

Youth at Work in the G20: Progress and Policy Action towards the Antalya Target

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Executive summary

Prior to the pandemic, most G20 economies had made solid progress towards the Antalya goal of reducing the share of young people who are most at risk of being permanently left behind in the labour market by 15% by 2025. However, the COVID-19 crisis resulted in a sharp rise in the share of young people aged 15-29 who are Not in Employment, Education or Training (the NEET rate). The rapid economic recovery from the depths of the COVID-19 crisis has helped many G20 economies to get back on track in achieving the Antalya goal. Despite the onset of the cost-of-living crisis, this progress was maintained during 2022.

Further progress will require addressing several structural challenges. Most young people who are NEETs are inactive, i.e. they are not actively looking for work even though not employed. They may be facing several employment barriers that are preventing them from joining the labour force and finding work. Young women face additional barriers to entering the labour market and finding good quality jobs. In nearly all G20 economies, the NEET rate is higher for young women than for young men. The COVID-19 pandemic has also left a legacy of disrupted learning and increased mental health problems that will need to be addressed to prevent negative impacts on the long-term labour market prospects of young people. Finally, improving the quality of young people's jobs remains a key challenge for all G20 economies.

In the face of these challenges, all G20 countries are implementing an increasing number of concrete measures to promote employment for young women and men, with specific interventions targeted at more vulnerable youth. About half or all interventions are focused on labour demand (boosting youth employment), 44% on supply side measures to improve education and skills of young people, and a remaining 7% on mixed initiatives. However, relatively few initiatives seek to improve the quality of jobs available to young people.

Further action is needed

Going forward and building on the G20 Youth Roadmap 2025 (adopted in 2020 by G20 Labour and Employment Ministers under Saudi Arabia's Presidency of the G20), more will need to be done to prevent long-term harm to the employment prospects and well-being of young people. Some key areas for further action include:

- Increase investments with potential for youth employment creation, such as in the green, digital and care economies.
- Implement active labour market policies in combination with social protection measures that provide income support to tackle youth unemployment and inactivity.
- Provide access to affordable credit and strengthen innovation ecosystems for young entrepreneurs.
- Invest in public education and training for expanding sectors.
- Improve job quality for young people.
- Consider youth employment outcomes in macroeconomic policy analyses and choices.
- Create conducive enabling environments for youth engagement in development decision-making, including in public service delivery.

1. Introduction

The purpose of this paper is to take stock of progress towards the goal agreed by G20 Leaders in Antalya in 2015 to reduce the share of young people in their countries who are most at risk of being permanently left behind in the labour market by 15% by 2025. It was agreed by G20 Ministers of Employment and Labour at their virtual meeting on 10 September 2020 that there should be a focus on the share of young people aged 15 to 29 who are Not in Employment, Education or Training (the NEET rate). It was also agreed that this monitoring should include a qualitative survey of recent policy initiatives that have been taken in each G20 economy to improve labour market prospects for young people.

In Section 2, progress in achieving the Antalya goal is assessed in the context of the recovery from the COVID-19 crisis and the subsequent cost-of-living crisis. This is followed in Section 3 by an overview of recent policy initiatives in G20 economies to promote better labour market outcomes for youth. Finally, some policy directions are outlined in the concluding section (Section 4).

2. Recent labour market developments for young people

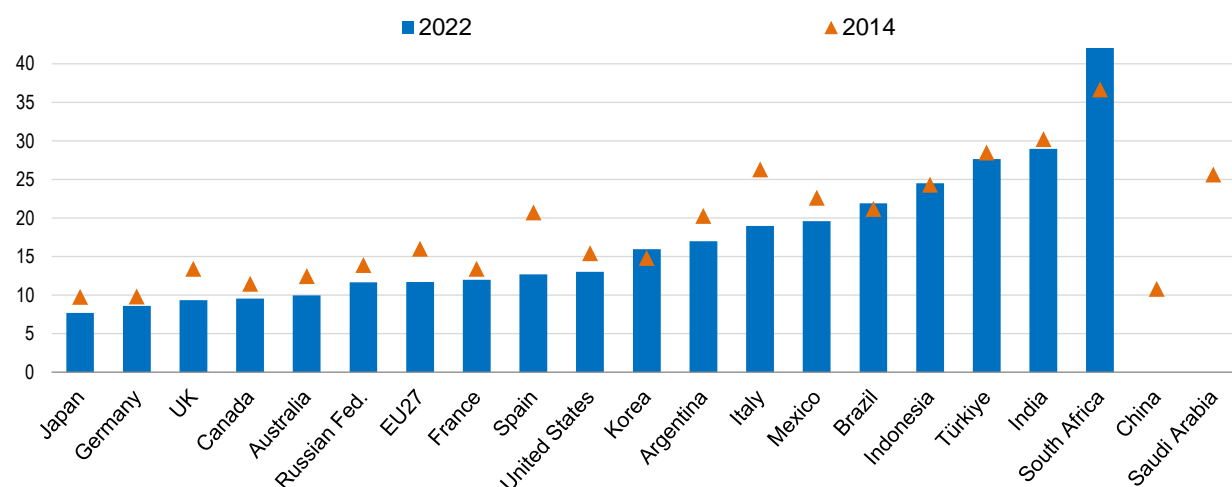
Young people's labour market prospects are typically very sensitive to the economic cycle: improving relative to older workers during economic upturns and declining more in downturns. This pattern was repeated during the COVID-19 pandemic with greater declines in hours worked and employment for younger people aged 15-24 than for people aged 25 and over. The subsequent economic recovery has helped improve the labour market situation for young people, but their employment prospects are again clouded by the costs-of-living crisis and a risk of an economic slowdown.

