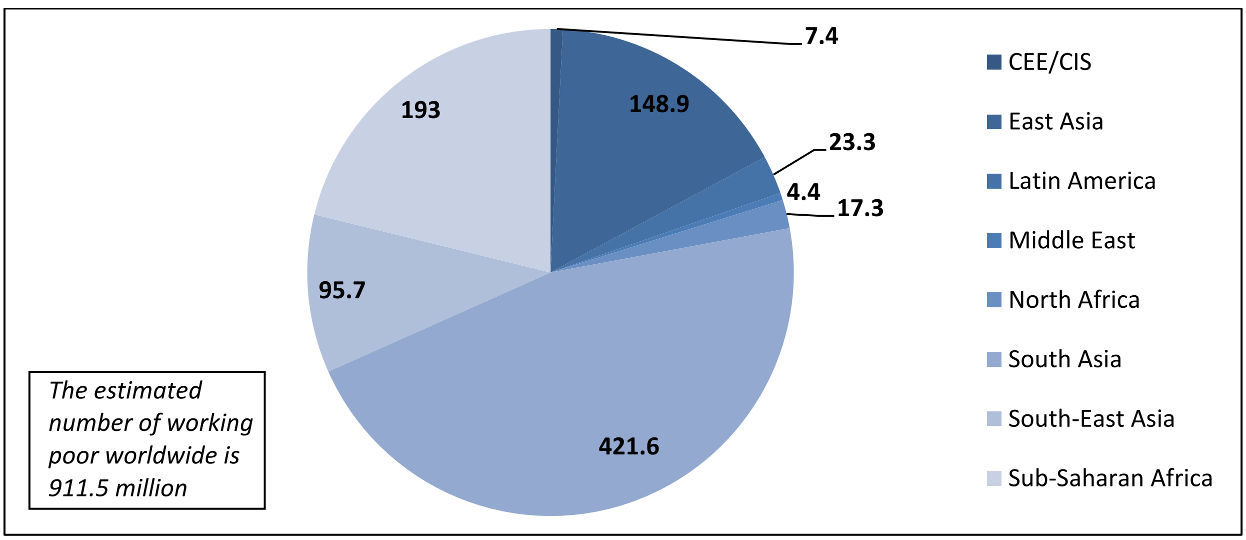
4. The Impacts of the Jobs Crisis on Children and Poor Households

The global economic crisis has squeezed the incomes of workers across the globe through job losses, pay cuts and wage arrears, and further reduced the availability of decent work opportunities. The worsening conditions of labour markets have also forced many households to adopt a variety of coping mechanisms that have potentially severe and irreversible consequences, especially for infants and young children, including hunger and malnutrition, illness, lower educational outcomes, children being left alone and even abandoned, and increased vulnerability to ongoing and future shocks. In addition to working poverty and adverse coping mechanisms, the jobs crisis has heightened the risk that workers, especially young adults, are being permanently 'scarred' in terms of future employability and earnings potential, with households standing to lose even further from rising levels of domestic violence and social unrest. Each of these different impacts is discussed below.

4.1. Working poverty

Defined as living below the poverty line and working out of economic necessity, the ILO (2012a) estimates that more than 912 million persons and their families were affected by working poverty in 2011, which equates to about 30 percent of the global workforce. Put differently, one in every three workers in the world live with their families below the US$2/day poverty line. If applying the US$1.25/day international benchmark, then half of the working poor are in conditions of extreme poverty. Regionally, nearly three-quarters of the world's working poor are concentrated in Asia, with about half in South Asia (Figure 14). Sub-Saharan Africa is also home to close to 200 million working poor persons (just over 20 percent of the global total).

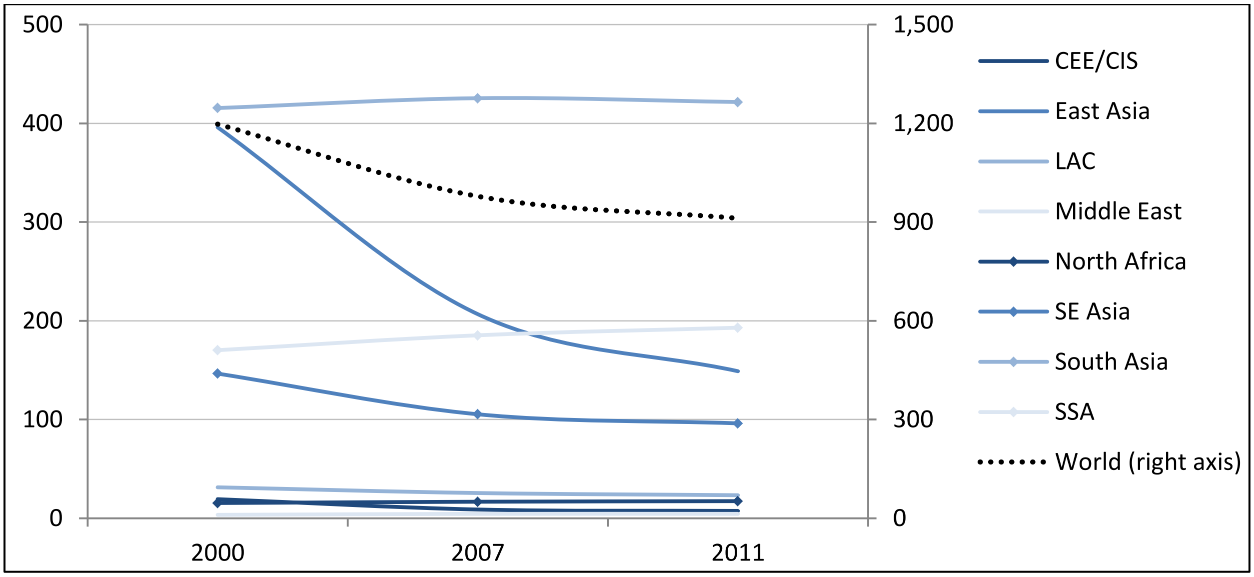
Figure 14. Global Working Poverty by Regions, 2011 (US$2/day)
(as a percent of global total)



Source: ILO (2012a)

While the world has recorded significant inroads against working poverty since 2000, progress has been imbalanced. As an aggregate, the number of working poor was reduced from nearly 1.2 billion in 2000 to just over 900 million in 2011, which represents a decline in the overall global incidence from 33.1 to 29.5 percent over the time period (Figure 15). However, most of this progress is attributed to rapid poverty reduction in China. In other regions, the number of working poor has actually increased since 2000, including in the Middle East and North Africa, South Asia and Sub-Saharan Africa.

Figure 15. Global Working Poverty Trends by Regions and World, 2000-11 (US$2/day)
(in millions of persons)

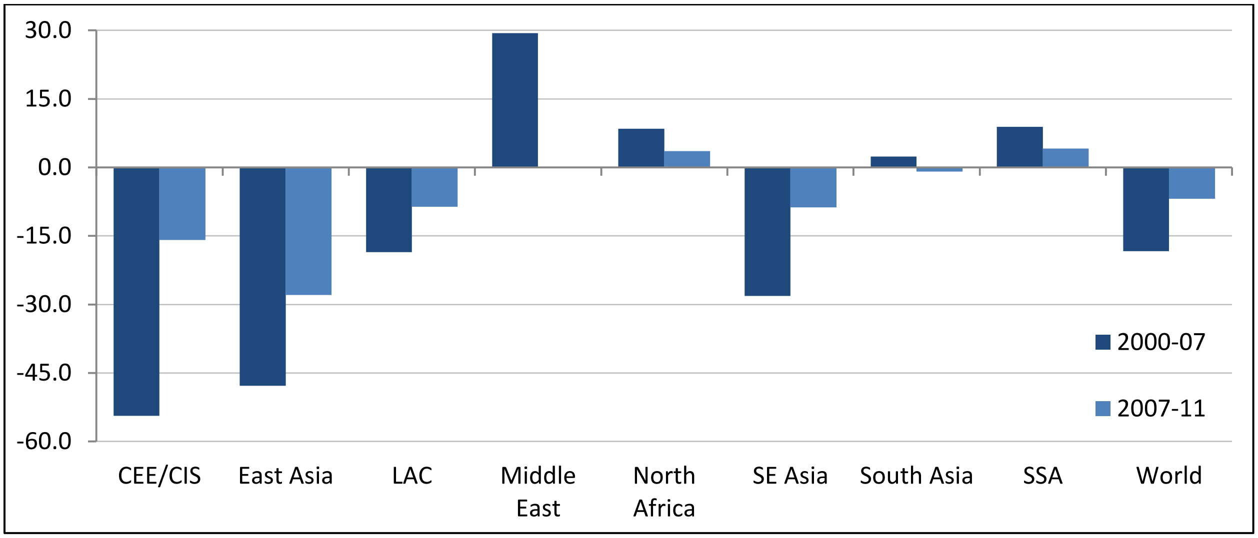


Source: ILO (2012a)

Even more important than the overall uneven trajectory of progress, the impacts of the global economic crisis, including the jobs crisis, are estimated to have increased the number of working poor significantly and either slowed or reversed earlier gains in a number of regions. Overall, the ILO projects that the number of working poor had increased by 55 million through 2011 relative to the pre-crisis trend using the US$2/day poverty metric (ILO 2012a). Comparison of pre-crisis (2000-07) and crisis (2007-11) phases further shows how progress has either been significantly slowed or reversed across all regions (Figure 16).

Additionally, while working poverty affects workers of all ages, vulnerability increases at different stages of the life cycle. Youth, in particular, have a higher likelihood of being among the working poor than adults. Based on the latest estimates for 52 countries with available data, youth accounted for 23.5 percent of the total working poor but accounted for only 18.6 percent of non-poor workers (ILO 2011d). In Bhutan, for example, the working poverty rate among youth appears to exceed the adult rate by more than 10 percentage points, and youth working poverty rates were 5 or more percentage points higher than adult rates in Bolivia, Ghana, Guinea, Mali, the Republic of Congo, Sierra Leone, Togo and Vietnam (ILO 2010c).

Figure 16. Growth in Working Poverty by Regions and World, 2000-07 vs. 2007-11 (US$2/day)
(as a percent)



Source: Authors' calculations based on ILO (2012a)

Given their higher labour force participation rates, poor youth workers forego educational opportunities that could raise their future earnings potential. In Colombia, for example, 60 percent of the young working poor lacked a primary education compared to the 20 percent of youth who lived above the US$2/day poverty line. And in the Philippines, 35 percent of poor youth workers did not possess a basic education, versus only 6 percent of the non-poor youth population (ILO 2010c—based on data for 2003 for both countries). Such illustrations underscore how large cohorts of poor youth remain trapped in low-productivity jobs, principally in subsistence agriculture. Out of economic necessity, their offspring are, in turn, likely to enter the labour force at an early age, perpetuating the vicious circle of poverty from one generation to the next.

