

# Effective Vocational Education and Training Strategies to Reduce Youth Unemployment in the OIC Member Countries



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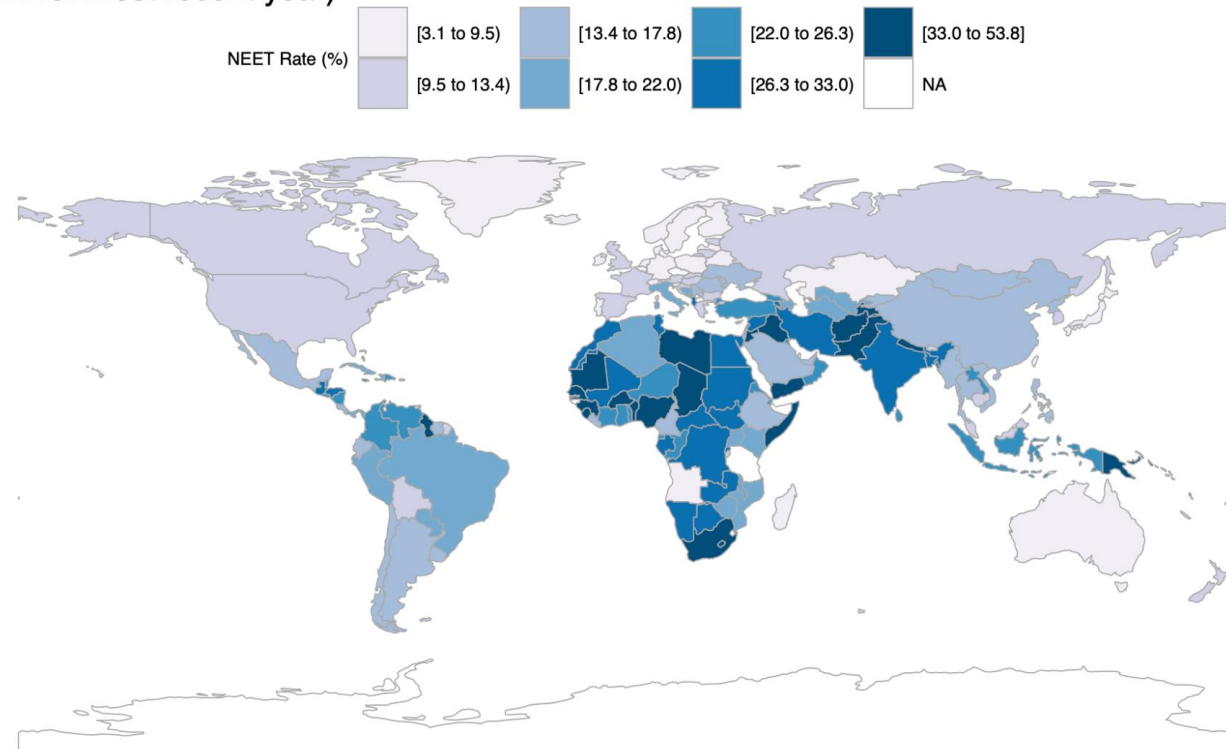
# Youth Unemployment and NEET As a Global Concern

- Youth unemployment is a serious issue in many countries
- New emerging problem: the youth not in education, employment, or training (NEET)
- Young people who are neither employed nor in education or training are at risk of social exclusion
- Youth unemployment rates are generally much higher than those for adults



Figure 1

Share of youth not in employment, education or training (NEET)  
(2022 or most recent year)