In 2022, the share of young people who were NEET was lower than in 2014 in 15 of the 19 G20 economies for which data are available (Figure 1A). South Africa is a notable exception where the NEET rate remains stubbornly higher than in 2014 despite the recovery from the COVID-19 crisis. More generally, large country differences remain in the share of young people who are NEET. NEET rates are higher in general in the emerging G20 economies than in the advanced G20 economies and less progress has been made in driving these rates back down following the rise that occurred during the COVID-19 crisis.

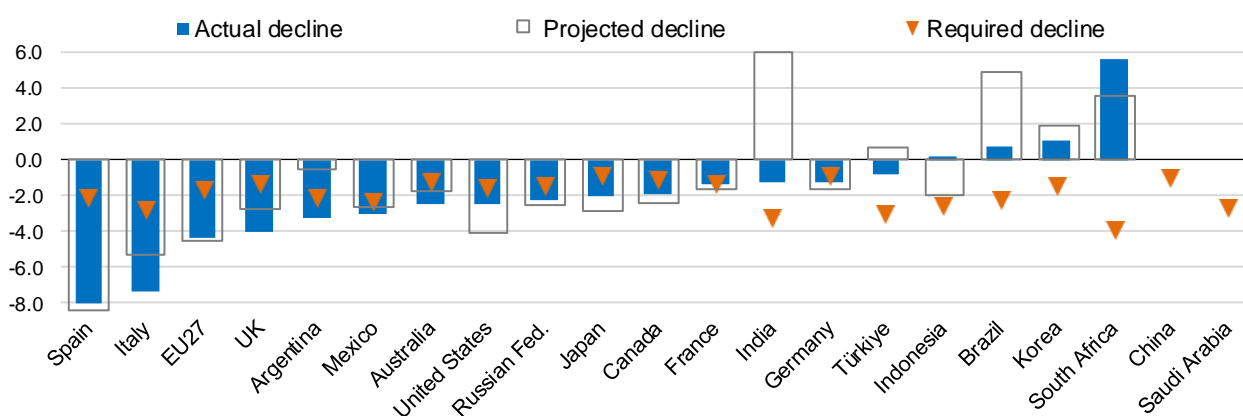
The degree of progress in achieving the Antalya goal can be assessed by comparing the **actual decline** in the NEET rate in each G20 economy between 2014 and 2022 with the **required decline** to reach the Antalya goal (Figure 1B). If the actual decline is greater than the required decline, the country or economy concerned is on track or ahead of schedule in reaching the goal. On this basis, **12 G20 economies out of 19 for which data are available were back on track in 2022 to meet the Antalya goal**. Progress in reaching the Antalya goal would have been even stronger in most G20 economies in the absence of the COVID-19 pandemic and the influence of the cost-of-living crisis, although border closures in some countries during the pandemic and reductions in migration may have propped up demand for young nationals. The **actual** decline in the NEET rate between 2014 and 2022 was somewhat smaller than **projected** based on the pre-pandemic trend decline over the period 2014-2019. Brazil, India, Korea and South Africa face the considerable challenge of reversing the trend rise in the NEET rate which occurred prior to the pandemic.

Figure 1. The COVID-19 crisis has set back progress towards the Antalya goal

A. NEET rate for 15-29 year old, 2014 and 2022 (%)



B. Actual versus required decline in the NEET rate, 2014-2022 (% points)



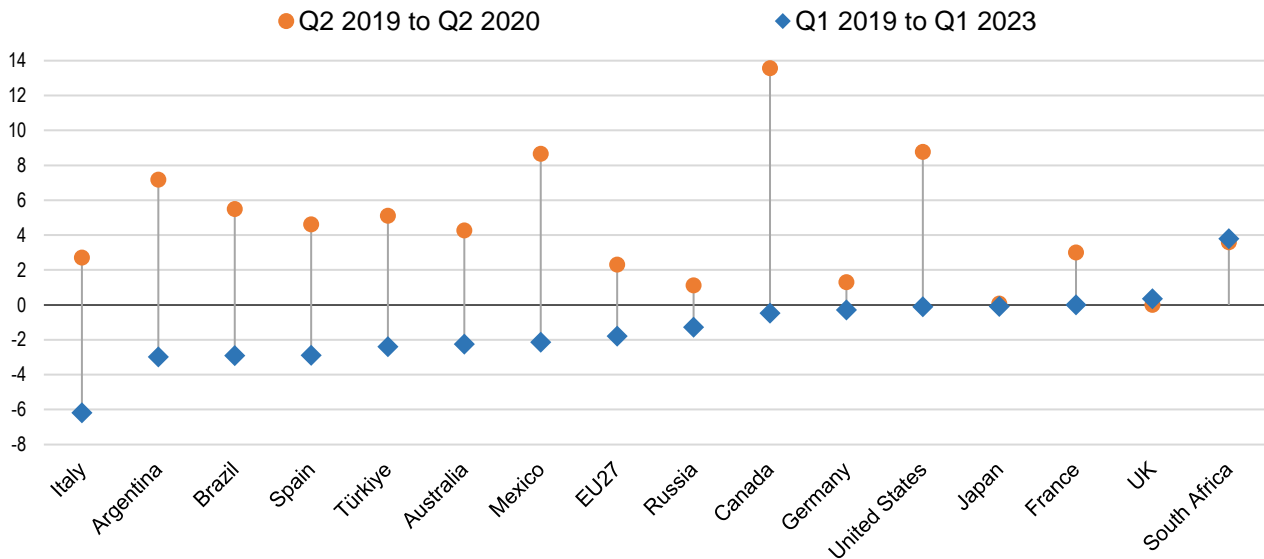
Note: **Actual decline**: actual change since 2014. **Projected decline**: based on the trend change between 2014 and 2019 (not estimated for China and Saudi Arabia). **Required decline**: the pro-rata decline required by 2022 to reach the target of a 15% decline by 2025. For China and India, the data for 2014 have been projected from, respectively, their 2010 and 2012 values to calculate the required decline.

