

<b>Forum:</b>	United Nations Economic and Social Council
<b>Issue:</b>	Development of National and International Regulations for Youth work and Entrepreneurship
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## Introduction

Unemployment rates for youth have consistently been higher than that of adults for all countries; youth around the world are around three times more susceptible to unemployment than are adults. As of 2018, 13.23% of youth who were seeking jobs were registered as unemployed — this amounts to around 73 million people. The concerning difficulty of entering the workforce has existed for decades, but with the growing use of technology and the rapidly rising global population size, the number of jobs available for youths relative to those hoping to enter the workforce has been decreasing accordingly.

It should come as no surprise that education is a key factor to the unemployment of youths. In terms of entering the workforce, the odds seem to be stacked against their favor. Because of the common regulations put in place to protect employees, employers tend to hire sparingly so as to avoid any complications after the fact. A quality education certainly serves as a starting point, but even this does not guarantee employment after graduation. Most education systems, however, are also not tailored towards a specific profession, and thus the ability of the youths to obtain the specialized skills that are often necessary to secure employment in this economic state is very much limited.

On top of these issues, unemployment is far from the only problem, as these numbers extend only to the official definition of unemployed persons, which covers only people who are looking for work. There is another onslaught of youth who are what is known as “not in education, employment, or training” (NEET). These youth are idle for a number of reasons, including finances and cultural values, and number up to 620 million. Even these youth can be economically inactive, though — as of 2018, only 37% of NEETs in the United Kingdom were looking for work and therefore classified as unemployed. The full magnitude of the crisis is thus far greater than the numbers may imply.

As a potential solution to the youth unemployment crisis, many have suggested the fostering of entrepreneurship within young minds, in the hopes that through this they can break out of their dependence on the needs of the labor market and proactively help to shape the economy and workforce of the future. The reasoning behind this is essentially that if youth are able to create their own jobs, they

can be self-sufficient in this aspect and not have to depend on their ability to meet the standards of the existing job market.

## Definition of Key Terms

### Youth

For statistical intents and purposes, a youth as defined by the United Nations is a person between the ages 15 and 24. In context, however, the term is used to refer to any person who is past the age of mandatory education in their country, and before employment. (The youth unemployment crisis thus complicates this age range a little.)

### Unemployed

Someone who is unemployed is actively seeking and available for a job, but unable to secure one.

### Entrepreneurship

Entrepreneurship is a rather vague term in itself, but in the most fixed sense it is used to describe the act of beginning and operating a business — whether this be a startup, an enterprise, or something of the sort. However, people have also begun taking the word to mean the ability to innovate, or the ability to enact one's ideas. Entrepreneurship is notably less popular amongst youths, with only 23% of small businesses around the world owned by people under 25.

### Types of learning

Formal learning or education takes place in a venue specifically designed for that purpose, with qualified educators teaching. Non-formal learning is voluntary and occurs in places that are not officially designated for education, potentially with volunteers from NGOs or the like to facilitate their learning. Informal learning is education that the learner may not be aware of, that takes place in the context of everyday life.

### NEET

A NEET is someone who is neither in employment nor in education and training. Differently from simple unemployment, NEET extends to those who are not seeking employment, and thus is very applicable in outlining the issue at hand. A NEET can be in informal training of some kind.

## Background Information

### Youth in the workforce

Youth unemployment or idleness is the main issue we are trying to tackle. Where unemployment may be inefficient economically, youth unemployment suggests lost human capital, as well as instability for the future economy. Idle youth also means governments are losing money in benefits and tax revenue. To bring into perspective the weight of the situation, youth constitute up to nearly a third of countries' populations. Addressing this issue in its entirety thus not only aids in the more direct consequences of youth unemployment, but also a plethora of broader economic effects.