Based on data from ILOStat



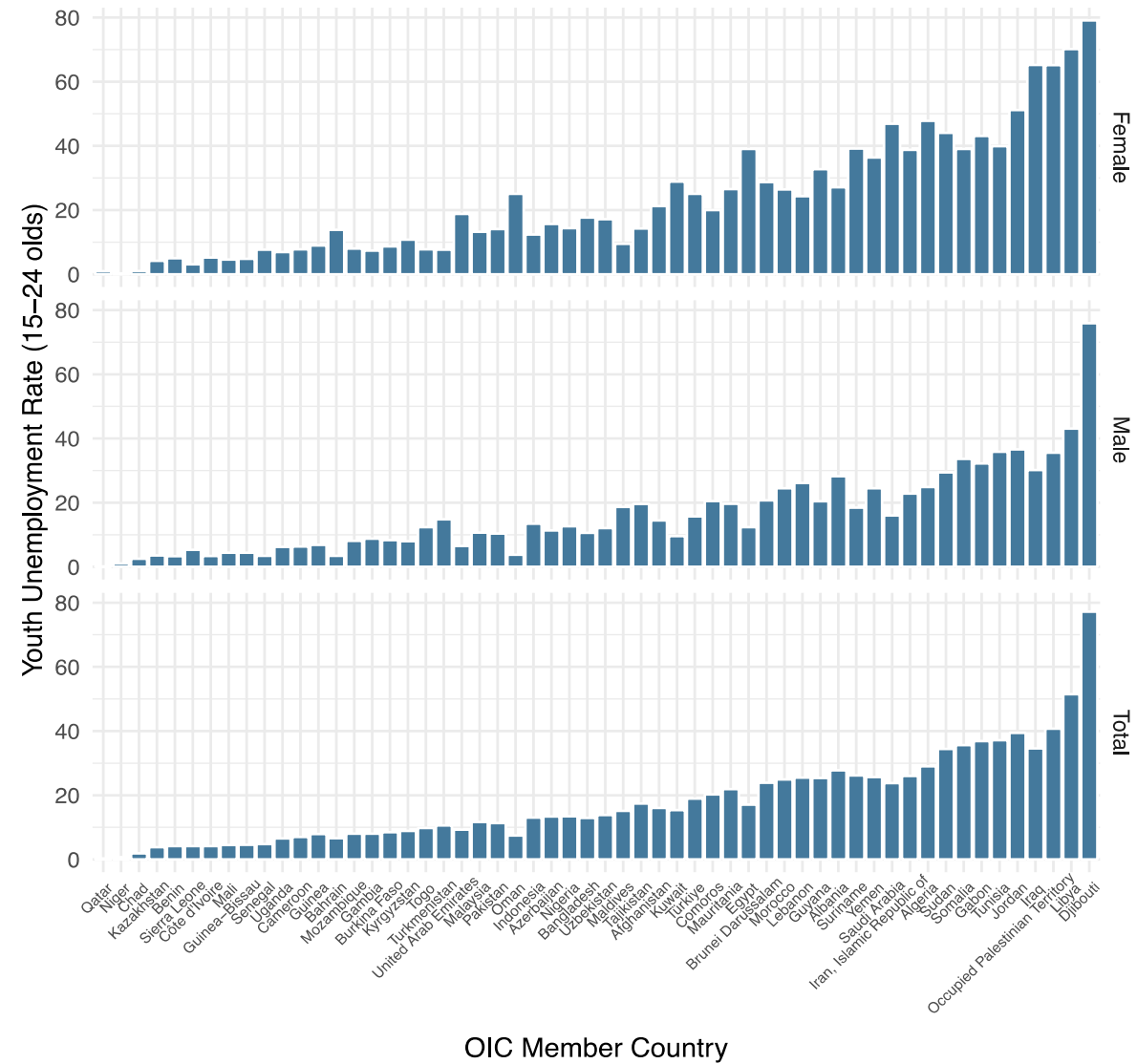
# Youth Unemployment in OIC Member States

- Significant variation in the youth unemployment rates among OIC member countries
- Youth having low levels of education, those with disabilities, and those belonging to ethnic minorities experience higher unemployment rate



Figure 2

Youth unemployment rate (ILO modelled estimates)  
(2022 or most recent year)



Based on data from ILOStat



# Youth Unemployment and Labor Market Dynamics

- Various theories explaining unemployment
- The human capital theory
- Screening theory
- Labor market segmentation theory