Source: OECD calculations based on national labour force surveys and, for China, census data.

While the cost-of-living crisis had a dampening impact on economic activity in the second half of 2022, its impact on the labour market situation of young people remained limited. Following a sharp rise in the early stages of the COVID-19 pandemic, as lockdowns led to sharp falls in economic activity, NEET rates continued to decline throughout 2022. In the first quarter of 2023, they were back to or below their pre-pandemic levels in most G20 economies for which quarterly data are available (Figure 2), with the notable exception of South Africa where unemployment for adults also remains well above its pre-pandemic levels. For most countries, the decline in the NEET rate during the labour market recovery has reflected an increase in young people finding a job but also rising enrolment in education and training and hence a decline in the number of inactive NEETs.

Figure 2. The labour market recovery for young people has remained strong

Change in NEET rate for 15-29 year old (% points)



Note: The data for Q1 2019 and Q1 2023 refer to, respectively, Q4 2019 and Q4 2022 for Argentina and Russia. The data refer to 15-24 year old for Turkey and to 16-24 year old for the United Kingdom.

Source: OECD calculations based on data from national labour force surveys.

Pushing ahead with achieving the Antalya goal will require targeted policies for specific groups of young people. Young women are still more likely than young men not to be either working or studying (Figure 3A). The gender gap in the NEET rate ranges from close to parity in Canada, France, Japan, Korea, Spain and the United Kingdom to over 20 percentage points in India, Mexico, Saudi Arabia and Turkey. There has been some narrowing in this gender gap in most G20 economies as the decline in the NEET rate since 2014 has generally been greater for young women than for young men (Figure 3B).

Figure 3. Young women more likely to be NEET but some narrowing of the gap

A. NEET rate for 15-29 year old by gender, 2022 (%)

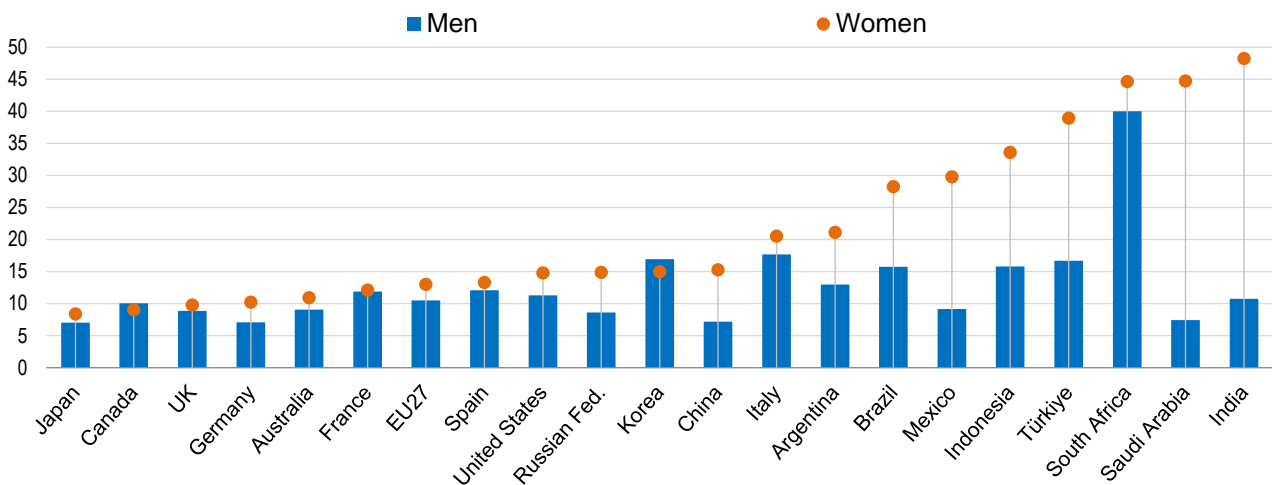
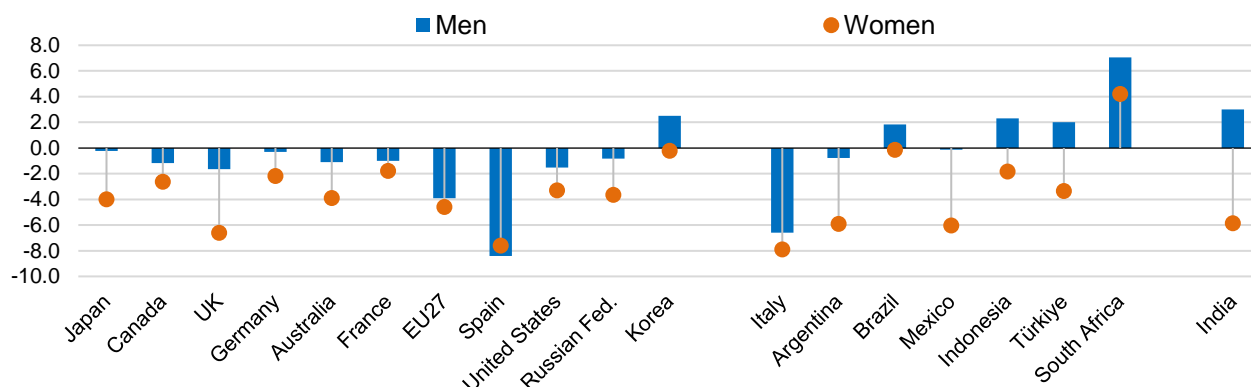


Figure 3. Young women more likely to be NEET but some narrowing of the gap (cont.)

B. Change in NEET rate for 15-29 year old by gender, 2014-2022 (% points)



Note: In Panel A, the data refer to: 2016 for Saudi Arabia; and 2010 for China. In Panel B, no data were available for calculating the change in the NEET rate for China and Saudi Arabia.