4.2. Hunger and malnutrition

Income shocks resulting from the jobs crisis have led to lower household spending on food, which risks inflicting nutritional damage on poor households. These risks have been widely reported across the globe, as families purchase smaller quantities and cheaper food items and subsequently consume fewer meals—sometimes reducing food intake to just once a day instead of three times—and smaller, less nutritious portions (see discussion in Ortiz et al. 2011b).

Importantly, households whose nutritional status was at risk even prior to the jobs crisis appear most likely to further reduce their dietary intake. In particular, a series of crisis response surveys carried out in Armenia, Bulgaria, Latvia, Montenegro and Romania show that job losses or lower pay reduced the quality and quantity of food consumed disproportionately among households in the poorest quintile relative to non-poor households (World Bank 2011). This trend was similarly observed in crisis impact studies conducted in Kiribati (UNDP 2010) and Turkey (TEPAV, UNICEF and World Bank 2009).

Evidence also suggests that children and women bear the brunt of dietary cutbacks related to unemployment and income shortfalls. For instance, focus groups of recently unemployed women in Nicaragua show that 70 percent of mothers and their children had severely reduced their nutritional intake, while Indonesian women who had been out of work for more than a year reported eating fewer and smaller size meals as well as watering down baby formula and feeding their children less (Green et al. 2010). And in Nigeria, focus group discussants identified that children and women from poor families were most likely to suffer the most from reduced food expenditures (Samuels et al. 2011).

Relatedly, the most severe outcomes, including acute malnutrition, were also found to be among vulnerable women. For instance, female beggars reported experiencing dizziness and fainting in rural Bangladesh due to nutritional shortfalls, and women workers in rural areas of Zambia identified themselves as being too weak to work because of inadequate food intake (Institute of Development Studies 2009).

Lastly, it is imperative that nutritional trends are viewed within both the context of reduced household income due to the jobs crisis as well as the rising costs of basic food items (for the latest analysis of local food prices in 55 developing countries, see Ortiz and Cummins 2012:58-108). Given that the income and price shocks have simultaneously affected many countries since 2008, the danger of hunger and malnutrition remains severe and serious in 2012, especially among infants, young children and female-headed households.

4.3. Poor health

Another common coping mechanism related to the jobs crisis is reduced expenditure on healthcare. In a number of developing countries, in particular, households have consistently reported lower healthcare spending and service utilization, which has exposed many people to a higher risk of sickness, disability or even death. For instance, crisis-affected households in Armenia, Bulgaria, and Montenegro significantly reduced doctor visits, medical care and prescription drug use, with the poorest households most commonly adopting these risky behaviors (World Bank 2011). In Nigeria, reduced household income was widely cited as a key barrier to healthcare access, which made many drug and treatment costs unaffordable, increased the incidence of self-diagnosis and self-medication, and prevented many pregnant women from accessing antenatal care (Samuels et al. 2011). Self-diagnosis and resorting to folk remedies were also observed in Bangladesh and Jamaica (Institute of Development Studies 2009). Moreover, while 55 percent of Filipino households reported reducing essential medical expenditures (Reyes et al. 2010), more than one-quarter of Turkish households decreased their use of health services, with another 20 percent avoiding preventive care doctor visits (TEPAV, UNICEF and World Bank 2009).

Aside from the short-term health risks linked to coping strategies, there is also ample evidence that unemployment can cause serious physical and mental impacts. In general, unemployment has been shown to increase susceptibility to physical illness, mental stress and loss of self-esteem, and ultimately lead to severe depression (Banks and Jackson 1982, Brenner and Mooney 1983, Linn et al. 1985, Frese and Mohr 1987, Jackson and Warr 1987, Darity and

Goldsmith 1996, Goldsmith et al. 1996 and 1997, and Brand et al. 2008). And indeed, surveys have indicated a growing prevalence of depression in India, Pakistan, South Africa and Thailand since the onset of the crisis, in addition to a rise in demand for mental health services offered by clinics and hotlines in China, India, Japan, Latvia and countries throughout Europe (United Nations 2011b). Worsening economic conditions have also led to higher stress levels in Indonesia and Kenya (Institute of Development Studies 2009).

Many studies further show that unemployed persons have a higher propensity to take their own lives (Platt 1984 and Blakely et al. 2003). This trend appears evident in the current crisis through increased suicide rates in Egypt, Japan, Latvia, South Africa and the United States (United Nations 2011b). Joblessness has been further connected to a series of deadly health outcomes later in life, including heart attacks and strokes (Beale and Nethercott 1987, Iverson and Sabroe 1988, Mattiasson et al. 1990, Gallo et al. 2006 and Strully 2009), as well as reducing the life expectancy of workers (Moser et al. 1987 and 1990).

4.4. Lower school attendance and higher child labour rates

The jobs crisis has also forced many families to pull their children out of school and put them to work. This trend has been mainly driven by the increasing need to supplement household income coupled with the inability to cover the costs of school attendance, as observed in Bangladesh, Cambodia, Kenya, Thailand and Zambia (Heltberg et al. 2012), in Bangladesh, Kenya and Zambia (Raihan 2009), as well as in India (Self-Employed Women's Association 2009). Qualitative evidence in rural areas of Nigeria further show that children as young as five years old were increasingly involved in supporting family farms, selling produce in markets and working as apprentices to traders; rises in school dropout rates and absenteeism were also attributed to increased difficulties in paying school costs and transport fees, especially in rural areas (Samuels et al. 2011). In Nicaragua, while many girls were found to be helping their mothers earn additional income in towns and cities, boys increasingly appeared to be working on family farms and serving as substitutes for waged farm employees who were no longer affordable (Green et al. 2010). Decreased school attendance and increased employment among Salvadoran girls and boys aged 10-16 were also shown to be linked to the income shock at the household level resulting from the employment crisis (Duryea and Morales 2011).

4.5. Unsupervised and abandoned children

Another negative consequence of the job crisis is that higher unemployment and lower pay have forced many parents to increase their working hours and/or send non-working members of the household into the labour market, especially mothers. As a result, the jobs crisis has increased the prevalence of children being left at home unattended and unsupervised. This increasingly common manifestation has been well documented in both low- and middle-income countries, including in Armenia, Bulgaria, Latvia, Montenegro and Romania (World Bank 2011), in Botswana, Brazil, Mexico and Vietnam (Sigurdsen et al. 2011), in Nigeria (Samuels et al. 2011) and in Malawi (Green et al. 2010). In extreme cases, there have been reports of children being abandoned in orphanages and care centers in both low- and high-income countries as a result of the jobs crisis, including Greece, Somalia and Zimbabwe.[8]

4.6. Increased vulnerability to future shocks

A final widespread coping strategy linked to the jobs crisis has been selling household assets and borrowing money. In order to maintain consumption needs during periods of unemployment or reduced or erratic wages, many households have drawn down savings and sold possessions, as well as turned to friends, relatives, membership-based clubs, community groups and banks, where possible, for financial help. This behavior has been observed in a wide range of countries since 2008, including Bangladesh, Cambodia, the Central African Republic, Ghana, Kazakhstan, Kenya, Mongolia, the Philippines, Serbia and Thailand (Heltberg et al. 2012), Armenia, Bulgaria, Latvia, Montenegro and Romania (World Bank 2011), Nigeria (Samuels et al. 2011), Armenia (UNDP 2010), the Philippines (Reyes et al. 2010) and Tonga (Patel and Thapa 2010).

To cite some specific examples, a survey in India found that the limited availability of services at government hospitals had forced them to borrow money at high interest rates and increase indebtedness in order to seek treatment at private facilities (Self-Employed Women's Association 2009). Furthermore, as livelihood opportunities declined, many Indian households were observed taking out loans to meet minimum needs, especially for food, rent, electricity and education, as well as selling small valuables, including eating utensils. Elsewhere, Zambians sold their livestock, including goats, HIV/AIDS victims in Kenya resorted to selling food donations that they had received, and Indonesians were found to be selling livestock, poultry and gold (Institute of Development Studies 2009).

While selling assets and borrowing are, indeed, important safety nets for the poor, they are also easily exhaustible: personal items cannot be sold twice, different sources of formal or informal lending quickly evaporate in prolonged crises, such as the current situation, and existing debt prevents additional borrowing and must be repaid. All in all, having been forced to confront an array of shocks since 2007, virtually unabatedly, poor households in many parts of the world increasingly find themselves in situations of extreme vulnerability to any prolonged shock—including ongoing high unemployment, high food prices and reduced social assistance—as well as any renewed shock, such as the current rise in fuel prices (Ortiz and Cummins 2012).

4.7. Wage scars

Aside from the dangerous coping mechanisms linked to the jobs crisis, recent employment trends have also heightened the risk that workers, especially young adults, are being permanently 'scarred' in regards to their future employability and earnings potential. In particular, workers who experience unemployment, especially of long duration, have an

[8] Smith, H. 2011. "Greek Economic Crisis Turns Tragic for Children Abandoned by their Families." *The Guardian*, December 28. And Australia Network News. 2011. "Children Abandoned in Somali crisis." *Australia Network News*, July 26. And Caritas International. 2009. "Children Abandoned in Zimbabwe's Economic Crisis." *Caritas International*, 2009.

increased likelihood of being jobless in later years and earning lower wages. These effects, which are known as 'wage scars,' are observed in both young and adult populations, but the evidence overwhelmingly shows that the impacts are much more acute on youth workers.

There is a plethora of evidence from developed countries that verifies the existence of wage scars over time. For instance, when studying labour markets in the United Studies, Ellwood (1982) concluded that lost work experience while a teenager was reflected in considerably lower wages and a higher probability of being unemployed later on in life; Kletzer and Fairlie (1999) estimated that being unemployed while young results in lower future earnings by a magnitude of 8.4 and 13 percent for males and females, respectively; and Wachter et al. (2009) found that laid-off adult workers experience an immediate 30 percent drop in annual earnings when compared to workers who keep their jobs, with a 20 percent income difference persisting even 20 years after the fact.