### Causes

The baseline (and perhaps most obvious) reason youth are unable to find employment is lack of education. Whether this be the lack of secondary or higher level education in general or the lack of specific, profession-tailored education varies. School attendance rates generally decrease as populations approach tertiary or higher education, the most common way of obtaining the competencies necessary for the workforce. These rates are generally higher for boys than for girls. The youth employment rates correspond accordingly.

In addition to this, a large portion of the youth population is subject to vulnerable employment. In effect this refers to work that is unstable — this includes easy termination of employment, fluctuating wages, and the like. Youth are also prone to temporary or seasonal work with short contracts that can leave them unsupported. A frequent and recurrent example of this is internships. Internships have perpetually been attractive to youth for their reputation of supplying them with work experience, whereas in reality, they consist of menial work that provide the youth neither practical skills to enter the workforce nor a guarantee of future employment. In essence, by and large much of the inability of youth to enter and remain in the workforce is tied to the difficulty they have with entering the formal sector.

### NEETs

The growing population of NEETs is concerning to a similar effect. Youth who repeatedly partake in truancy or disruptive behavior while in education or training have been shown to make up a substantial quantity of NEETs. A major facet of the problem is that many are not currently looking for work. This is for a variety of reasons, the least of which include unemployment benefit in respective countries or financial support from parents or relatives. Many never completed a high school education. The implications of this are grave: the NEET population has been shown to correlate with numerous more extensive social issues, such as teenage pregnancy and even crime rates. Especially in areas of high crime, these youth contribute immensely to the growth of crime. In particular, in Iberia and Latin

America, NEETs often play a part in the issue of drug trafficking, choosing to join cartels instead of entering the workforce or train to do so.

## Bias

One major reason youths face unemployment is because of the general bias that employers have. Most youths do not have as much experience as middle-aged people, and are often at a disadvantage when applying for a job. Employers insist that their jobs are extremely experience reliant, and would therefore need somebody that has already had enough experience to fulfill their needs. While this is true for certain jobs, this can cause youth to be excluded from the workplace. When regulations are implemented, there is often backlash from employers who wish to hire more experienced workers. Employers often claim that by implementing regulations that force them to hire youths will cause clients to avoid coming to their business in favor of being serviced by more experienced people.

## Incompetence

More than half of all businesses started by youths fail within the first four years. One of the leading causes of the business failures is incompetence at managing an enterprise. This may include be lack of experience in dealing with customers, funding issues, as well as solving frauds and scams. The incompetence that most youths show at starting and managing their own business is where the lack of experience is exemplified.

## Major Countries and Organizations Involved

### South Africa

South Africa has among the highest rate of youth unemployment in the world, with 53.8% of youth being unemployed as of 2018. As President Cyril Ramaphosa proclaimed, “[their] most grave and most pressing challenge is youth unemployment.” In recent years, the percentage of formal employees has steadily decreased; meanwhile, the percentage of those in vulnerable or temporary employment rose. A major cause for this may be the unfittingly generous social pension program and reservation wages in the country. South Africa has taken great strides to remedy this ever-increasing problem, with several initiatives aimed at rising to the occasion — some examples are the National Youth Policy 2015-2020 (NYP 2020), the Expanded Public Works Programme (EPWP), and the Employment Tax Incentive (ETI). Many of their attempts to address this issue involve the promotion of entrepreneurship.

### United Kingdom

The United Kingdom has seen significant improvement in youth unemployment, going from a high of 21.3% in 2011 to 11.1% in 2018. The number of inactive youth has also decreased, with 37.3%. In past years, the issue has been very prevalent there — in fact, the term NEET originated in the UK. Many credit the London Riots in 2011 for increased rates around that time (although this may be one of them, there are a plethora of other factors in play in this case). A few key initiatives for the UK include the Understanding Finance for Business initiative, the Seed Enterprise Investment Scheme, and the StartUp Loans Scheme, all of which are tailored towards the fostering and encouragement of entrepreneurship.