Source: OECD calculations based on national labour force surveys and, for China, census data.

Across G20 economies, most NEETs in 2022 were inactive and not looking for a job, as was the case prior to the pandemic (Figure 4A). Unlike previously, the overall rise in the NEET rate provoked by the COVID-19 crisis was initially accounted for in most countries by a larger rise in the number of inactive NEETs relative to unemployed NEETs. In part, this occurred because the pandemic and associated restrictions on mobility discouraged active job search or hampered availability to take up jobs. With the recovery, both the number of inactive and unemployed NEETs has generally fallen in line with the decline in the overall number of NEETs. Nevertheless, in the majority of G20 economies, changes in the overall NEET rate since 2014 have been mostly driven by declines (or a rise in the case of South Africa) in the number of unemployed NEET (Figure 4B). It is, therefore, important to reach out to the larger group of young NEETs who are inactive as they are less likely than the unemployed to find employment during economic recoveries and less likely to receive the necessary help to overcome the barriers they may be facing to integrate into the labour market.

Figure 4. Inactive young people account for most NEETs

A. NEET rate for 15-29 year old by activity status, 2022 (%)

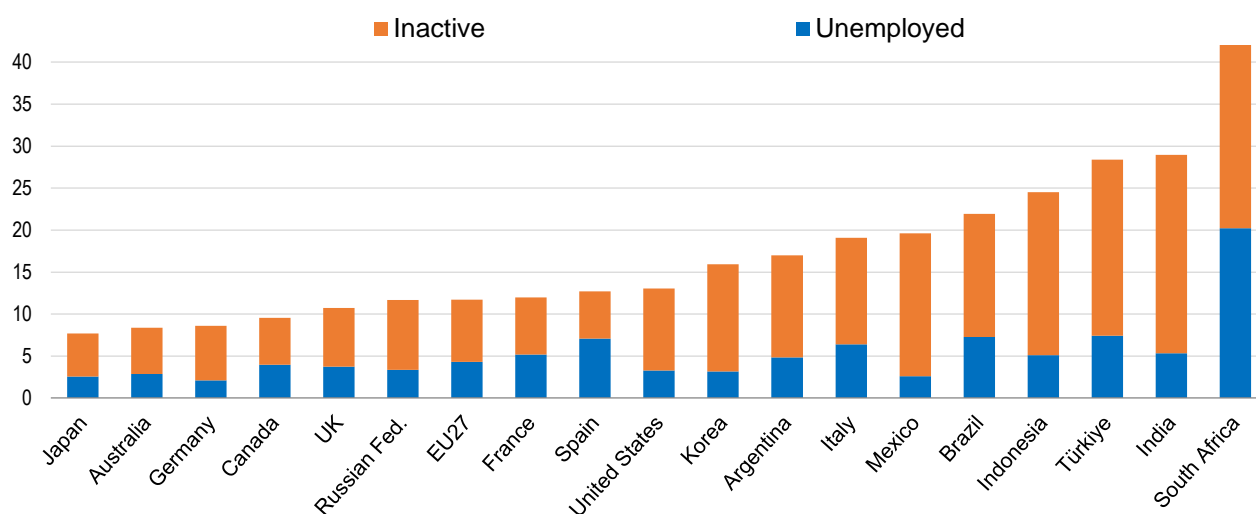
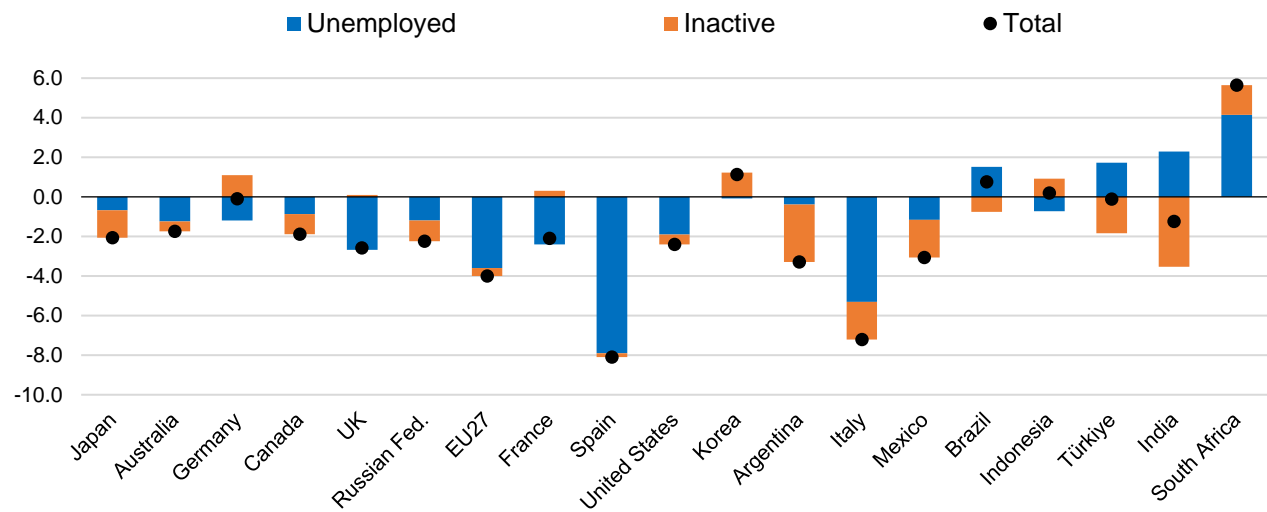


Figure 4. Inactive young people account for most NEETs (cont.)

B. Change in NEET rate for 15-29 year olds by activity status, 2014-2022 (% points)



Note: The data for 2022 refer to: 2021 for Turkey. The data for all years refer to young people aged 16-24 for the United Kingdom.
Source: OECD calculations based on national labour force surveys.