# Main reasons of unemployment

- Weak macroeconomic performance
- Aggregate demand, education, demographic change, wages, labor market policies, and individual characteristics are among the key factors
- Technological changes and globalization
- The impact of COVID-19
- The mismatch between education and labor market
- Youth bulge
- Labor market policies such as employment protection and regulation
- GDP growth, inflation, and domestic investment
- Informal employment





## Youth Unemployment, Governance, and Institutions

- The crucial role of governance and institutions in reducing youth unemployment
- Investing in education and skills development
- Public expenditure on education
- To support entrepreneurship by providing funding, business development services, and mentorship programs
- Ensuring inclusive policies
- International organizations, NGOs, and donors can offer technical support to assist governments
- NGOs and international organizations can advocate for policies and programs that promote youth employment
- Sustainable partnerships between national governments and NGOs, international organizations, and donors



## **Active labor Market Policies and Youth Unemployment**

- (i) job search assistance;
- (ii) labor market training;
- (iii) incentives for private sector employment, and
- (iv) public sector employment



## **Main Challenges in Measuring Youth Unemployment**

- Informal sector
- Underemployment
- Fragility
- Skill mismatch



## **Social and Economic Consequences of Youth Unemployment in OIC Countries**

- Subsistence work or criminal activities in the informal sector
- Poverty and social exclusion
- Making them vulnerable to joining armed forces, militias, or gangs
- Violence, terrorism, and social unrest
- Increasing rural-urban migration and rapid urbanization
- International migration and brain drain



## **The risks that might limit progress in the coming periods**

- Fragility, or fragile states having potential risks and challenges

OECD defines fragility across six dimensions: economic, environmental, political, security, societal, and human

- Exogenous factors “catastrophic events, health pandemics, global trade and financial crises, external military threats, and flows of refugees or migrant workers”,
- Endogenous factors “weak democratic governance and dysfunctional public institutions, socio-political crises, and high levels of non-conflict violence”
- And also “climate change and environmental degradation, migration and forced displacement, and terrorist group activity”
- Conflicts
- Disasters



## **The effect of rural-urban migration, international migration, and fertility trajectories on youth unemployment**

### **International Migration**

- Reduce youth unemployment? Or increase youth unemployment for receiving and sending countries
- The push factors for migrations: poverty, unemployment, rapid population growth, economic turbulence resulting from conflicts, forced displacement, authoritarian rule and the appeal of robust welfare programs, stability, and social security in the destination country
- Youth can migrate easier because of the advantages of migration



## Rural-urban migration

- Rural-urban migration and rapid urbanization major problem for developing countries.
- Unemployment, poverty and low quality of life in rural areas, employment opportunities, the possibility of obtaining a better life and income in urban areas are the main reasons for rural-urban migration.
- In addition, climate change, famine, environmental changes, floods, and droughts are the other factors that increase rural-to-urban migration
- With rapid urbanization, especially unskilled youth migrants have problems finding work. Those who are more qualified have no problem finding a job.
- In addition to the high rate of youth unemployment, rural-urban migration, and rapid urbanization leads to congestion, pollution, underemployment, and increased crime rates in urban areas. On the other hand, it causes a decrease in the labor force in rural areas and adversely affects agricultural production .

## High fertility rate and youth bulge

- Declining infant mortality rates and the continued high fertility rates have led to the emergence of a large youth population in the total population
- Youth bulge is identified as a very important problem especially in many developing countries. In poor nations with limited employment opportunities, youth unemployment is becoming a significant concern.
- -The demographic phenomenon of a large youth bulge presents a dual prospect of serving as a critical opportunity for societies while also bearing the potential of posing a formidable threat.





## **The status of international cooperation toward reducing youth unemployment**

- At the global level, youth unemployment is considered a crucial issue by several international organizations. Among them, the International Labor Organization (ILO) and the World Bank (WB) play significant roles in setting standards and providing resources related to youth employment policies.
- UNESCO, OECD, UNICEF and IMF are the other international actors
- Countries aid organizations like GIZ have many project to reduce youth unemployment.

