BACKGROUND PAPER:

UNESCO2

Youth Unemployment in Developing Countries
(Specifically Africa/India/Russia)

Introduction:

In today’s modern global economy, unemployment is a serious issue that affects the livelihoods and qualities of life of an estimated 8.4% of the world’s labor force. Youth unemployment in particular is the most damaging type of unemployment, as it affects young adults under 25 who are just beginning to enter the workforce, and can leave a serious impact on a person’s ability to find and retain work later in life. Young people make up 40% of all the unemployed people in the world. Up to two-thirds of working age youth in certain developing countries are unemployed or working in low-quality jobs.

Background & History:

The economies of developing nations such as Africa, India, Russia were all affected by the global financial recession of 2008, and saw reductions in net GDP across the board. Additionally, high population growth in regions such as North and Sub-Saharan Africa have led to a larger proportion of youth entering the labor market, contributing to higher rates of youth unemployment. Africa defines youth population a bit differently than the UN, which counts people ages 25 and under as the youth, while African countries count from people as young as 15 to mid thirties. Africa has the largest youth population of any continent, which makes youth unemployment particularly problematic. In India, 50% of the population is 25 or younger, while more than 65% is below the age of 35.

Current Situation:

India’s population contains the largest percentage of young people in Asia, at 19% of the total population. More than half of India’s population is under the age of 25. Around 10% of this youth population is unemployed. However, 32.7% of India’s population lives in poverty, and many of them are youth. India has a high mortality rate, and to meet it’s full economic potential, the nation must focus on improving the health and overall well-being of its youth. On the Human Development Indicator, India ranks 134 out of 187 countries. India also has to equip its youth with proper education and skills training, which it still has a ways to go, as the literacy rate is 74%. To mend this situation, in 2009 India passed the Right of Children to Free and Compulsory Education Act, which guarantees a basic education to every child. Since the passage of the act, 94% of children ages 6-14 are enrolled in school. However, since the implementation of the Act, the quality of education has declined. Also, to accommodate for the 300 million people that will join the workforce between 2010 and 2040, 10 million jobs a year will have to be created. India has also made some progress through its 2005 Mahatma Gandhi
National Rural Employment Guarantee Act, which guarantees 100 days of unskilled manual work to rural households. The act has had positive impacts on the country by increasing GDP and trade. The unfavorable economic conditions in India have had the largest effect upon the youth, for whom the unemployment rate is almost double the national average. The largest portion of unemployed youth is actually the middle-class, educated youth, not the poor, rural youth.

In Russia, the youth unemployment rate was said to be around 18% in 2010. The main cause of youth unemployment in Russia is said to be attributed to lower levels of human capital. The female youth unemployment rate is slightly higher than the male youth unemployment rate. Around 30% of Russian university graduates under 25 are unemployed. Anywhere from 65 to 70 percent of graduates are not able to find work directly after graduation. 25% of those who are employed do not have a contract, and so their employment is very volatile. More than 50 percent of young academics who work in the Russian public sector have second or even third jobs in order to make ends meet. Many Russians, since they do not have contracts, work as freelance workers.

At a flat rate of 11.9% in 2012 and 2013 compared to the current global average of 13.1%, Africa does not have high levels of youth unemployment. However, this figure varies greatly region to region. South Africa has youth unemployment levels of almost 50%, while Nigeria has 13% youth unemployment. As the youth population increases rapidly, new jobs must be created to employ the entering workforce. Despite a rise in primary school enrollment (60% in 2000 to 77% in 2011), 25% of African youth remain illiterate. Youth in Africa are twice as likely to be unemployed as their elders.

The Problem:

The youth unemployment rate is estimated to be around 10% nationwide. However, this rate varies widely based on state and gender. The unemployment rate for women is slightly higher than it is for men. However, the outlook for youth who are neither employed, looking for work, nor studying is much bleaker for women. 51% of women fall into this category, as opposed to 10% of men. While India does have a large youth population it could capitalize, the nation’s ability to reap the rewards of its huge demographic advantage is not guaranteed. A number of Latin American countries with the same demographic profile as Southeast Asia failed to achieve impressive economic outcomes is a cautionary tale for India. Youth unemployment is highest among recent graduates. Initiatives have been taken to help the rural poor, but little has been done for the educated middle-class. As a result, the Indian government will increasingly have to respond to the concerns of its burgeoning youth and middle class constituencies, both of which can be expected to become a political force to be reckoned with. India has already started to face problems that result from its disfranchised youth, and will continue to do so until better opportunities open up for them. If India cannot guarantee the well-being, development, and economic consequences caused by a marginalized and restless youth population.