More generally, the COVID-19 pandemic has left a legacy of disrupted learning, isolation and mental health problems that will need to be addressed to prevent the labour market setbacks experienced by some young people from becoming permanent obstacles to entering the workforce and progressing in their careers. Improving job quality for young people also remains an important challenge in all G20 economies.

3. Recent policy developments

Policy options to support youth employment in G20 countries are increasingly being limited by reduced fiscal spaces and high debt levels following the increased public spending that was devoted to shoring up economic activity and limiting job and income losses during the COVID-19 crisis. As a result, youth employment recovery in G20 countries faces multi-dimensional challenges. Youth inactivity remains substantial and inequalities for youth in labour markets risk being exacerbated by the rapid digitalization of many jobs or tasks and the development of generative AI, penalising young people without the necessary skills. The creation of sufficient decent jobs for youth remains a challenge in emerging economies in the group. Extensive informality and its persistence over the life cycle dominates the experiences of many young people seeking to participate in the labour market. Improving the quality of young people's employment more generally is also a key challenge in all G20 economies. However, most G20 countries are implementing policies and programmes to improve education and skills of youth as well as to expand youth labour market opportunities.

For the second year since the self-reporting of G20 countries' employment plans started in 2020, around half (49 per cent) of the reported interventions by countries are on labour demand (improving youth employment, while 44 per cent target labour supply (improving education and skills for youth), and 7 per cent are mixed interventions – integrated programmes combining supply and demand interventions.

Recent developments in national youth employment strategies

Goal 8 of the UN 2030 Sustainable Development Agenda aims at promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Target 8.6 of this goal focuses on reducing the share of young people not in employment, education or training. Target 8.b aims at developing and operationalising a global strategy for youth employment and implementing the Global Jobs Pact of the ILO. Data for more than 100 countries collected by the ILO¹ to monitor progress towards Target 8.b confirms that governments are prioritising youth employment in their policymaking.

Drawing on information reported to the ILO², many G20 countries have a comprehensive youth employment strategy (Table 1). Among those that have one, eleven G20 countries (Argentina, Canada, France, Germany, Italy, Japan, South Korea, Mexico, Russian Federation, South Africa, and Türkiye) have already implemented an integrated strategy for youth employment. China has adopted a strategy but has not fully operationalised it.

In member states of the European Union (EU), many national youth employment initiatives are part of the EU reinforced Youth Guarantee programme. It is a commitment by all Member States to ensure that all young people under the age of 30 receive a good quality offer of employment, continued education, apprenticeship, or traineeship within a period of four months of becoming unemployed or leaving education. Compared to the initial youth guarantee programme, it has extended the age range coverage to 15-29 (previously 15-24).

¹ The target is monitored by the ILO through the Sustainable Development Goal (SDG) Indicator 8.b.1.

² Data for last year available. For more information, consult SDG Indicator 8.b.1 data at <https://unstats.un.org/sdgs/dataportal/database>

Table 1. National strategies for youth employment in G20 countries³

Country	Description
Argentina	A comprehensive programme offering employment services and training for the unemployed. Youth is one of its target groups.
Canada	Youth Employment and Skills Strategy Program
China	National plans, e.g., the Notice on Continuing to Promote Employment and Entrepreneurship for Graduates and Other Groups of Youth in 2022
EU	The Reinforced Youth Guarantee
France	National implementation of the EU Youth Guarantee Scheme and complementary initiatives.
Germany	National implementation of the EU Youth Guarantee Scheme and complementary initiatives.
Italy	National Implementation of the EU Youth Guarantee and complementary national initiatives.
Japan	Law for the promotion of youth employment (2015) and the Basic Policy on the Youth Employment (2021).
Mexico	The “Youth building the future” programme focuses on apprenticeships and work-based learning for youth NEET combined with income support and social security coverage.
Russian Federation	The Long-term Program for the Promotion of Youth Employment for the period up to 2030 aims at creating conditions for the realization of the professional, labour and entrepreneurial potential of young people.
South Africa	Employment as a cross-cutting issue of the Integrated Youth Development Strategy 2020.
South Korea	“Measures for Youth Employment” strategy (2019)
Türkiye	National youth employment strategy action plan 2021-2023.

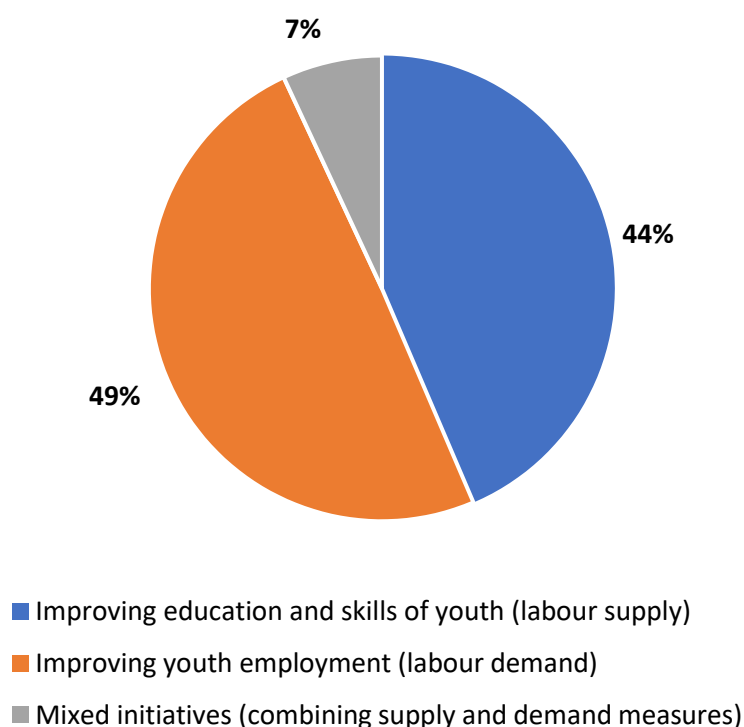
Source: ILO review of SDG Indicator 8.b.1 values for G20 countries, latest year with available information.

