

TACKLING YOUTH UNEMPLOYMENT THROUGH TVET

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Introduction

Despite sizeable gains in educational access and attainment across the world over the past decade, global youth employment rates have fallen and young people are now three times more likely than adults to be unemployed (ILO, 2012). In some regions – notably the Middle East and North Africa – more than 26% of young people could not find jobs in 2011, and in several countries – Greece, Spain and the Former Yugoslav Republic of Macedonia – the youth unemployment rate now exceeds 50%. Unemployment figures in many cases underestimate the full scale of the problem, since there are issues of disengagement and discouragement associated with a lack of decent employment opportunities. It is estimated that the youth unemployment rate in Ireland would have reached 47% in 2010 – that is, 19 percentage points higher than the official rate – if young people who were ‘hiding out’ in the education system or idly waiting at home for job prospects to improve had instead spent their time actively seeking work (ILO, 2012: 8-9).

One of the main reasons for high youth unemployment across the world is a growing mismatch between the supply and demand for skills, which is disproportionately affecting young people in developing countries. The specific nature of the skills mismatch varies by country, but in each case there is a need for rebalancing:

- In some countries, there is an excess supply of skilled workers but a shortage of skilled jobs. In Egypt, slow economic growth has meant that not enough jobs are being generated to employ the 750,000 new entrants to the labour market each year, including 200,000 university graduates (Tashima, 2013). As a result, 70% of Egypt’s unemployed are between 15 and 29 years of age, and 60% have a university degree.
- In other countries, there are skills shortages in some sectors but high unemployment in others. Across sub-Saharan Africa, there is an oversupply of social science and business graduates but a low number of graduates able to fill high vacancies in agri-business or engineering (African Economic Outlook, 2012).
- In some countries, young people – even those with higher levels of education – lack the cognitive, non-cognitive and technical skills that employers demand and therefore do not get hired. A recent survey across nine countries (Brazil, Germany, India, Mexico, Morocco, Turkey, Saudi Arabia, the United Kingdom, and the United States) found that 57% of employers had difficulties finding sufficiently skilled workers to fill entry-level positions at their firm (Mourshed et al, 2013: 11). As a result, midsize firms (between 50 to 500 employees) had an average of 13 unfilled entry-level vacancies, while large firms had 27 (ibid, p. 44).
- In other countries, skilled young workers remain wilfully unemployed in the hope of obtaining jobs in the shrinking public sector. In Tunisia, university graduates remain unemployed for an average of 28 months as they ‘queue’ for government positions (Stampini and Verdier-Chouchane, 2011: 13).

- In many countries, young people lack basic foundational skills and therefore have difficulties finding decent jobs or becoming self-employed. In 23 sub-Saharan African countries, at least half of young people aged 15-19 lack basic literacy and numeracy skills because they never attended school or they dropped out early (UNESCO, 2012: 179). In OECD countries, unemployment among young people who have not completed secondary schooling is nearly twice as high as among those with tertiary degrees (Scarpetta and Sonnet, 2012: 8).

These problems limit the contribution that young people can make and leads to their economic and social marginalisation. Since young people comprise a large and growing proportion of the world's working-age population, their employment prospects affect future economic growth, both in their countries and globally.

Technical and vocational education and training (TVET) is widely recognised as having a key role to play in tackling youth unemployment. TVET's orientation towards the world of work and the acquisition of employable skills means that it is well placed to overcome the skills mismatch issues that have impeded smooth education to employment transitions for many young people. Recent evidence suggests that TVET yields higher returns than either general secondary education or higher education, mainly because its focus is on providing work-relevant skills (Kuepie et al, 2009: 505; Herschbach, 2009: 947). Countries with embedded systems of vocational training and apprenticeships, such as Austria and Germany, have been successful in maintaining low youth unemployment rates (Biavaschi et al, 2012: 12). This would explain the current global trend towards expanding TVET provision and incorporating TVET into general education curricula.

However, to have a significant effect on youth employment outcomes in an era of rapid technological change and globalisation, TVET institutions will need to undergo a major transformation. What would this look like in practice? What would be the role of the private sector in contributing to improved TVET quality and access? What changes would need to be made in terms of programme offerings? How would TVET providers ensure that their services are relevant and forward-looking? In what ways would TVET structures and processes need to alter to support these objectives?

The design and implementation of specific youth-focused TVET programmes will ultimately be determined by knowledge of 'what works'. Unfortunately, there is currently little evidence-based research and data on past interventions that have succeeded in helping young people to find jobs. A review of the World Bank's Youth Employment Inventory showed that less than 10% of all active labour market programmes targeting young people had been evaluated in terms of net impact and cost – and that nearly all of these evaluations took place in OECD countries (Betcherman et al, 2007: 28). Similar findings emerged from a recent study of training programmes across 90 countries: only one-third were subject to any kind of evaluation, and only 9% – mainly in OECD countries – measured net impact and cost (Fares and Puerto, 2009). A stronger evidence base is therefore needed to guide future TVET policy.

Main questions for discussion

- What is your experience of youth-focused TVET, and what features – both in terms of programme design and external support mechanisms – do you think determine their success or failure in promoting youth employment?
- What are the main challenges that TVET providers face in accessing accurate labour market intelligence, and what can TVET institutions do to improve their knowledge of the skills market?
- What are the main impediments to widening TVET access and participation by disadvantaged (and often hard-to-reach) groups, and how can these problems be overcome?
- What can TVET providers do to smooth education-to-employment transitions, and what is the role of career guidance and/or ‘transferrable skills’ in aiding these transitions?
- In countries with slow job growth, entrepreneurship is often viewed as the main route to tackling youth unemployment. What are the opportunities and challenges related to teaching entrepreneurship skills in TVET, and what features do entrepreneurship programmes have to have in order to achieve their aims?

Structure of the discussion

During the introductory phase, participants will be asked to share their knowledge, experience, practices, research and ideas regarding youth-focused TVET and the features that may determine their success or failure in promoting youth employment.

In the second phase, sub-discussions will take place on the other main questions – skills forecasting, widening TVET access/participation, smoothing education-to-employment transitions and teaching entrepreneurship skills in TVET in developing, transition and developed countries. Here members will be asked to share their practices, research, knowledge and innovations.

During the final phase, members will contribute to summarising the main ideas and developing working tasks. These will be compiled into an information tool for TVET trainers and experts.

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