



Spaniard Vanessa Tuduri taking a break on the grounds of the University of Barcelona, which she used to attend.

HELP WANTED

When a young person is jobless, it also damages family, community, and country

Hyun-Sung Khang

VANESSA Tuduri was a 20-year-old student when the global financial crisis hit and her mother, who was helping pay for her studies, told her she would have to look elsewhere for financial support. Tuduri dropped out of university and joined the swelling ranks of young Spaniards looking for a job.

“We had dreams to grasp for, we wanted to eat the world up, we thought we would have everything, and then we were punched in the face by the crisis,” she says.

At its peak in mid-2013, youth unemployment in Spain exceeded 56 percent, according to the European Commission. Although

the country’s economy has recently experienced an uptick, youth unemployment has a long tail, and its effects will be felt for decades—not only by the individuals, but also by the societies in which they live.

The scale may be exceptional in Spain, but the phenomenon of high youth unemployment is found in every region, from the serried ranks of the young jobless in the resource-rich Middle East, through the less mobile, less skilled youth in rural sub-Saharan Africa, to the overqualified, underemployed young in low-end service jobs in crisis-hit Europe.

According to the International Labour Organization (ILO), in 2014 more than

73 million people between the ages of 15 and 24 were searching for work—14 percent of the age group, globally, from a low of 12.4 percent in 2007. The figure of over 70 million does not include groups such as discouraged workers, who have given up the job hunt—some estimate the true number to be up to three times higher.

Why worry?

Unemployment can be destructive to anyone's sense of identity and morale, but its effect on young people can be more pronounced, more pernicious, and more enduring.

“For young people starting out in the labor market for the first time, you would ideally want people to go from education straight into a job. The trouble with youth unemployment is that the young tend to be at the margins of hiring and firing,” says John Wadsworth, of the London School of Economics. When a firm decides to expand its workforce, it typically hires young recruits, but when it shrinks its workforce, it tends to fire them first.

As well as being at the sharp end of an economic slump, the young who enter the job market during a downturn can suffer effects that endure for decades. Research on young people who experienced long-term unemployment in the recession of the 1980s suggests that even now, in their 40s or 50s, they are more likely to be unemployed and—of those who have jobs—tend to be lower paid than their counterparts who didn't suffer an extended bout of joblessness.

“That means that when they retire, their pensions are going to be lower. It's an effect that affects the whole of their life,” says Richard Exell, of the Trades Union Congress in London.

Long-term prospects for the young can also be blighted when they must accept jobs for which they are overqualified. Henry Rivera Angulo, 20—who is originally from Ecuador but spent most of his formative years in Spain—began his job hunt two years ago with a high school education. He visited Barcelona Activa, a local government-backed agency with a mandate to attract businesses and jobs to the city, hoping for help with his job search. But, he concluded, “I saw that I was not the only one, that there were many people who are better qualified than I am, working as waiters.”

Hit first, and hardest

The causes of youth joblessness are varied, but some are common to all regions. Key among them is growth. In a contracting economy, the young are hit first and hardest: they are often the first to be fired. Once jobless, they can lack sufficient experience, skills, and networks to find alternative employment.

In any single country, youth unemployment is typically double the level of general unemployment. The two statistics often move in

tandem—and they are both overwhelmingly determined by economic growth, says Wadsworth.

“There is no way you can get any progress on youth unemployment, or unemployment in general, without having growth. All the evidence suggests that you need growth rates of over 2 percent before you make any inroads into unemployment,” says Wadsworth of the U.K. employment situation.

“Spain doesn't have a youth unemployment problem, it has a general unemployment problem,” says Pau Serracant

In a contracting economy, the young are hit first and hardest.

of the Universitat Autònoma de Barcelona in Spain. Tackling growth is the essential first step to resolving the unemployment problem, he believes.

Low growth, or even a contracting economy may be the single most important cause of high youth unemployment, but growth alone doesn't tell the whole story. In the United Kingdom, for example, young jobless numbers were rising even before the financial crisis. While those figures are now coming down, the length of time out of work is growing. In most Organisation for Economic Co-operation and



Henry Rivera Angulo and his girlfriend, Elizabet de Miguel Rodriguez, are among the millions of young job seekers in Spain.

Development countries, more than a third of young job seekers have been unemployed at least six months.

Ann-Marie Taylor, from London, is one of the long-term unemployed. Now 23 years old, she has been job hunting on and off without success since she left school at age 16, living on benefits of about \$85 a week and struggling with the stigma of being on welfare. “It’s really depressing, and your morale and motivation goes completely downhill, especially if you are on Jobseeker’s Allowance, you get this stereotype . . . and you have to find the strength every single day to get out of bed.”

Young people with few qualifications face the bleakest job prospects, and without additional accumulated experience and qualifications, Taylor is now competing with younger job applicants for the same positions. “If I was just leaving school, I would seriously rethink everything . . . because you have to be dead set on what you want to do,” she says.

Skills mismatch?

If low growth is the primary cause of youth unemployment, many economists think a mismatch between the skills employers and businesses need and those young people learn in the education system is also an important factor. Many employers complain that they cannot get the qualified people they need to fill vacancies.

“Employers are essentially correct: they haven’t been getting the skills that they want, either in quantity or quality,” says Anthony Carnevale, formerly chairman of the National Commission on Employment Policy under U.S. President Bill Clinton. He believes that the education systems in the United States and in many other advanced economies have failed to keep up with the requirements of today’s workforce.

But others, such as Exell, dispute whether there is a skills mismatch. He points out that young people have never been so qualified—for example, in countries such as the United Kingdom, record numbers are pursuing higher education.

He acknowledges that the rising number of graduates calls for an “in it to win it” lottery-type attitude to higher education—now a necessary first step to meaningful employment. But Exell doesn’t think that the education system should be responsible for mass-producing work-ready employees.