A host of studies from the United Kingdom further document that unemployment produces permanent scars rather than temporary blemishes, especially on youth populations: Burgess et al. (1999) showed that youth unemployment raises the probability of unemployment later on; Arulampalam (2001) observed that a shorter spell of unemployment carries a wage penalty of 6 percent on re-entry into the labour market, and after three years results in a 14 percent earnings loss when compared to the counterfactual; Gregg and Tominey (2005) estimated an earnings loss of up to 21 percent at age 41 for workers who experience unemployment in early adulthood; and Bell and Blanchflower (2009) concluded that unemployment in a person's early twenties negatively affects employment and earnings prospects, as well as health and job satisfaction, up to two decades later.

In sum, the evidence is clear that unemployment, even if temporary, can have a lasting impact. And there is little reason to assume that this phenomenon is restricted to developed countries. This means that unemployment today is likely leaving permanent scars on workers worldwide, especially among youth.

4.8. Domestic violence

In addition to the heightened risks already discussed, preliminary evidence further suggests that the jobs crisis has increased domestic violence at the household level. Data sources are scarce, but higher incidences of violence have been documented in several countries. For example, the number of requests for support from domestic violence centers in the United States jumped by 75 percent among 630 surveyed shelters during the early part of the crisis, with jobs losses and financial concerns cited as the main contributing factors.[9] And phone calls received by the National Domestic Violence Hotline, also in the United States, rose by 21 percent between 2007 and 2008, with more than half of violence related to declining

[9] Mary Kay. 2011. "Domestic Violence Rises Nationwide for Third Year While Economy Struggles; Government Budget Cuts Take Toll on Survivors and Shelters." *Mary Kay Press Release*, April 26.

household income.[10] Increased rates of domestic violence linked to the crisis have also been reported in Curaçao, India, the Lao People's Democratic Republic and the United Kingdom (United Nations 2011b). Domestic violence has even been connected to alcohol and substance abuse (Self-Employed Women's Association 2009).

4.9. Social instability

In addition to the heightened risks already discussed, the jobs crisis further threatens to harm household well-being through rising levels of social discontent and instability. The ILO (2011e) recently produced a social unrest index, which found that global levels of discontent are related to unemployment, worsening living standards, a lack of confidence in governments and the perception that the burden of the crisis is not being fairly shared. The ILO (2011e) further warned of a significant aggravation of social unrest in 45 of the 118 countries surveyed. The regions under greatest threat include the Middle East and North Africa, parts of Asia and the group of developed countries. One of the most obvious manifestations of these findings is the increasing number of street demonstrations and protests observed worldwide since 2010, which have been closely linked to the Arab Spring and European sovereign debt crises. The income shock is also connected to higher incidences of crime and theft, which have been observed as common coping mechanisms in Bangladesh, Cambodia, the Central African Republic, Kenya, Mongolia, the Philippines, Thailand, Ukraine, Vietnam and Zambia (Heltberg et al. 2012) as well as in Dominica (UNDP 2010).

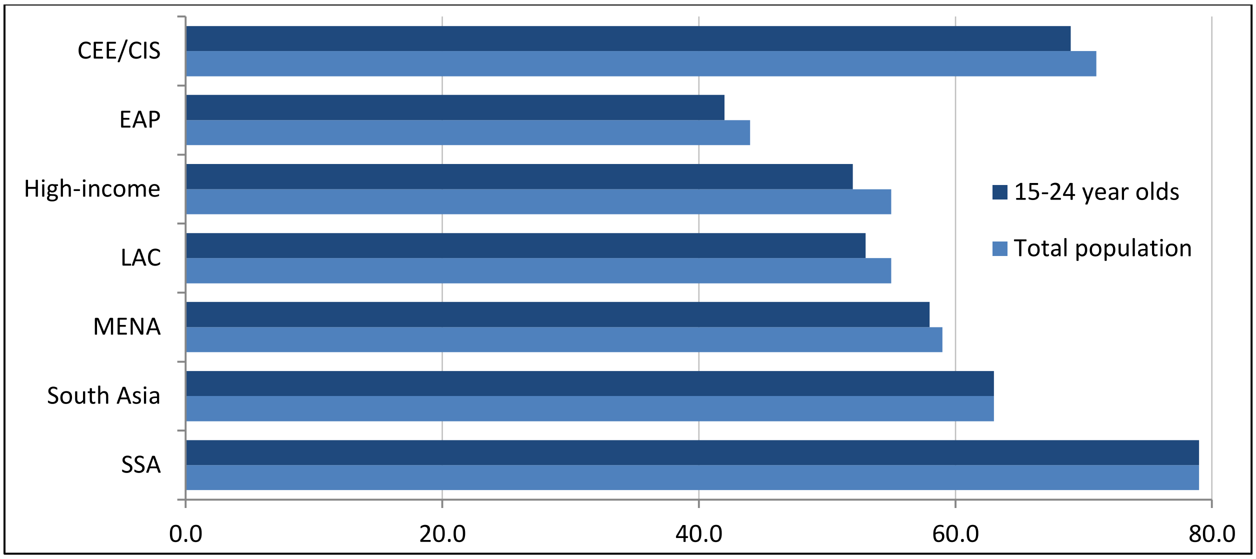
In terms of root causes, the short supply of decent employment opportunities emerges as a main driving force behind rising social unrest. Across virtually all regions, the majority of people report being frustrated by the lack of quality jobs in their labour markets (Figure 17). In the CEE/CIS and Sub-Saharan Africa regions, for example, general dissatisfaction is expressed by more than 70 percent of the populaces, on average. And outside of East Asia and the Pacific, job discontentment appears to affect more than half of regional populations, on average. There are, of course, significant country-wide variances. Despite lower regional aggregates, more than 70 percent of people expressed unhappiness with available job opportunities in Egypt, Jordan and Lebanon from the Middle East, as well as in Greece, Italy, Portugal and Spain from the EU (ILO 2011e).

It is obvious that unemployment is not the sole determinant of rising worldwide social unrest. Other factors include perceptions of rising inequalities, higher food prices, austerity measures and low confidence in governments. However, ILO (2011e) econometric analysis verifies that unemployment is the indicator that is most strongly associated with heightened risk of social unrest. In other words, there is a clear connect between the jobs crisis and rising social instability, which has subsequently led to political regime changes—both peacefully and forcefully—across many parts of Europe and the Middle East and North Africa. While political change can ultimately improve household-level well-being over the longer-term (see, for

[10] National Domestic Violence Hotline. 2009. "Increased Financial Stress Affects Domestic Violence Victims." *Hotline News*, January 30.

example, McLeod and Lustig 2011), increased social instability is unlikely to benefit poor households in the immediate term, especially when accompanied by unaffordable food, pervasive unemployment and reduced safety nets. Having outlined the different negative impacts of the job crisis, the next section focuses on appropriate policy responses to protect the most vulnerable and foster a robust, employment-generating economic recovery.

Figure 17. Dissatisfaction with the Availability of Good Jobs by Regions, 2010
(percentage dissatisfied)



Source: ILO (2011e)

5. Responding to the Jobs Crisis

This section discusses employment policies. It starts by recounting recent policy trends, first summarizing how governments responded to the early impacts of the global economic crisis and then describing the dramatic change in policy stances that began to take hold in 2010. The section next offers a decent jobs agenda by outlining the main areas that must be considered in order to generate decent employment.

5.1. Recent employment policy trends

5.1.1. Initial reaction to the crisis (2008-09): Promoting employment

During the first phase of the global economic crisis (2008-09), many governments launched fiscal stimulus plans, which generally included measures to promote employment; these were in line with ILO recommendations for a Global Jobs Pact (ILO 2009a) and endorsed by the UN and G20. An ILO survey of 54 developing and developed countries indicated that many governments initially responded to the jobs crisis by: (i) increasing spending on infrastructure and offering subsidies and tax reductions for small- and medium-size enterprises (SMEs) to stimulate labour demand; (ii) expanding public employment services, training programs and labour market intermediation facilities to support unemployed persons and jobseekers; (iii) bolstering unemployment, health and/or old-age retirement benefits, as well as cash transfers and social assistance programs, to provide income support to workers and their families; and/or (iv) consulting with employer and worker organizations to foster greater social dialogue and workers' rights. The frequency of the different measures adopted by the surveyed countries is presented in Table 3. While unemployment figures worsened globally, the ILO estimates that between seven and 11 million jobs were created or protected among the G20 countries alone during 2009 as a result of fiscal stimulus packages (ILO 2009b).

Table 3. Incidence of Employment-Generating Measures in Fiscal Stimulus Plans in 54 Countries, 2008-09

1. Stimulating Labour Demand	**(%)**	**2. Expanding Social Protection and Food Security**	**(%)**
Additional fiscal spending on infrastructure	87.0	Social security tax reductions	29.6
with employment criteria	*33.3*	Additional cash transfers	53.7
with green criteria	*29.6*	Increased access to health benefits	37.0
Public employment	24.1	Changes in old-age pensions	44.4
New/expanded targeted employment programs	51.9	Changes to minimum wages	33.3
Access to credit for SMEs	74.1	New protection measures for migrant workers	14.8
Access to public tenders for SMEs	9.3	Introduction of food subsidies	16.7
Subsidies and tax reductions for SMEs	77.8	New support for agriculture	22.2
3. Supporting Jobseekers, Jobs and Unemployed	**(%)**	**4. Social Dialogue and Rights at Work**	**(%)**
Additional training measures	63.0	Consultations on crisis responses	59.3
Increased capacity of public employment services	46.3	Agreements at national level	35.2
New measures for migrant workers	27.8	Agreements at sectoral levels	11.1
Working time reductions	27.8	Additional measures to fight labour trafficking	3.7
Partial unemployment w/ training/part-time work	27.8	Additional measures to fight child labour	3.7
Wage reductions	14.8	Changes in labour legislation	22.2
Extension of unemployment benefits	31.5	Increased capacity of labour administration	13.0
Additional social assistance & protection	33.3		

Source: ILO (2009a)

5.1.2. Second phase of the crisis (2010-): Abandoning labour

These Keynesian measures, however, were short-lived. In a second phase of the crisis (2010-), rising concerns over sovereign debt levels and fiscal deficits led most governments to abandon fiscal stimuli and introduce a series of austerity measures in order to curtail public spending. The latest analysis of public expenditures (Ortiz and Cummins 2012:172-192) shows that 106 of the 179 countries with available data moved to contract spending in 2010, which is projected to expand to 133 countries during 2012 (or about three-quarters of the sample). It is important to note that this trend is observed quite evenly across all country income typologies. Specifically, during 2012 spending contractions are projected to affect 24 low-income countries, 40 lower-middle-income countries, 30 upper-middle-income countries and 39 high-income countries.