³ The table provides a brief description of the information provided by each country’s government in the framework of the [SDG Indicator 8.b.1](#) (“Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy”). The actual values can be consulted in the following link of UN Statistics: <https://unstats.un.org/sdgs/dataportal>

Drawing from the G20 employment plans submitted by country members under the Indian G20 Presidency, 110 youth employment interventions have been identified⁴:

- 50 focus on improving youth employment (labour demand);
- 44 on improving education and skills of youth (labour supply); and
- 7 are mixed interventions, integrated programmes combining supply and demand interventions.

Figure 5. Distribution of policy initiatives reported by G20 countries (%)



Source: ILO calculations based on G20 self-reports

For the second year in a row since the beginning of this self-reporting in 2020, initiatives to improve youth employment (labour demand initiatives) have become the main policy option to promote better youth employment outcomes in G20 countries. Five out of ten of the initiatives reported aim at improving youth employment through employment creation and employment support. This is a clear sign of the importance given by governments to create and strengthen employment opportunities for young women and men. Nonetheless, improving education and skills development remains a key policy option as slightly more than 4 out of ten initiatives aim at improving education and skills of youth. Mixed initiatives, combining labour demand, supply and intermediation measures, account for 6.9 per cent of the initiatives reported. However, this integrated approach can be effective if properly designed as the implementation of the European Youth Guarantee has shown in some EU Member States.

⁴ These interventions cover all G20 countries, except for Argentina and the Republic of Korea that did not report their employment plans report and the EU that has a supranational scope.

Table 2. Distribution of initiatives adopted by G20 members in 2022, (%)

Initiative	%
IMPROVING EDUCATION AND SKILLS OF YOUTH	
Ensuring basic skills for all Youth lacking basic skills. <i>Share of youth with a low level of proficiency in numeracy or literacy.</i>	1.0
Ensuring school completion Youth obtaining basic qualifications. <i>Share of youth aged 20-29 years with at least an upper-secondary level of education.</i>	10.9
Providing greater choice in educational pathways Youth participating in Technical and Vocational Education and Training (TVET). <i>Share of post-secondary students participating in TVET.</i>	27.7
Promoting access to higher education Youth achieving high-level qualifications. <i>Share of youth aged 25- 29 years with a tertiary level of education.</i>	4.0
IMPROVING YOUTH EMPLOYMENT	
Strengthening job opportunities Youth employment rate. <i>Share of youth in employment excluding those in education and training.</i>	9.9
Tackling unemployment Youth unemployment rate. <i>Share of all youth in the labour force who are unemployed (did not work in the reference week and are actively seeking and available for work).</i>	31.7
Broader youth unemployment rate. <i>Unemployed youth plus those who are potential job seekers (who wish to work but are not actively seeking employment or who were temporarily unavailable to work) as a share of the potential youth labour force (labour force plus potential job seekers).</i>	17.8
Broader youth unemployment rate. <i>Unemployed youth plus those who are potential job seekers (who wish to work but are not actively seeking employment or who were temporarily unavailable to work) as a share of the potential youth labour force (labour force plus potential job seekers).</i>	13.9
Avoiding prolonged periods out of work Incidence of long-term unemployment for youth. <i>Share of unemployed youth who have been out of work and looking for a job for one year or more.</i>	5.0
Improving job quality Incidence of youth temporary employment.	3.0
Incidence of time-related under-employment. <i>Share of employed youth who, during a short reference period, wanted to work additional hours, whose working time in all their jobs was below a specified threshold of hours, and who were available to work additional hours if they had been given the opportunity to do so.</i>	1.0
Incidence of time-related under-employment. <i>Share of employed youth who, during a short reference period, wanted to work additional hours, whose working time in all their jobs was below a specified threshold of hours, and who were available to work additional hours if they had been given the opportunity to do so.</i>	0.0
Incidence of youth informal employment.	2.0
Incidence of low-paid work for youth. <i>Share of young workers earning less than 2/3 of median earnings.</i>	0.0
Mixed initiatives Integrated education and training, employment, and intermediation	6.9
Total	100

Source: ILO calculations based on G20 self-reports.

Overview of interventions to promote better youth employment outcomes

Since the onset of the COVID-19 pandemic, policy options to promote better youth employment

outcomes have gained in importance. The first two editions of this report showed that most governments predominantly focused on policies to improve education and skills for youth. The last two self-reporting exercises (2022 and 2023) show that labour demand interventions to improve youth employment are the main policy option to help youth overcome structural labour market challenges further exacerbated by the pandemic and geopolitical instability. This is as a positive development in G20 countries – especially those with high levels of informality where an increase in formal employment growth provides better employment opportunities for young people.

Policy options reported by G20 countries to promote better youth employment outcomes focus in two areas: tackling unemployment and strengthening job opportunities, 36 per cent and 20 per cent respectively. Tackling youth unemployment is therefore the main policy priority in the G20 as per the number of reported interventions. This is shown by all the measures to support youth who are actively seeking and available to work, but also those who wish to work but are not actively seeking employment or who were temporarily unavailable to work for a variety of reasons. The latter are measures more likely to benefit young women as they face additional labour market barriers such as unpaid care work, including childcare responsibilities. One in ten measures in this category aimed at preventing and overcoming long-term youth unemployment – a challenge directly linked to NEET youth. Only 3 per cent of the measures seek to improve job quality.