In Russia, youth unemployment affects all youth, especially those who are educated. Many do not have a stable job, and nepotism runs rampant as more qualified workers are passed for those who have better connections or social or economical standing. Every fifth Russian graduate works as a freelancer, and this comes with its own risks. Many freelancers are cheated out of their pay, with 18% reporting that they either did not get paid in full or at all. Many
Russians feel like the government is not doing enough to curb youth unemployment, and this may lead to social instability in the future.

Africa does not have the long-term infrastructure and planning for sustainable growth of jobs for its youth population. Africa has the largest youth population of any continent, yet many of its youth lack even basic education or skills. Many of the skills the youth in African nations have cannot be applied to the jobs currently available. Initiatives are being taken to increase the amount of jobs, yet they are not enough to meet the increasing demand for jobs. Youth unemployment leads to disenchanted youth, which can cause social unrest. An example of this in North Africa is the Arab Spring. Countries in which the Arab Spring movements occurred had high levels of youth unemployment.

**Relevant Documents:**

Regional Overview of Youth Unemployment in Asia, *United Nations Youth*


Global Employment Trends for Youth, *International Labor Organization*

**Bloc Positions:**

Africa - The Africa bloc views youth unemployment as a major problem for its nations to overcome, in order to further economic growth and the revival of many parts of the continent. The bloc supports the creation of new jobs in order to lower the youth unemployment rate, and has resolved to utilize private sector resources to revitalize jobs for youth. The bloc has also made promises to address the issues of underemployment as well as unemployment.

Asia-Pacific - The Asia-Pacific bloc views youth unemployment as an important part of dealing with overall economic health. It recognizes that youth unemployment must be solved in order for member nations to make the leap from “developing country” to “developed country.” The bloc emphasizes government cooperation and understanding with youths, and wants to increase investment in the future and economic readiness of young people.

Eastern European - The Eastern European bloc enjoys relatively advanced economies, but is aware of the problem that youth unemployment poses to many of the nation’s now-stagnating economies. In particular, the bloc is concerned with skill mismatch in the economy for higher education graduates, which contributes significantly to youth unemployment. Gender disparity in employment is also prominent within the Eastern European bloc, and is another issue the bloc would like to address.
Latin America/Carribean - The Latin America bloc is concerned with the large education gap for youth looking for jobs, and would like to focus on skill mismatch in order to bring youth unemployment levels down in the region. Secondary education is an area that has seen the most trouble with employment in Latin America. Additionally, the bloc acknowledges the issues of labor market and social exclusion as factors towards long term youth unemployment, due to a lack of investment in skills and work experience by young people.

Western Europe - The Western European bloc has, for the most part, relatively low youth unemployment, yet recognizes the problems that youth unemployment causes in developing nations. Some Western European nations have faced high youth unemployment in recent years, and understand the ramifications of it. The bloc understands that reducing youth unemployment is key to economic and social prosperity, stability, and development. The bloc is willing to assist developing nations in curbing youth unemployment.

Committee Mission: To determine what, if any, government or economic intervention should be taken to combat youth unemployment in developing nations, especially India, Russia, and nations in Africa.

Questions to Consider:
1.) What types of policies, initiatives or laws does your country have in place regarding youth unemployment? How effective have they been?
2.) What is the youth unemployment rate of your country, as well as overall GDP, inflation, and unemployment rates?
3.) How is unemployment addressed in the government system of your country? Is there a central bank, or any similar bodies of authority?

Sources for Further Research:

http://thediplomat.com/2013/03/the-promise-and-peril-of-indias-youth-bulge

http://www.dw.de/young-educated-and-unemployed-in-russia/a-16635170