In terms of cutting public expenditures with important social impacts, a review of recent IMF country reports indicates that a combination of four main policy options is being discussed in 138 of the 158 countries surveyed (Ortiz and Cummins 2012:173-215). Overall, 73 countries are considering wage bill cuts/caps, 73 countries are eliminating or phasing out subsidies, including food and fuel subsidies, 55 countries are targeting social protection to the poorest, which is a *de facto* reduction in social protection coverage, and 52 countries are reforming pension systems by expanding retirement age and/or limiting benefits. A global summary of austerity trends is presented in Table 4.

Table 4. Incidence of Austerity Measures in 158 Countries, 2010-12

Austerity Measures	# of Countries	% of Countries
Contracting public expenditures in 2012*	133	74.3
Cutting or capping the wage bill	73	46.2
Phasing-out or removing food and fuel subsidies	73	46.2
Targeting or further rationalizing social safety nets	55	34.8
Reforming pensions	52	32.9

Source: Ortiz and Cummins 2012:194-195
* Based on analysis of government expenditure estimates in the IMF's *World Economic Outlook* (September 2011); Contractions reflect changes in total expenditure as a percent of GDP, and the sample covers 179 countries.

It is striking that all of the different fiscal consolidation measures that are being discussed by governments worldwide will reduce the quantity and quality of decent jobs as well as social protection. When viewing the crisis recovery in this context, there has been an enormous imbalance between the treatment of labour and finance. While government efforts since 2010 have mainly centered on servicing debt (mostly to private banks) and achieving fiscal balances, employment and social protection have become a secondary—and seemingly forgotten—priority. In other words, finance has benefited enormously at the cost of labour during the recovery. Moreover, governments have acted as a banker of last resort to avoid the collapse of the financial system, but, despite stimulus plans and some labour market policies in the earlier phase of the crisis, governments have generally failed to serve as an employer of last resort (van der Hoeven 2010). Moving forward, the delayed labour market recovery is only going to further exacerbate the tremendous human costs of the crisis.

Given that austerity measures and job creation are incompatible objectives, many have questioned whether the tendency of policymakers to highlight employment in speeches and official statements is merely lip service. Criticism of austerity measures has been widespread, including, among many, Nobel Laureates Joseph Stiglitz—"Austerity measures 'don't work' and prevent countries from creating jobs needed to generate economic growth"[11]—and Paul Krugman—"Jobs now, deficits later was and is the right strategy. Unfortunately, it's a strategy that has been abandoned in the face of phantom risks and delusional hopes."[12]

Generating high levels of decent employment was and is a critical priority, yet now faces even more obstacles than before. A key component of the solution to the current crisis is massive expansionary fiscal actions, preferably in a coordinated fashion, which are complemented by more and better aid to support the world's most vulnerable (Epstein 2009).

[11] Schwartzkopff, F. 2011. "Nobel Winner Stiglitz Warns Job-Killing Austerity Measures Hurt Economies." *Bloomberg*, May 13.
[12] Krugman, P. 2011. "The Austerity Delusion." *The New York Times*, March 24.

Defenders of fiscal consolidation often reference a dated IMF study of 74 episodes in 20 industrialized countries during 1970-95, which found that sharp government spending contractions can lower interest rates and encourage consumption and investment (Dermott and Wescott 1996). Historical evidence, however, shows that fiscal consolidation is much more likely to contract economic activity, lower aggregate demand and ultimately lead to higher unemployment (Islam and Chowdhury 2012, 2010a, 2010b). Employment creation is associated with investment in productive capacities and growth of aggregate demand, which also requires adequate social programs (Ocampo and Jomo 2007).

Over the short term, there is limited support to validate that fiscal austerity can stimulate economic activity, especially among developing countries and in the context of a global crisis. In low-income countries in Sub-Saharan Africa, for example, an effective employment-generating strategy should be based on: (i) an expansionary fiscal policy that fosters public investment and increases domestic revenues; (ii) a managed exchange-rate regime that promotes export competitiveness and currency stability; and (iii) a monetary policy that supports fiscal expansion and export promotion by achieving low real interest rates to encourage private investment and alleviate public sector debts (Weeks and McKinley 2007, and Pollin, Epstein and Heintz 2008). Such policies must further be complemented by social development programs as well as a social protection floor to foster human development, boost labour market productivity, increase incomes and expand domestic markets (Ortiz 2008, ILO 2011f). There is additionally a large body of evidence that shows the negative impacts of austerity measures on employment and social outcomes, including UNICEF's earlier work on *Adjustment with a Human Face* (Cornia et al. 1987).

To reiterate, an appropriate jobs-creating policy framework requires significant expansion of public investments, which is wholly incongruent with fiscal tightening. Given the ongoing fragile state of the recovery coupled with the pervasive jobs crisis, the UN has repeatedly warned that austerity is likely to tip the global economy back into recession and called on governments to avoid premature fiscal adjustment (United Nations 2012a and UNCTAD 2011).

In addition to the main austerity measures earlier outlined, a number of governments—especially in Europe—have been adopting labour flexibilization reforms since 2011. All in all, many countries are viewing labour reforms as an easier strategy to support businesses rather than introducing financial sector reforms to supply credit to companies. However, there is limited evidence that labour market flexibilization can generate jobs (Palley 1999, Rodgers 2007, Standing 2011). In fact, evidence suggests that, in a context of economic contraction, labour market flexibility is more likely to generate labour market 'precarization' and vulnerable employment, as well as depress domestic incomes and, therefore, aggregate demand, ultimately hindering crisis recovery efforts (van der Hoeven 2010).

5.2. How to generate decent employment

As earlier described, economic growth has been unable to absorb growing labour market populations, indicating that there was a serious jobs crisis even prior to the onset of the global economic crisis.

The current generalized pattern of 'jobless growth' is recent, a result of policy choices since the 1980s. It is important to notice that from the late 1940s until the mid-1970s, many governments focused on employment-generating economic development that combined with labour market policies, which fostered real wage and employment growth. At the end of World War II, politicians from advanced economies were determined that unemployment and economic crisis, which had provoked political crisis and fueled the rise of fascism, should never be repeated. They accepted that full employment, political stability and social cohesion should be primary national policy objectives, and, as a result, governments became more involved in education, medical care, and social and housing assistance, as well as in employment policies, which included introducing minimum retirement benefits and enforcing different labour laws and regulations. Such programs were not new; they were an essential part of modernization programs in these societies during the early stages of their development. Historically, these governments progressively formalized their labour forces as a way to expand the tax base, build social protection systems, raise social standards and develop domestic markets (United Nations 2008, UNRISD 2010). This approach was highly successful: postwar policies achieved high productivity gains in the workforce, expanded internal markets and increased economic growth, with the populations of Europe, North America, Japan, Australia and New Zealand experiencing unprecedented prosperity. A similar policy push is needed today.

Since the 1980s, however, economic policy frameworks have been largely designed with a narrow focus on growth and macroeconomic stability—employment, equity and social cohesion being only afterthoughts—and failed to maximize synergies between macroeconomic and sectoral policies. As a result, a return to these earlier orthodox policies will only continue the recent patterns of 'jobless growth,' vulnerable employment and highly-segmented labour markets that are characterized by large wage differentials and rising inequality. Rethinking policies for a socially-responsive recovery is thus imperative.

Employment growth, especially for youth, must be a top priority for socio-economic recovery. The UN, particularly the ILO, has consolidated a policy agenda to achieve decent jobs for all (ILO 1999 and 2012a, United Nations 2008 and 2010). This is based on a combination of macroeconomic and sectoral policies, active labour market policies and programs, enforcement of labour standards, social protection measures and social dialogue, each of which is briefly summarized in the following. It is important to highlight that this agenda was endorsed by all governments at the UN Summit in September 2010:

> We acknowledge that much more needs to be done in achieving the MDGs as progress has been uneven among regions and between and within countries… There has been slow progress in reaching full and productive employment and decent work for all…/… We stress the need to create full and productive employment and decent work for all and further resolve to promote the Global Jobs Pact as a general framework within which each country can formulate policy packages specific to its situation and national priorities in order to promote a job intensive recovery and sustainable development. We call on Member States to take effective measures for promoting social inclusion and integration and incorporate these into their national development strategies.

Macroeconomic and sector policies: At the macroeconomic level, economic and sector policies must be geared toward fostering aggregate demand, investment and new jobs. This means that they must steer away from an orthodox focus on containing inflation and budget deficits, as well as liberalizing product/factor markets and trade. Ultimately, new employment will only be generated if a country's economic activities are able to absorb the existing labour supply.

To create new and decent jobs, policymakers should therefore analyze the labour-absorbing patterns of their economies. This requires a detailed understanding of, *inter alia*: (i) the composition of economic growth and the relative labour intensities; (ii) the leading sectors and sub-sectors of the economy; (iii) the size of the informal sector; (iv) domestic and foreign investment prospects; and (v) medium- and longer-term growth and population projections. Such timely assessment can provide a sound basis for evaluating options to overcome any supply and demand mismatches in labour markets, as well as determine which growth, investment and labour market policies may best promote widespread employment with good working conditions. This, above all, requires that macroeconomic policies are designed and implemented by means of coordinated actions of all development-related ministries, and be informed by the inter-linkages between economic and social policies. Of particular importance are the following:

- Monetary and fiscal policies that boost aggregate demand (e.g., tight monetary and fiscal policies focused on containing inflation and/or deficits do not generate jobs; rather than targeting inflation, national development plans could, alternatively, target employment)—in other words, a key solution to the current jobs crisis is, in fact, expansionary fiscal policies, not austerity;

- Adopting incentives to increase investment and employment in both the private and public sectors;

- Ensuring that sector policies promote real economic activities (e.g., an inclusive financial sector that supports the broad-based needs of agriculture, industry and services, not just in main cities but also small-scale economic activities in remote locations, including through branching out private banking services and expanding national development banks); and

- Exchange rate and technology policies that stimulate output growth, which are further complemented by the gradual and sequential opening of trade.