## Costa Rica

Costa Rica currently has the highest NEET rates in the world. As of 2018, these rates are about 40% more than the country with the second highest NEET rate, and over 200% more than the global NEET rate. Costa Rica's NEET rates have increased since 2014, going from about 14% to 18%. The rising NEET rate is one of the few reasons Costa Rica's economy has been stagnating for the past few years.

## International Youth Foundation

The International Youth Foundation is one the world's biggest and most influential organizations that protect the rights of youths. They have promoted youths to employers, provided internship opportunities, and have promoted the rights of young women in the workplace.

## Initiatives and organizations for youth unemployment

Initiatives and organizations that address youth unemployment are plenty. However, due to the fact that the topic is very specific to each individual country and the situation there respectively, they remain mainly within political borders, with national initiatives that take into account the economic and social conditions in their state.

## Relevant UN Resolutions and Treaties

- General Assembly Resolution on the International Youth Year, 1978 (A/RES/33/7)
- General Assembly Resolution on the International Youth Year: Participation, Development, Peace, 1982 (A/RES/37/48)
- General Assembly resolution on Policies and Programmes Involving Youth, 1997 (A/RES/52/83)
- General Assembly resolution on Promoting Youth Employment, 2001 (A/RES/57/165)

- General Assembly Resolution on tenth anniversary of WPAY, 2004 (A/RES/59/148)
- General Assembly Resolution on Proclamation of 2010 as International Year of Youth:
- Dialogue and Mutual Understanding, 2009, A/RES/64/134
- Outcome document of the High-level Meeting of the General Assembly on Youth:
- Dialogue and Mutual Understanding, 2011, A/RES/65/312
- General Assembly Resolution on World Youth Skills Day, 2014, A/RES/69/145

## Possible Solutions

The first step to ameliorating the situation is suitable education for youth. While it remains important to maintain a foundation of literacy and numeracy, **delving into skills-based or entrepreneurial training earlier in the education system** would be greatly beneficial to the ability of youth to enter the workforce. Member nations may integrate this into national regulations regarding the requirements for education. An important facet to take into account is that the net may be cast too wide for extensive support; states may consider **conducting talent or interest searches** on top of the base education for all in order to provide more comprehensive resources to a target audience. This could also be applied to address the substantial gender gap for youth unemployment. In terms of education later on in the process, member states may consider **mentorship programs for beginning entrepreneurs**. A couple examples along this line of thought you might want to look further into are the Entrepreneur Mentor Corps (USA) and Fundación Impulsar (Argentina).

It is also crucial to provide youth with the funds and resources needed to begin a startup or enterprise. Banks are generally low-risk lenders and young entrepreneurs in particular have lots of trouble getting money in this way, so **securing funding for young entrepreneurs to draw upon** is a reasonable course of action. This can be done a multitude of ways, including providing incentives for venture capitalists to invest in startups and making accelerators and incubators more copious and accessible. It would also be valuable to allocate government funds (especially considering the extent to which these youth would contribute and give back to the country and its economy). It is equally important to maintain interest in entrepreneurship and to encourage youths to want to invest their time in it — **tax incentives** or the like may be useful solutions in this regard.

That being said, banks remain important as a reliable and consistent source of money, and may be more dependable in certain situations. Member nations may thus consider **requiring a new category of credit for small or medium sized enterprises, startups, and young entrepreneurs**.

Finally, global mobility is an incredibly prevalent aspect of youth employment. Around half of youth surveyed for a study stated that they were seriously considering emigrating in order to find work. While this may be seen by some as loss of talent nationally, an international network would be beneficial overall — both for the individual (being able then to seek employment in an optimal environment) and for the global economy. Governments can do so by **relaxing visa restrictions** for aspiring or beginning young entrepreneurs, or by **creating an entrepreneur’s visa**. For examples of this, consider drawing from the entrepreneur visas of France and the United Kingdom. For the benefit of respective states, they may choose to incentivize top students with entrepreneurial inclinations to stay in the country on top of this to account for any potential national loss.

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