Many of these measures are a continuation of the efforts to attenuate the impact of the pandemic on youth employment. They included mainly wage subsidies and job placement schemes. Moreover, many of these programmes existed before the pandemic but they were revamped with additional funding, extended target groups and additional measures. For example, the Government of Canada implements the Student Work Placement Program, a five-year initiative based on wage subsidies to support up to 20,000 new work placements per year for post-secondary students across Canada, in all disciplines. In response to the pandemic, the programme doubled the number of beneficiaries to 40,000. In South Africa, the Youth Employment Service aims to create one million work opportunities for unemployed black youth while supporting businesses. The UK Kickstart scheme provided grant-funded, six-month jobs for 16–24-year-olds on Universal Credit and at risk of long-term unemployment. The scheme ended at the end of September 2022.

To keep workers' attachment to the labour market, the French government launched the programme "Youth engagement contract" which provides a reinforced support to young people between 16 and 25 (or 29 for youth with disabilities) who are not in employment, education or training (NEET) and have difficulty accessing sustainable employment. It provides a fully personalized programme that can last from 6 to 12 months depending on the profile of the young person, with the objective of helping them define their professional project and find a job. Youth in this programme benefit from a dedicated career counsellor until they find a job; an intensive training programme, and an allowance of up to EUR 520. In Mexico, the "Youth Building the Future" aims at promoting the labour market inclusion of youth NEET (aged 18 to 29) through 12-month work placements. It includes training to improve their employability as well as income support through a monthly stipend and social security coverage. From January 2019 to December 2022, 2.3 million young people have joined the programme and the monthly stipend has increased from \$3,600 pesos (about US \$175) in 2019 to \$6,310 pesos (about US \$335) in 2023.

In the UK, the Youth Offer provides intensive work search support to young people aged 16 to 24 on Universal Credit and searching for work. The DWP Offer includes the Youth Employment Programme

(focused on finding work and accessing work-related support), Youth Employability Coaches for young people with complex needs and additional barriers, and Youth Hubs which co-deliver employment and skills support with partners across Great Britain. A network of Youth Hubs across Great Britain engage with young claimants.

Improving job quality remains the area where G20 countries have reported fewest initiatives. Job instability, low wages, and inadequate working conditions – particularly marked amongst the informally employed – need effective and prompt policy responses. In the United States, the Equal Employment Opportunity Commission (EEOC) initiative Youth@Work educates young workers about their workplace rights and responsibilities and helps employers create positive work experiences for young adults. This programme includes a website, and free outreach events focusing on the non-discrimination laws enforced by the EEOC, and classroom materials for teachers to use. Several offices within the USDOL offers similar resources to ensure that young workers learn about their rights in employment. In Japan, the Hello Work for Youth programme and the Youth Support Corners, targets young people facing challenges to find stable jobs, having to work as non-regular workers. These initiatives develop job plans for regular employment and provides seminars and group work in order to find regular employment.

Overview of initiatives to improve education and skills of youth

Four out of ten initiatives reported by G20 countries aim at improving education and skills of youth. Out of these, one third (63.6 per cent) aim at increasing youth participation in TVET. One out of four initiatives (25 per cent) seek to help young people obtaining basic qualifications. Interestingly, only one in ten interventions (9.1 per cent) aim at promoting access to higher education, and only 2.3 per cent of them seek to ensure basic skills for all youth. This finding suggests that most policies on education and training in G20 countries are for young people with at least secondary level of education. That corresponds to the importance that the Group attributes to technical and vocational education and training (TVET).

Providing greater choice in educational pathways, especially through TVET, remains the key policy initiative in G20 countries for the improvement of youth education and skills. It is also a policy option often used to address the NEET youth challenge. In Brazil, the “Professional Apprenticeship” is a law that requires that medium and large companies hire youth. Through a special work contract, it includes the obtention of qualifications and social security. It aims at the professionalization and inclusion in the labour market of adolescents and young people in a protected manner and requires that apprentices remain in school. In Mexico, the *Mexican Dual Training Model*, operational since 2013, is an apprenticeship programme in 50 different occupations that offers young people vocational education, work-based learning and certification to facilitate their school-to-work transition. This programme is a good example of international cooperation between the national TVET institution (CONALEP), the Federal Institute of Education and Vocational Training in Germany (BIBB), the Mexican-German Chamber of Commerce and Industry (CAMEXA) and the national employers’ union (COPARMEX).

Ensuring school completion remains a priority for G20 countries. Despite the relatively high school completion rates across countries in the group, they deploy measures to support youth in obtaining basic qualifications. In Saudi Arabia, the Summer Training Program "Saifi" provides training for young

people during summer school holidays. It targets students above 17 years old and it aims to equip them with basic skills to participate in the labour market. In Germany, the Federal Government has been continuously funding vocational orientation to help all young people recognize their strengths and gain initial practical experience in the world of work while they are still at school. The aim is to foster the development of individual career decision-making skills for a smooth transition from school to work.

Promoting access to higher education is critical for countries to equip their youth with skills relevant to new technologies and digitalization. Although the share of youth achieving high-level education in many G20 countries is high, many of them still face related challenges. In Canada, the Loans and Grants initiative aims at increasing the affordability and therefore accessibility of post-secondary education, by eliminating interest on Canada Student Loans and Canada Apprentice Loans permanently.

Ensuring basic skills for all is not only necessary, but it is also the key to enhancing occupational skills acquisition for the future. In Germany, young people that lack of basic knowledge and skills to integrate TVET education or paid employment can benefit from an “introductory training”. The objective of this training is to reinforce basic employability skills of young people. For example, young people in this category can enter a 6–12-month company placement with subsidised pay and social insurance contributions. Since 2019 about 10,000 youth have started introductory training. Germany’s “Future Starters” programme aims to support young adults (25-35 years old) in acquiring a professional qualification. The programme started in 2022 and will continue until 2025.