Box 1. Arguments for the Decent Work Agenda

In the 1980s and 1990s, the conventional free-market argument was that a flexible labour market with limited regulation was better for development. This was based on a belief that greater flexibility reduced costs and made firms more competitive, thus expanding entrepreneurial activities and leading to more jobs. Recent evidence, however, points otherwise:

- *Employment:* Labour flexibility has not been accompanied by increased employment in economies where the demand for labour is low, which characterizes most countries. Instead, it leads to informalization and job precariousness. For example, before the crisis, many European countries substantially reduced unemployment without labour market reforms while maintaining generous unemployment schemes. This shows that employment is not related to labour market flexibility, but rather to macroeconomic policies that are effectively coordinated with social policies. The strong welfare states in northern Europe offer further evidence. Given that countries such as Denmark, the Netherlands, Norway and Sweden maintained employment rates as high as those in the United States and the United Kingdom, they show that employment is fully compatible with 'rigid' labour markets, high social protection and collective bargaining.

- *Productivity:* It is fully demonstrated that decent work raises productivity; it improves workers' health, skills and motivation, and reduces wasteful labour turnover.
- *Labour costs:* There is more controversy regarding the effects of labour market flexibility on costs. While raising employment standards clearly correlates with increasing labour expenses, there are several trends worth noting that are likely to minimize some of the perceived rise in costs. First, higher labour standards, unless very high, do not reduce foreign direct investment (FDI); evidence shows that FDI in developing countries has far more concern for non-labour issues, such as access to domestic markets, ease of doing business, levels of corruption or quality of infrastructure. Second, while higher labour standards impact local labour-intensive firms that use unskilled labour at very low wages with no protection, it is important to note that the competitiveness that a country gains by exploiting cheap labour is short-lived since 'race-to-the-bottom' situations do not develop domestic markets. Third, investor and consumer activism in developed countries is increasingly demanding higher labour standards for both imported goods as well as for multinational companies, and local firms can build on these norms.
- *Poverty reduction:* Impacts on poverty reduction are large. Work-related injuries can plunge families into poverty, outcomes which are avoidable with adequate occupational health, safety and social protection measures. Moreover, better earnings can improve the health and education of poor households, as well as help to reduce child labour.
- *Domestic demand:* By raising incomes, the decent work agenda contributes to boosting domestic demand and expanding national markets.
- *Equity:* Labour standards address discrimination in employment and are key to supporting inclusive policies for women, youth, or ethnic and minority groups. Freedom of association may even allow informal workers to negotiate better prices for their work.
- *Political Stability:* Social dialogue may help to foster national coalitions for development; citizens living with more dignity and income tend to support their governments.

All governments committed to support full employment and decent work for all as a central objective of national development strategies at the 2005 and 2010 World Summits, and the decent work agenda is officially supported by UN agencies and by major financiers like the EU.

Sources: DFID 2004, Commission of EU 2006, Howell 2005, ILO 1999 and 2009b, OECD 2000, United Nations 2008 and 2010

Active labour market policies and programs: A series of different active labour market programs and policies can be considered: (i) direct employment generation (promoting SMEs, cooperatives, wage subsidies, public works, guaranteed job schemes, etc.); (ii) labour exchanges or employment services (e.g., job brokerage and counseling offices); (iii) skills development programs, including special programs for youth and persons with disabilities (e.g., training and retraining of labour to enhance employability and productivity); and (iv) promoting youth entrepreneurship (e.g., programmes that enable motivated youth to access capital and expertise to create their own jobs) (Boxes 2 and 3).

Box 2. Education does not Create Youth Employment

There is often a lack of understanding of the interaction between economic and social policies. For example, education does not result in employment; education raises productivity and fosters innovation, but promoting education will not generate jobs. The current young generation is much more educated than their parents, but they have fewer employment opportunities. In addition to the right mix of employment-generating macroeconomic and labour policies, young people need programs that are tailored to helping them enter the labour market. Examples of innovative programs abound (see Box 3).

Source: Ortiz (2008)

Box 3. Active Labour Market Policies and Programs

There is an array of examples of active labour market programmes targeted to young and unemployed workers, which have been enacted by governments since the start of the global jobs crisis. These are summarized below according to the four different typologies.

Direct employment generation: In Austria, the 'Campaign for the Future of Young People' was launched to increase job placements via skills training, employment subsidies and other projects for unemployed youth—132,000 jobless youth were employed and another 83,000 enrolled in training courses under the program; Bulgaria introduced the 'Youth Work Experience' program, which offers grants up to six months to employers to hire young people who have not found employment after graduating from secondary or higher education; Denmark introduced a hiring subsidy in the private sector for employers taking on young people under the age of 30 who had been on welfare for a year; Hungary, through the START program, provided subsidies to companies that employed young labour market entrants; Kenya launched the *Kazi Kwa Vijana Programme* to create 300,000 jobs for youth over a six month period; Lithuania exempted employers from paying part of their social insurance contributions when offering a young person their first job; Serbia's 'First Chance' program gives young jobseekers without significant prior work experience the chance to enter subsidized employment with private employers for a period of up to 12 months at a pre-set wage; Sweden adopted a job guarantee scheme for unemployed youth to provide them with a job quickly or help them to enroll in the education system; Turkey reduced employer social contributions for the first five years when recruiting unemployed youth; the United Kingdom funded 100,000 jobs for long-term unemployed youth under the age of 25 through the Future Jobs Fund and ensured that all persons who had been unemployed for more than a year were given a job offer, training or a paid work experience; and the United States expanded tax credits for employers hiring unemployed or disconnected youth aged 16-24 years.

Labour exchanges and employment services: Croatia's Agency for Vocational Education mandated that approximately half of all professional training courses are implemented directly inside of companies to promote stronger links between vocational schools and the labour market; Denmark introduced a policy under which 18-19 year olds are interviewed, participate in a job-search training course and placed in an educational program or workplace within three weeks of applying for unemployment benefits; France launched the 'Emergency Plan for Youth Employment,' which consisted of a series of measures addressing apprenticeships, training programs and subsidized contracts; Germany started job search clubs for unemployed young persons to provide them with training and apprenticeship placements; Japan developed the 'Job Card System' to allow unemployed youth to gain practical job training from participating companies whereby the card documents a participant's training record along with the company's evaluation of the youth's vocational abilities; the Republic of Korea reinstated its Youth Internship Program, which provided some 100,000 young persons with work experience and career development opportunities, over half of which moved into regular jobs; and the Philippines implemented a program that allows young persons to work in the summer with the government covering 40 percent of their wage and the partner institution paying the remainder.

Skills development programmes: Argentina launched the *Programa Jovenes con Mas y Mejor Trabajo* in various cities to target youth aged 18 to 24 who had not completed compulsory education and were either unemployed or receiving social assistance; Australia improved trade training centers in schools; Belgium increased the number of apprenticeship and vocational training opportunities for young persons; China carried out a national vocational training program focused on young migrant workers who had returned home; Estonia adopted a development plan for its vocational education and training system to tighten links with the labour market; India launched a 'Skill Development Initiative' to train one million persons over a five-year period; Latvia provided unemployed 18-24 year-olds with a monthly stipend and training at an employer for up to 12 months; Pakistan started the Benazir Bhutto Shaheed Youth Development Programme, which offered a monthly stipend and access to training for 100,000 young persons in each province of the country; and Poland created an internship program for unemployed individuals under 25, which supports them with a stipend equivalent to 120 percent of the unemployment benefit for up to a year.

Youth entrepreneurship programmes: Belize and Pakistan provided start-up credits to unemployed youth; China offered graduates government loans to start their own businesses; through PROJOVEN, Costa Rica supplied entrepreneurship training and start-up capital for young persons wishing to develop production projects; the Dominican Republic introduced a training program for rural youth which grants them public land as part of broader agrarian reform efforts; a Youth Development Fund in Kenya extended credit for business start-ups across the country to empower young persons; Portugal's 'Support Program for Entrepreneurship' was launched to provide first-time jobseekers with low interest credit lines as well as technical advice to support new companies; and Romania introduced tax exemptions, recruiting subsidies and state-backed credit guarantees to encourage 'start-up enterprises' created by young persons.

Sources: European Commission (2011), ILO (2011g), Ha et al. (2010), ILO (2010e), Scarpetta et al. (2010), Günter (2009), ILO (2009c) and United Nations (2009)

Labour standards: Decent employment is not only about generating jobs. As earlier discussed in Section 3.1, nearly one billion poor persons are employed, but they work long hours, often in unsafe conditions, and, ultimately, they are unable to bring their families out of poverty. As a result, employment policies must not solely focus on creating jobs but also on ensuring adequate wages and working conditions.

Wage policies, for instance, are important from both an economic and a human rights perspective. On the one hand, a decent remuneration can enable workers to provide for themselves and their families and help fulfill the basic human right to a decent standard of living, which includes food, clothing, housing and medical care. On the other hand, raising the incomes of workers increases domestic demand, which, in turn, encourages economic growth and recovery.

In situations of excess supply of labour, however, employers find themselves in a very strong bargaining position. In developing countries, for example, it is not unusual for an employer to be able to offer a wage equal to the value of a daily meal—even if productivity criteria allow for higher wages—simply because many poor persons may not have any other employment alternatives. Properly enforced minimum wage legislation can and should prevent such abuses. It benefits employers in the longer term, as higher incomes in the labour force ensure demand for their products and services.

In terms of specific labour regulations, there is a wide range that should be adopted nationally and enforced. To name just a few of the broad categories: (i) wage policies (minimum salaries, wage indexation, equal pay for work of equal value); (ii) working conditions (minimum age, maximum working hours and overtime, leave provisions, occupational health and safety); (iii) job security provisions (recruitment/dismissal of employees); and (iv) industrial relations. Of special importance to UNICEF is avoiding child labour and anti-discrimination provisions to protect women, young people, persons with disabilities and minority groups. Countries should aim for an appropriate legislative framework that strikes a balance between economic efficiency and labour protection.

Social protection: Given that not everybody can or should work, policies to promote employment should be accompanied by adequate social protection measures. In particular, social protection must aim to prevent child labour and provide adequate income support for the unemployed, older persons, women on maternity leave and persons with disabilities. Social protection should not be regarded as a cost to society, but rather as an investment (Cichon et al. 2006); investing in children has large impacts on human development and productivity, and raising the incomes of the poor expands domestic markets (Box 4).

Box 4. Expanding Social protection for the Young Unemployed

A number of countries have expanded safety nets for young people during the global economic crisis, including Hungary, Japan, Singapore, Spain and the United States, which reduced eligibility requirements or extended coverage to give youth greater access to unemployment or other social protection benefits.