“Too many employers in our view now regard themselves as consumers of education and training and have forgotten, if they ever knew, that they have responsibilities and duties in educating workers,” he says.

The positions of Exell and Carnevale may not be as contradictory as they first appear. “Skills mismatch on youth labor markets has become a persistent and growing trend. Over-education and over-skilling coexist with under-



Rivera, originally from Ecuador, is considering returning to his native country with his girlfriend, de Miguel.

education and under-skilling, and increasingly with skills obsolescence brought about by long-term unemployment,” the ILO has noted.

Labor market rigidities

A third major cause of high youth unemployment is labor market rigidities (see “Jobless in Europe” in the March 2015 *F&D*), such as highly regulated labor markets with heavy taxes on labor or high minimum wages.

In South Africa, for example, which suffers one of the highest rates of youth unemployment in sub-Saharan Africa, businesses consistently rate their country’s labor laws as burdensome and compliance as costly. A research project from the Poverty Lab at the Massachusetts Institute of Technology suggests that objectively labor laws in that country may be no more onerous than in other countries of a similar income level. But the perception alone deters firms from hiring new employees, especially those with “riskier” profiles—which includes younger or less experienced workers.

One labor market rigidity that has disproportionately hit the young is their employment in short-term, temporary, or unstable work. In developing economies—home to a majority of the global youth population—this translates into irregular, informal employment in the absence of stable, quality jobs.

And in Europe the young are three times more likely to be employed on a temporary contract than are adult workers. In crisis-hit European countries, the difference is even greater. Often these contracts are designed to give a job seeker at least a chance to work. But the perverse, unintended effect of such contracts can be to confine workers to these selfsame short-term temporary jobs with low pay and few opportunities for training or career progression. The rigidity comes from the disparity between workers on permanent contracts with full benefits—often older workers—and those under temporary contracts with few, if any, protections.

Tuduri, the young Spaniard, eventually found work through an agency—a part-time, temporary job in one of Barcelona’s world-class museums, but her shifts are irregular

“Too many employers in our view now regard themselves as consumers of education.”

and unguaranteed. Although the job gives her the opportunity to use her language skills and meet people from all over the world, she and her peers yearn for greater stability.

“I am an adult, and I need the opportunities that the adults have, not to be kicked around whenever the companies need you, and then [they say] ‘OK, we don’t need you, you can go home, we will call you, maybe.’”

In the United Kingdom, these casual or “zero-hour contracts” have become a contentious political issue because they don’t guarantee a minimum number of hours and can leave people not knowing when or whether they will work. Richard Hughes of the YMCA in London, which advocates



Ann-Marie Taylor searches through job listings in a café in London, United Kingdom.

for young people, says zero-hour contracts are extremely disruptive. He points to the example of a young woman, Chloe, who decided to forgo unemployment benefits to take a zero-hour contract as an end-of-life caregiver. Under this contract, she can in theory work between zero and 35 hours a week. Given the volatility of her wages, she is unable to pay rent and has resorted to couch surfing with friends.

“So essentially, she is in a situation where she has made herself homeless by taking work,” says Hughes.

Adulthood postponed

Against a backdrop of poor or nonexistent job prospects, for many young people the opportunity to strike out on their own, marry, and set up their own household is sharply curtailed. Lacking financial freedom, many have moved back home and must survive with support from parents. For this boomerang generation, adulthood has been postponed indefinitely. This trend was previously far more prevalent in countries with weak welfare systems, but with bulging national deficits and reduced welfare payments, the practice is spreading to countries where unemployed youth were traditionally cushioned by benefits, says Serracant.

“What many young people have to do in England is rely on their family more than they used to do previously. It seems that the Spanish model or the southern European model is growing in Europe,” he says.

In addition to the obvious stresses and frustrations of joblessness, long-term unemployment has also been linked to lower life expectancy, increased likelihood of heart attack later in life, and more suicide and mental illness.

Some see the scale of youth joblessness and wasted human capacity as a social emergency. Absent sufficient opportunities, in regions such as sub-Saharan Africa, which have a large young population, the youth bulge can start to look more like



Tuduri visits an old haunt from her student days in Barcelona. Facing financial difficulties, the young Spaniard had to postpone her studies.

a liability than a dividend. The cost of wasted human capacity for countries is compounded by lost tax revenues, high benefit bills, and reduced productivity.

Equally worrisome for governments, the lack of opportunity can translate into political unrest and feed crime and unrest. The 2011 Arab Spring was fueled in part by high youth unemployment in the Middle East and North Africa.

Rather than endure dimming prospects, many young people have voted with their feet. The search for a better life on distant shores is as old as human history. The United Nations estimates that one in eight migrants is between 15 and 24 years old. Since the global downturn, the crisis-hit euro area countries have seen a steady exodus of young people to other parts of Europe, resulting in a loss of valuable skills and the departure of some of the brightest, most qualified, and most motivated in the population. In a borderless Europe, the numbers are difficult to pin down because much of the travel by young Europeans is undocumented.

The ranks of young Spaniards going abroad have been joined by hundreds of thousands of migrants returning to their countries of origin, reversing a decade-long swelling of Spain's population. Thirteen years ago, when Rivera emigrated with his family from their native Ecuador, Spain seemed a beacon of hope, drawing Latin Americans to



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the country. Now Rivera is considering a return to South America, this time with his 19-year-old Spanish girlfriend, Elizabet de Miguel Rodriguez, another job seeker.

"If I can't find a job, I will try to do something elsewhere since I can't achieve much here," says de Miguel.

Rivera adds, "I am pessimistic. Given how things are, something dramatic needs to happen for the situation to change. I really doubt we'll go back to how we used to be, happy." ■

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