Overview of mixed interventions

Many G20 countries have initiatives based on an integrated approach for youth employment. As a non-state member of the G20, the European Union launched the Youth Guarantee programme in 2013 in EU Member States to ensure that all young people aged 16-24 receive a good quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education. According to the European Commission, “(i)n about seven years’ time, just before the COVID-19 pandemic, there were approximately 1.7 million fewer young people neither in employment nor in education or training (NEETs) across the EU. Youth unemployment had dropped to a record low of 14.9% by February 2020”. The programme, now called the reinforced Youth Guarantee has the support of all EU Member States. It has expanded its target population to those aged 16-29. This type of programme combining labour supply, demand and intermediation interventions is presumably more effective than isolated initiatives. However, it is not a “one-size-fits-all-solution” given that it needs to be adapted to the different realities of individual EU countries.

In Mexico, the Employment Support Program (PAE) grants Intermediation and Labour Mobility services and provides information and guidance on the supply and demand of jobs to facilitate access to employment to vulnerable groups, such as young people. The PAE combines complementary training to the beneficiaries of the government’s youth employment flagship programme (Youth Building the Future) with job-matching services. In Italy, the Employability Guarantee programme seeks to streamline activation policies at national level by introducing pathways tailored to the needs of the unemployed, including young people. It includes upskilling and reskilling measures, workfare (income support conditioned to participation in work-related activities) and job placement. The

programme is a complement to the European Youth Guarantee, and it has a focus on young NEETs.

4. Future policy directions

Prior to the pandemic and the conflict in Ukraine, most G20 countries had made solid progress towards the Antalya goal of reducing the share of young people who are most at risk of being permanently left behind in the labour market by 15% by 2025. The pandemic led to a sharp fall in youth employment and a significant rise in the share of youth NEET.

In most G20 economies youth labour markets have largely recovered, and youth employment and NEET rates have returned to their pre-pandemic levels. In EU Member States, programmes such as the reinforced Youth Guarantee have contributed to counteracting the impacts of the pandemic. This is not the case in all G20 countries where in some the recovery among young people has been more sluggish, and the legacy of the pandemic remains⁵. The adverse conditions for young people, especially young women and young people with disabilities, have been worsened by conflict and climate change, mainly in middle-income G20 countries.

Youth inactivity remains substantial and there is a growing risk that some young people will lose their attachment to the labour market and, over time their skills. Discouraged young people are at particular risk of seeing their labour market opportunities and outcomes deteriorate over the longer-term as “scarring” effects take hold. Such risk is higher for young women, and young people with disabilities, who often face additional barriers to participate in the labour market.

The review of policies in section 3 showed that almost 2 out of 10 initiatives reported by G20 countries are mixed initiatives to improve both education and skills for youth and to promote youth employment. These initiatives consist in supporting youth from three perspectives. The first one aims at developing labour market relevant skills to improve youth employability. The second one, in boosting youth labour demand. And the third one, in providing labour intermediation to effectively match youth labour supply and demand. Mixed initiatives have proven to be very effective, especially when they adopt an integrated approach. The Youth Guarantee programme in the European Union provides a good example of this type of integrated approach. Youth in G20 countries need governments to adopt an integrated and comprehensive policy approach that improves the match in quantity and quality of labour supply and labour demand in sectors with the potential for developing youth employment. Such an approach aligns with Target 8.b of the UN SDG Agenda 2030 for the development and operationalization of a global strategy for youth employment. However, mixed policies require substantial investments, as illustrated by the EU Youth Guarantee for example, and therefore sufficient fiscal space. Where the necessary resources are not available, international solidarity might be necessary to implement such policy packages.

Going forward, and building on the G20 Youth Roadmap 2025, more needs to be done to prevent long-term harm to the employment prospects and well-being of young people. Some key areas for further action include:

- **Increase investments with potential for youth employment creation**, such as in the green, digital and care economies. This not only creates direct employment opportunities but also

⁵ O’Higgins, Niall; Anna Barford; Adam Coutts; Adam Elsheikhi; Luis Pinedo Caro; Kate Brockie. 2023. “How NEET are developing and emerging economies? What do we know and what can be done about it?”, in David Kucera and Dorothea Schmidt-Klau (ed.s) Global Employment Policy Review 2023: Macroeconomic policies for recovery and structural transformation. ILO. Geneva.

spurseconomic activity, leading to employment creation in related industries.

- **Implement active labour market policies in combination with income support measures** to tackle youth unemployment and inactivity. To be more effective, they can be in the form of integrated packages that combine employment services, employment creation programmes, subsidized employment and wages, as well as training, entrepreneurship promotion and self-employment. In addition, they could be linked to income support and implemented in close collaboration with local stakeholders to reach the most disadvantaged youth that could otherwise not participate in these programmes.
- **Provide access to affordable credit** and strengthen innovation ecosystems for young entrepreneurs. This facilitates business start-ups and their expansion, supporting employment creation and entrepreneurship by young people. Accessible credit can be vital for young entrepreneurs who may face challenges in obtaining financing through conventional channels such as commercial banks.
- **Invest in public education and training for expanding sectors.** This includes investing in quality public education and TVET, especially quality apprenticeships. Equipping young people with relevant competencies and skills will facilitate their transition into and within the labour market.
- **Improve employment quality for young people.** Together with the social partners, and building on greater investment in the skills of young people, take steps to improve the quality of young people's employment through tackling excessively low wages, reducing employment precarity, improving occupational safety and health, and better provision of income support in case of unemployment or ill-health.
- **Consider youth employment outcomes in macroeconomic policy choices:** Advocate for macroeconomic policies that support better employment opportunities for young people.
- Create conducive enabling environments for youth engagement in development decision-making, including in public service delivery.