Sources: ILO (2011g) and Ha et al. (2010)

Social dialogue: Now, more than ever in recent history, it is essential that employers, unions and governments dialogue together about how to achieve socio-economic recovery. Social pacts can be an effective strategy to articulate labour market policies that have positive synergies between economic and social development; they are especially well-suited to arrive at optimal solutions in macroeconomic policy, in strengthening productivity, job and income security, and in supporting employment-generating enterprises. However, to foster social dialogue, governments must first repair and regulate their financial systems in the interests of the public. To this end, it is absolutely critical that policymakers reduce the fear and uncertainty that is hindering private investments so that the private sector can re-start the main engine of global job creation (ILO 2012). While the level of labour protection, benefits and flexibility will vary from country to country, the key is to identify a balance to ensure sustained economic activity and positive social outcomes, where employers benefit from productivity gains and workers benefit from job and income security (Box 5).

Box 5. Consensus-building is Key among Governments, Employers and Workers

Although not directly targeted to youth, joint agreements, such as those reached in Chile and Japan, can help to ease overall tensions in the labour market and create more job opportunities in general, as well as for youth employment and training. In Chile, the 'Tripartite Pact' became law in 2009, which covered six measures in the fields of employment, training and social protection with the goal of reducing unemployment by 1.5 percent. And in Japan, an agreement was reached in 2009 to maintain employment for more than 13 million workers through work-sharing arrangements that were subsidized by the government; the agreement contributed to employment stability and further facilitated jobs for young people.

Sources: Ha et al. (2010) and ILO (2010f)

6. Conclusion

The employment crisis is severe, especially for young persons. Labour markets worldwide are characterized by fewer, lower-paying jobs that are increasingly vulnerable and proliferating the incidence of working poverty that had trapped nearly one billion workers and their families through 2011. Many developing countries are further facing unsettling high youth unemployment rates and a quickly expanding supply of young labourers in need of work—a result of the youth bulge. These are dangerous conditions indeed. For poor households, smaller and erratic incomes are leading to hunger and malnutrition, worse health, lower educational outcomes, child labour, unsupervised and even abandoned children, escalating vulnerabilities to ongoing or future shocks, and rising rates of domestic violence. For societies at large, labour market frustrations are catalyzing civil unrest unseen in decades.

The youth bulge should be a primary concern for many governments. Every year, there are more than 120 million new potential workers entering the world's labour market, nearly 90 percent of which are from developing countries, with nearly 1.1 billion expected between 2012 and 2020. A majority of countries experiencing this demographic trend are among the most vulnerable in terms of political and social instability, and are already severely limited by the lack of employment opportunities. High rates of youth unemployment are perpetuating 'wage scars' and further eroding prior investments in education and health, as well as limiting tax contributions and savings among younger generations, all of which limit aggregate demand and hinder socio-economic recovery.

Given that work is the main source of income for households and particularly the poor, a job-creating labour market strategy is essential to reducing poverty, developing human capital, addressing youth development and gender discrimination, and enhancing overall welfare and productivity. An employment-based recovery is further vital to protecting and supporting the most vulnerable populations, especially children. On the one hand, ensuring that parents have access to stable, quality jobs and income streams is one of the most important factors that contribute to the overall well-being of infants and young children. On the other hand, addressing youth unemployment is critical to fostering stable and inclusive societies, safeguarding earlier investments in human development, and tapping into the productive and innovative capacity of national labour markets.

Some potential questions for policymakers to consider in this regard may include:

- What were the characteristics of growth, employment and poverty in the country prior to the crisis? Has there been a strong, negative correlation between lower poverty rates and higher growth rates? Has growth generated sufficient and remunerative employment?
- What are the most dynamic sectors of the economy? Are they labour-intensive? What is their contribution to public revenue? What is the size of the informal economy? What can be done to promote the dynamic, employment-generating sectors of the economy and create more revenue that can be directed toward social development?
- What is the percentage of youth in the national population? Will the economy be able to absorb all new entrants into the labour market? Which policies should be prioritized to create good job opportunities for youth?
- Is the government undertaking austerity measures? Is there any assessment of the potential negative impacts of fiscal contraction on employment?
- What can be done to accelerate employment-generating growth? Which macroeconomic policies and sector interventions should be promoted over the short and longer term to secure employment, including for youth?
- Is the financial sector serving the needs of small-scale agriculture, industry and services in remote locations? If not, what should be done?
- Has the government engaged in a social dialogue with employers and workers to target job growth in the real economy? What specific labour market interventions should be prioritized to promote labour demand and good working conditions to ensure a '*Recovery for All*'?

References

Arulampalam, W. 2001. "Is Unemployment Really Scarring? Effects of Unemployment Experiences on Wages." *Economic Journal* 111(475): F585-F606.

Banks, M. and P. Jackson. 1982. "Unemployment and the Risk of Minor Psychiatric Disorder in Young People: Cross-sectional and Longitudinal Evidence." *Psychological Medicine* 12: 789-798.

Beale, N. and S. Nethercott. 1987. "The Health of Industrial Employees Four Years after Compulsory Redundancy." *Journal of the Royal College of General Practitioners* 37: 390-394.

Bell, D. and D. Blanchflower. 2010. "Youth Unemployment: Déjà Vu?" IZA Discussion Paper No. 4705, Institute for the Study of Labour (IZA).

Blakely, T., S. Collings and J. Atkinson. 2003. "Unemployment and Suicide. Evidence for a Causal Association?" *Journal of Epidemiological Community Health* 57: 594-600.

Brand, J., B. Levy and W. Gallo. 2008. "Effects of Layoffs and Plant Closings on Depression among Older Workers." *Res Aging* 30(6): 701-721.

Brenner, M. and A. Mooney. 1983. "Unemployment and Health in the Context of Economic Change." *Social Science and Medicine* 17(16): 1125-1138.

Burgess, S., C. Propper, H. Rees and A. Shearer. 2003. "The Class of 1981: The Effects of Early Career Unemployment on Subsequent Unemployment Experiences." *Labour Economics* 10(3): 291-309.

Cichon, M., K. Hagemejer and J. Woodall. 2006. *Changing the Paradigm in Social Security: From Fiscal Burden to Investing in People*. Geneva: ILO.

Commission of the EU. 2006. *Promoting Decent Work for All: The European Union Contribution to the Implementation of the Decent Work Agenda in the World*. Brussels: EU.

Cornia, G.A., R. Jolly and F. Stewart. 1987. *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*. Oxford: Oxford University Press.

Darity, W. and A. Goldsmith. 1996. "Social Psychology, Unemployment and Macroeconomics." *Journal of Economic Perspectives* 10(1): 121-140.

Dermott, C.J. and R.F. Wescott. 1996. "Fiscal Reforms that Work." Economic Issues, No. 4, IMF.

DFID. 2004. "Labour Standards and Poverty Reduction," Issues, United Kingdom Department for International Development (DFID).

Duryea, S. and M. Morales. 2011. "Effects of the Global Financial Crisis on Children's School and Employment Outcomes in El Salvador." *Development Policy Review* 29(5): 527-46.

Ellwood, D. 1982. "Teenage Unemployment: Permanent Scars or Temporary Blemishes?" In B. Freeman and D. Wise (eds.), *The Youth Labour Market Problem: Its Nature, Causes and Consequences.* Chicago: University of Chicago Press.

Epstein, G. 2009. "Rethinking Monetary and Financial Policy: Practical Suggestions for Monitoring Financial Stability while Generating Employment and Poverty Reduction." Employment Working Paper No. 37, ILO.

European Commission. 2011. *European Employment Observatory Review: Youth employment measures, 2010*. Luxembourg: European Union.

_____. 2005. *Employment in Europe 2005*. Brussels: European Commission.

Fairlie, R. and L.G. Kletzer. 2003. "The Long-term Costs of Job Displacement among Young Workers." *Industrial and Labour Relations Review* 56(4): 682-698.

Frese, M. and G. Mohr. 1987. "Prolonged Unemployment and Depression in Older Workers: A Longitudinal Study of Intervening Variables." *Social Science and Medicine* 25: 173-178.

Gallo, W., T. Hsun-Mei, T. Falba, S. Kasl, H. Krumholz and E. Bradley. 2006. "The Impact of Late-career Job Loss on Myocardial Infarction and Stroke: A 10-Year Follow-up Using the Health and Retirement Survey." *Occupational and Environmental Medicine* 63(10): 683-7.

Goldsmith, A., J. Veum and W. Darity. 1997. "Unemployment, Joblessness, Psychological Well-being and Self-esteem: Theory and Evidence." *Journal of Socio-Economics* 26(2): 133-158.

_____. 1996. “The Psychological Impact of Unemployment and Joblessness.” *Journal of Socio*-Economics 25(3): 333-358.

Green, D., R. King and M. Miller-Dawkins. 2010. *The Global Economic Crisis and Developing Countries: Impact and Response*. Oxfam Research Report, Oxfam GB.

Gregg, P. and E. Tominey. 2005. “The Wage Scar from Youth Unemployment.” *Labour Economics* 12(2005): 487-509.

Grimshaw, D. 2010. “What do we Know about Low Wage Work and Low Wage Workers? Analysing the Definitions, Patterns, Causes and Consequences in International Perspective.” Technical Background Report prepared for the Global Wage Report, ILO.

Günter, S. 2009. “China’s Employment Crisis: A stimulus policy for change?” *Journal of Current Chinese Affairs*, 38(2): 121-144.

Ha, B., C. McInerney, S. Tobin and R. Torres. 2010. “Youth Employment in Crisis.” Discussion Paper No. 201, International Institute for Labour Studies.

Heathcoate, J., F. Perri and G. Violante. 2010. “Inequality in Times of Crisis: Lessons from the Past and a First Look at the Current Recession.” *VoxEU.org*, February 02.

Heltberg, R., N. Hossain, A. Reva and C. Turk. 2012. “Anatomy of Coping: Evidence from People Living through the Crises of 2008-11.” Policy Research Working Paper No. 5957, World Bank.

Horn, Z.E. 2011. *Coping with Crises: Lingering Recession, Rising Inflation and the Informal Workforce*. Manchester: Women in Informal Employment: Globalizing and Organizing (WIEGO).

Howell, D. 2005. “Fighting Unemployment: Why Labor Market ‘Reforms’ are Not the Answer.” CEPA Working Papers, The New School.

Institute of Development Studies. 2009. *Accounts of Crisis: Poor People’s Experiences of the Food, Fuel and Financial Crises in Five Countries*. Brighton: Institute of Development Studies (IDS).

ILO. 2012a. *Global Employment Trends 2012: Preventing a Deeper Jobs Crisis*. Geneva: ILO.

_____. 2011a. *Global Employment Trends for Youth: 2011 Update*. Geneva: ILO.

_____. 2011b. *The Impact of the Crisis on Wages in South-East Europe*. Budapest: ILO.

_____. 2011c. *Global Employment Trends 2011: The Challenge of a Jobs Recovery*. Geneva: ILO.

_____. 2011d. *Key Indicators of the Labour Market, 7th Edition*. Geneva: ILO.

_____. 2011e. *World of Work Report 2011: Making Markets Work for Jobs*. Geneva: ILO.

_____. 2011f. *Social Protection Floor for a Fair and Inclusive Globalization.* Report of the Social Protection Floor Advisory Group chaired by Michelle Bachelet. Geneva: ILO.

_____. 2011g. “Policy Options to Support Young Workers during Economic Recovery.” Policy Brief, ILO.

_____. 2010a. *Global Wage Report 2010/11: Wage Policies in Times of Crises*. Geneva: ILO.

_____. 2010b. *Accelerating a Job-Rich Recovery in G20 Countries: Building on Experience*. Geneva: ILO.

_____. 2010c. *Global Employment Trends for Youth: Special Issue on the Impact of the Global Economic Crisis on Youth*. Geneva: ILO.

_____. 2010d. *World of Work Report 2010: From One Crisis to the Next?* Geneva: ILO.

_____. 2010e. “Republic of Korea’s Response to the Crisis.” G20 Country Brief on the Republic of Korea, ILO.

_____. 2010f. *Employment and Social Protection Policies from Crisis to Recovery and Beyond: A review of experience*. An ILO report to the G20 Labour and Employment Ministers Meeting, Washington, D.C., 20-21 April 2010. Geneva: ILO.

_____. 2009a. *Recovering from the Crisis: A Global Jobs Pact.* Geneva: ILO.

_____. 2009b. *Protecting People, Promoting Jobs: A Survey of Country Employment and Social Protection Policy Responses to the Global Economic Crisis in 54 Countries*. An ILO report to the G20 Leaders’ Summit, Pittsburgh, September 24-25. Geneva: ILO.

_____. 2009c. *Protecting People, Promoting Jobs: A Survey of Country Employment and Social Protection Policy Responses to the Global Economic Crisis in 54 Countries*. An ILO report to the G20 Leaders’ Summit, Pittsburgh, September 24-25. Geneva: ILO.

_____. 1999. *Decent Work*. Geneva: ILO.
Islam, I. and A. Chowdhury. 2012. "Full Employment and the Global Development Agenda: Going Beyond Lip Service." *VoxEU.org,* January 19.
_____. 2010a. "Fiscal Consolidation, Growth and Employment: What do we Know?" G-24 Policy Brief No. 57.
_____. 2010b. "The Fallacy of Austerity-based Fiscal Consolidation." G-24 Policy Brief No. 58.
Iverson, L. and S. Sabroe. 1988. "Participation in a Follow-up Study of Health among Unemployed and Employed People after a Company Closedown: Drop Outs and Selection Bias." *Journal of Epidemiology and Community Health* 42: 396-401.
Jackson, P. and P. Warr. 1987. "Mental Health of Unemployed Men in Different Parts of England and Wales." *British Medical Journal* 295: 525.
Linn, M., R. Sandifer and S. Stein. 1985. "Effects of Unemployment on Mental and Physical Health." *American Journal of Public Health* 75: 502-506.
Machin, S. and J. van Reenen. 2007. "Changes in Wage Inequality." Special Paper No. 18, London School of Economics.
Mattiasson, I., F. Lindgarde, J. Nilsson and T. Theorell. 1990. "Threats of Unemployment and Cardiovascular Risk Factors: Longitudinal Study of Quality of Sleep and Serum Cholesterol Concentrations in Men Threatened with Redundancy." *British Medical Journal* 301: 461-466.
McLeod, D. and N. Lustig. 2011. "Inequality and Poverty under Latin America's New Left Regimes." Tulane Economics Working Paper Series No. 1117.
Moser, K., P. Goldblatt, A. Fox and D. Jones. 1990. "Unemployment and Mortality." In P. Goldblatt (ed.), *Longitudinal Study: Mortality and Social Organisation*. London: OPCS.
_____. 1987. "Unemployment and Mortality: Comparison of the 1971 and 1981 Longitudinal Study Census Samples." *British Medical Journal* 1: 86-90.
Ocampo, J.A. and K.S. Jomo (eds.). 2007. *Toward Full and Decent Employment*. London and New York: Zed Books.
OECD. 2008. *Growing Unequal? Income Distribution and Poverty in OECD Countries*. Paris: OECD.
_____. 2000. "International Trade and Core Labour Standards." Policy Brief, OECD.
Ortiz, I. 2008. "Social Policy." In *National Development Strategies, Policy Notes*. New York: United Nations.
Ortiz, I., G. Fajth, J. Yablonski and A. Rabi. 2010. "Social Protection: Accelerating the MDGs with Equity." UNICEF Social and Economic Policy Brief, UNICEF.
Ortiz, I. and M. Cummins (eds.). 2012. *A Recovery for All: Rethinking Socio-Economic Policies for Children and Poor Households.* New York: UNICEF.
_____. 2011. "Global Inequality: Beyond the Bottom Billion – A Rapid Review of Income Distribution in 141 Countries." Social and Economic Policy Working Paper, UNICEF.
Ortiz, I., J. Chai and M. Cummins. 2011a. "Austerity Measures Threaten Children and Poor Households – Recent Evidence in Public Expenditures from 128 Developing Countries." Social and Economic Policy Working Paper, UNICEF.
_____. 2011b. "Escalating Food Prices: The Threat to Poor Households and Policies to Safeguard a Recovery for All." Social and Economic Policy Working Paper, UNICEF.
Palley, T. 1999. "The Myth of Labor Market Flexibility and the Costs of Bad Macroeconomic Policy: U.S. and European Unemployment Explained." In S. Lang, M. Mayer, and C. Scherr (eds.), *Jobswunder U.S.A.*. Munster: Westfalisches Dampfboot.
Patel, M. and S. Thapa. 2010. *Impact of the Global Economic Crisis on Children: UNICEF Update on Real-time Monitoring Efforts in East Asia and the Pacific Islands*. Bangkok: UNICEF.
Platt, S. 1984. "Unemployment and Suicidal Behaviour: A Review of the Literature." *Social Science and Medicine* 19(2): 93-115.

Pollin, R., G. Epstein and J. Heintz. 2008. “Pro-Growth Alternatives for Monetary and Financial Policies in Sub-Saharan Africa.” Policy Research Brief No. 6, UNDP International Poverty Centre.

Raihan, S. 2009. *Impact of Food Price Rise on School Enrolment and Dropout in the Poor and Vulnerable Households in Selected Areas of Bangladesh*. Dhaka: United Kingdom Department for International Development (DFID).

Reyes, C., A. Sorbrevinas and J. Jesus. 2010. “Impacts of the Global Financial Crisis on Poverty in the Philippines.” Paper presented at 8th Poverty and Economic Policy (PEP) Research Network General Meeting in Dakar, Senegal.

Rodgers, G. 2007. “Labour Market Flexibility and Decent Work.” UN-DESA Working Paper No. 47, UN-DESA.

Samuels, F., M. Gavrilovic, C. Harper and M. Niño-Zarazúa. 2011. *Food, Finance and Fuel: The Impacts of the Triple F Crisis in Nigeria, with a Particular Focus on Women and Children – Adamawa State Focus*. London: Overseas Development Institute.

Scarpetta, S., A. Sonnet and T. Manfredi. 2010. “Rising Youth Unemployment during the Crisis: How to prevent negative long-term consequences on a generation.” Social, Employment and Migration Paper No. 106, OECD.

Self-Employed Women’s Association. 2009. *Financial Crisis Based on Experiences of SEWA*. Gujarat: Self-Employed Women’s Association (SEWA).

Sigurdsen, P., S. Berger and J. Heymann. 2011. “The Effects of Economic Crises on Families Caring for Children: Understanding and Reducing Long-term Consequences.” *Development Policy Review* 29(5): 547-64.

Standing, G. 2011. *The Precariat: The New Dangerous Class*. London: Bloomsbury.

Strully, K. 2009. “Job Loss and Health in the U.S. Labour Market.” *Demography* 46(2): 221-246.

UNCTAD. 2011. “On the Brink: Fiscal Austerity Threatens a Global Recession.” Policy Brief No. 24, UNCTAD.

UNDP. 2010. *Poverty and Social Impact Analysis of the Global Economic Crisis: Synthesis Report of 18 Country Studies*. New York: UNDP.

United Nations. 2012a. *World Economic Situation and Prospects 2012*. New York: United Nations.

_____. 2011a. *World Population Prospects: The 2010 Revision*. New York: United Nations.

_____. 2011b. *The Global Social Crisis: Report on the World Social Situation 2011*. New York: United Nations.

_____. 2010. *Keeping the Promise: United to Achieve the Millennium Development Goals*. New York: United Nations.

_____. 2009. *The Reactions of the Governments of the Americas to the International crisis: An overview of policy measures up to June 30*. Santiago: ECLAC.

_____. 2008. *National Development Strategies, Policy Notes*. New York: United Nations.

UNRISD. 2010. *Combating Poverty and Inequality: Structural Change, Social Policy and Politics*. Geneva: UNRISD.

Van der Hoeven, R. 2010. “Labour Markets Trends, Financial Globalization and the Current Crisis in Developing Countries.” UN-DESA Working Paper No. 99, UN-DESA.

Verick, S. 2010. “Unravelling the Impact of the Global Financial Crisis on the South African Labour Market.” Employment Working Paper No. 48, ILO.

Wachter, T., J. Song and J. Manchester. 2009. “Long-term Earnings Losses due to Job Separation during the 1982 Recession: An Analysis Using Longitudinal Administrative Data from 1974 to 2004.” Department of Economics Discussion Paper No. 0708-16, Columbia University.

Weeks, J. and T. McKinley. 2007. “The Macroeconomic Implications of MDG-Based Strategies in Sub-Saharan Africa.” Policy Research Brief No. 4, UNDP International Poverty Centre.

World Bank. 2011. *The Jobs Crisis: Household and Government Responses to the Great Recession in Eastern Europe and Central Asia*. Washington, D.C.: World Bank.

Annex 1. Youth Bulge Peak Years in 180 Countries

Methodology Note: A number of countries have experienced—or are expected to experience—more than one youth bulge between 1950 and 2050. To cite some examples, this list includes Armenia, Bahrain, Bangladesh, Belarus, the Gambia, Jamaica, Russian Federation, Spain, Timor-Leste, Tonga, Turkey, Vietnam and Zambia, among others. In these special cases, the year reported in the table below reflects the most recent occurrence, or the next expected occurrence, of the youth bulge, and not the prior youth bulge.

Country	Year	Country	Year
Zambia	2036	Jordan	1993
Uganda	2029	Myanmar	1992
Benin	2028	Mexico	1991
Tonga	2025	Spain	1989
Chad	2025	Ecuador	1989
Guinea	2025	Indonesia	1989
Sierra Leone	2025	China	1988
Mozambique	2023	Panama	1987
Angola	2022	Peru	1986
Gambia	2020	Cuba	1985
Congo, Dem. Rep. of	2020	Lebanon	1985
Afghanistan	2019	St. Vincent and Grenadines	1985
Sudan	2019	Thailand	1985
Guyana	2018	Austria	1984
Timor-Leste	2016	Colombia	1984
Madagascar	2016	Germany	1984
Jamaica	2015	Mauritius	1984
Ethiopia	2015	United Kingdom	1984
Guatemala	2015	Equatorial Guinea	1983
Nepal	2015	French Guiana	1983
Palestine (OPT)	2014	Grenada	1983
El Salvador	2013	Samoa	1983
Bolivia	2012	Venezuela	1983
Namibia	2012	Saint Lucia	1982
Lao PDR	2011	Suriname	1982
Malawi	2011	Bahamas	1981
Belize	2010	Belgium	1981
Central African Republic	2010	Chile	1981
Gabon	2010	Dominican Republic	1981
Honduras	2010	Ireland	1981
Kyrgyzstan	2010	Malaysia	1981
Swaziland	2010	New Zealand	1981
Tajikistan	2010	Albania	1980
Cape Verde	2009	Aruba	1980
Djibouti	2009	Brazil	1980
Turkmenistan	2009	Costa Rica	1980
Uzbekistan	2009	Trinidad and Tobago	1980
Burundi	2008	Tunisia	1980
Pakistan	2008	Australia	1979
Yemen	2008	Barbados	1979

Country	Year	Country	Year
Bahrain	2007	Brunei Darussalam	1979
Azerbaijan	2007	Canada	1979
Lesotho	2007	Cyprus	1979
Maldives	2007	Korea, Republic of	1979
Oman	2007	Sri Lanka	1979
Cambodia	2006	Iceland	1978
Mongolia	2006	Singapore	1978
Russian Federation	2005	United States	1978
Belarus	2005	Bosnia and Herzegovina	1976
Armenia	2005	India	1976
Vietnam	2005	Philippines	1976
Bhutan	2005	Moldova	1976
Botswana	2005	Fiji	1975
Cameroon	2005	Slovakia	1974
Haiti	2005	Poland	1973
Iran	2005	Hungary	1972
Micronesia (Fed. States of)	2005	Macedonia, FYR	1972
Paraguay	2005	United Arab Emirates	1972
Rwanda	2005	France	1971
Senegal	2005	Guinea-Bissau	1971
Togo	2005	Israel	1971
Vanuatu	2005	Czech Republic	1969
Zimbabwe	2005	Finland	1969
Egypt	2004	Norway	1969
Kenya	2004	Netherlands	1968
South Africa	2004	Qatar	1967
Bangladesh	2003	Denmark	1966
Algeria	2002	Japan	1966
Nicaragua	2002	Sweden	1966
Tanzania	2002	Switzerland	1965
Ghana	2001	Niger	1960
Morocco	2001	Korea, DPR	1957
Burkina Faso	2000	Kuwait	1956
Comoros	2000	Kazakhstan	1954
Côte d'Ivoire	2000	Montenegro	1954
Liberia	2000	Ukraine	1954
Libya	2000	Estonia	1953
Nigeria	2000	Latvia	1953
São Tomé and Príncipe	2000	Georgia	1952
Syria	2000	Greece	1951
Turkey	1999	Lithuania	1951
Mali	1999	Argentina	1950
Saudi Arabia	1999	Bulgaria	1950
Congo, Republic of	1998	Croatia	1950
Eritrea	1997	Italy	1950
Mauritania	1997	Luxembourg	1950
Solomon Islands	1996	Portugal	1950
Somalia	1995	Serbia	1950
Iraq	1994	Slovenia	1950
Papua New Guinea	1994	Uruguay	1950

Source: Authors' calculations based on United Nation's *World Population Prospects: The 2010 Revision* (2011), medium variant projections

Annex 2. Adult and Youth Employment-to-Population Ratios in 169 Countries, 2010

Country	Adult (15+)	Youth (15-24)	Country	Adult (15+)	Youth (15-24)
Afghanistan	45.1	30.7	Kuwait	66.2	31.1
Albania	51.8	36.3	Kyrgyzstan	60.5	40.1
Algeria	38.6	21.8	Lao PDR	77.0	62.0
Angola	64.4	45.7	Latvia	48.7	27.3
Argentina	56.1	33.8	Lebanon	41.7	22.8
Armenia	41.2	18.0	Lesotho	47.2	28.0
Australia	62.1	60.7	Liberia	58.6	33.3
Austria	57.9	53.7	Libya	49.2	28.9
Azerbaijan	60.3	30.8	Lithuania	47.9	19.6
Bahamas	64.2	39.5	Luxembourg	54.6	21.5
Bahrain	64.9	32.3	Macedonia, FYR	37.9	15.4
Bangladesh	67.9	53.3	Madagascar	83.9	71.1
Barbados	64.7	45.8	Malawi	76.8	51.4
Belarus	50.1	30.5	Malaysia	58.5	35.1
Belgium	49.5	25.2	Maldives	57.2	43.0
Belize	59.3	44.7	Mali	48.3	35.7
Benin	72.1	56.5	Martinique	37.4	10.2
Bhutan	68.4	41.9	Mauritius	54.9	31.4
Bolivia	68.5	49.4	Mexico	58.4	43.1
Bosnia	35.1	16.6	Moldova	38.0	18.0
Botswana	63.4	41.4	Mongolia	56.9	31.7
Brazil	64.8	53.1	Morocco	45.0	29.9
Brunei Darussalam	63.3	41.0	Mozambique	78.3	57.3
Bulgaria	48.5	24.2	Myanmar	75.7	52.5
Burkina Faso	81.1	73.0	Namibia	40.0	10.7
Burundi	76.5	56.4	Nepal	82.2	73.3
Cambodia	81.4	70.2	Netherlands	61.9	62.8
Cameroon	67.5	43.4	New Zealand	63.2	50.1
Canada	61.3	54.8	Nicaragua	59.7	45.9
Cape Verde	61.2	51.8	Niger	61.3	52.8
Central Afr. Rep	72.7	54.3	Nigeria	51.4	32.4
Chad	66.7	49.1	Norway	63.5	51.6
Chile	55.4	31.0	Palestine (OPT)	30.7	15.9
China	71.1	56.5	Oman	54.9	31.6
Colombia	59.2	34.5	Pakistan	50.5	40.9
Comoros	53.4	34.3	Panama	61.7	42.1
Congo, Dem. Rep. of	66.1	39.4	Papua New Guinea	70.5	54.4
Congo, Republic of	65.5	39.0	Paraguay	68.5	57.3
Costa Rica	59.7	42.4	Peru	71.1	55.1
Côte d'Ivoire	64.2	47.9	Philippines	59.6	39.1
Croatia	46.3	25.1	Poland	50.5	27
Cuba	55.7	40.2	Portugal	55.3	28.7
Cyprus	60.4	34.3	Qatar	85.8	65.9
Czech Republic	54.2	24.6	Romania	51.9	24.4
Denmark	59.8	58.2	Russian Fed.	58.0	36.4
Dominican Republic	55.5	37.3	Rwanda	85.3	73.0
East Timor	54.4	40.5	Saudi Arabia	47.3	11.5
Ecuador	63.8	43.8	Senegal	69.2	57.1

Country	Adult (15+)	Youth (15-24)	Country	Adult (15+)	Youth (15-24)
Egypt	44.2	24.8	Sierra Leone	65.3	41.9
El Salvador	57.4	42.3	Singapore	63.1	34.0
Equatorial Guinea	80.1	65.7	Slovakia	50.6	20.7
Eritrea	77.9	66.9	Slovenia	54.7	33.5
Estonia	51.1	26.5	Solomon Islands	64.4	45.0
Ethiopia	79.5	71.2	Somalia	52.6	39.0
Fiji	57.0	40.1	South Africa	39.1	13.0
Finland	55.2	40.4	Spain	47.4	25.4
France	51.2	31.1	Sri Lanka	52.2	30.1
Gabon	50.3	14.7	Sudan	48.6	27.0
Gambia	71.5	55.8	Suriname	47.2	19.4
Georgia	53.5	20.1	Swaziland	43.7	25.8
Germany	55.4	47.2	Sweden	58.4	38.4
Ghana	66.8	36.2	Switzerland	64.9	61.4
Greece	47.7	21.2	Syria	38.8	24.1
Guatemala	65.3	57.5	Taiwan	55.0	25.3
Guinea	69.5	51.7	Tajikistan	58.1	37.7
Guinea-Bissau	67.5	47.8	Tanzania	78.9	69.1
Guyana	53.4	34.8	Thailand	71.0	45.9
Haiti	59.7	29.3	Togo	74.6	57.3
Honduras	60.3	46.5	Trinidad and Tobago	62.8	48.0
Hungary	45.0	18.4	Tunisia	40.7	22.7
Iceland	68.8	56.5	Turkey	43.6	31.6
India	53.6	33.9	Turkmenistan	54.0	35.2
Indonesia	62.6	39.9	Uganda	74.6	55.4
Iran	39.8	24.0	Ukraine	54.1	33.5
Iraq	33.5	16.9	United Arab Emirates	75.9	43.1
Ireland	52.2	31.3	United Kingdom	57.1	47.6
Israel	53.5	27.3	United States	57.5	41.6
Italy	44.3	20.3	Uruguay	61.1	44.1
Jamaica	55.9	24.9	Uzbekistan	54.0	35.4
Japan	57.3	38.9	Venezuela	61.0	39.7
Jordan	36.0	19.5	Vietnam	75.2	58.2
Kazakhstan	67.2	44.3	Yemen	41.5	26.5
Kenya	60.1	32.5	Zambia	66.9	51.2
Korea, Democratic Republic	74.0	56.5	Zimbabwe	82.6	73.2
Korea, Republic of	58.0	23.8			

Source: ILO's *LABOURSTA* (2012)