

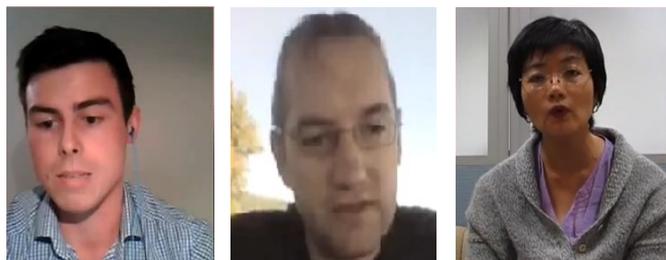
Talk show summary: Youth Guarantees in Asia-Pacific (November 2012, Bangkok)

November 2012, Talk Show #12

Moderator: Ms Sophy Fisher, ILO Senior Communication and Public Information Officer

Participants in the studio: Ms Sukti Dasgupta, Head, ILO Regional Economic and Social Analysis Unit and Mr Matthieu Cognac, ILO Youth Employment Specialist.

Joining the discussion via video link:



Mr James Sleep
New Zealand
Council Of
Trade Unions

Mr Jan Kreutz,
Party of European
Socialists

Ms Yuki Honda,
The University
of Tokyo



From left to right: Ms Sophy Fisher, Ms Sukti Dasgupta, Mr Matthieu Cognac. © ILO

Camera, sound, editing: Mr Julian Hadden; Japanese translation: Ms Shukuko Koyama

You can watch the video of the show at: <http://www.apyouthnet.ilo.org/podcast>

This programme is a cooperation between the [APYouthNet](#) and the New Zealand Council of Trade Unions. The discussion can be continued online from 5 to 19 November at: <http://www.apyouthnet.ilo.org/discussions/e-discussion-youth-guarantees/>

What are youth guarantees?

Mr Cognac explained that a youth guarantee was a mechanism which guarantees young people either training, further education, work experience or a job. He emphasized that youth guarantees were not a job creation tool per se but were aimed at decreasing the inactivity while increasing young people's employability through exposing them to the world of work. Mr Cognac further stressed that there must be an emphasis on *decent* jobs, especially when the concept was to be applied to the Asia-Pacific region where many of the job opportunities available to young people were not decent.

Mr Kreutz, representing the Party of European Socialists (PES), said that his [campaign](#) for youth guarantees in Europe was looking at the very successful youth guarantee model that has been applied in Austria and Finland where the youth guarantee had "one roof and four pillars this roof is standing on". The roof, according to Mr Kreutz, was that every young person once she or he had become unemployed or had left the education system was guaranteed by the government an opportunity to education, training or decent job within four months. The four pillars of the youth guarantee as suggested by the PES consisted of: i) (decent) job creation; ii) improving (vocational) training especially through strengthening dual training systems; iii) expanding the higher education system and addressing the issue of early school leavers; and iv) active labour market policies based on an individual tailor made approach to career guidance for young people.

How does the youth guarantee work in New Zealand?

Mr Sleep, who spoke on behalf of the New Zealand Council of Trade Unions (NZCTU), explained that the focus of the youth guarantee in New Zealand was primarily on the attainment of qualifications of 16 and 17 year old people. Hence, according to Mr Sleep, a youth guarantee as suggested by the PES did not exist as such in New Zealand but was something the NZCTU thought was the direction New Zealand should be heading. Mr Sleep said that there should be three dimensions to a successful youth guarantee scheme: i) providing clearer information to young people about available career pathways and how to succeed in those pathways, ii) free placements at tertiary level institutions; and iii) addressing the group of the so-called NEETs (not in education, employment, or training) and expanding opportunities for older youth, too.

Talk show Summary: Youth Guarantees in Asia-Pacific (November 2012, Bangkok)

November 2012, Talk Show #12

Mr Sleep explained that there were a number of other policies and programmes in place in New Zealand that provided job placements, work, training and further education opportunities but that these were rather limited and under-resourced. For example, some programmes provided subsidies for work placements with the private sector which also included training components but these only reached very few young people. Mr Sleep stressed that an effective youth guarantee scheme must look at the bigger picture and build strong coherence among a range of policies youth and labour market policies.

What are the concerns and thoughts on youth guarantees in the Japanese context?

Ms Honda (University of Tokyo) stated that she found the concept of youth guarantees very attractive and relevant for Japan. However, she raised a number of questions and concerns. For instance, Ms Honda asked how the government would be able to guarantee training opportunities and job opportunities without creating a too big burden on local municipalities and the private sector. Another concern brought up by Ms Honda related to the quality of jobs and training offered and how the government could monitor and check that these opportunities offer valuable support. Ms Honda further explained that a lot of Japanese companies' recruitment was membership based and she questioned whether these companies would recognize the experience acquired through a youth guarantee scheme. She also raised the issue of moral hazard as a potential risk resulting from a scheme that does not involve financial commitment from the young people. Ms Honda also mentioned the risk of abuse whereby some companies might take advantage of government subsidies and could use the youth guarantee scheme as a source of cheap labour. Finally, Ms Honda asked how the government could ensure that sufficient financial resources were allocated in an environment of competing needs in ageing societies like Japan.

What are the challenges and opportunities of introducing youth guarantees for developing Asia and the Pacific?

Ms Dasgupta stressed that on the conceptual level youth guarantees were highly relevant to the developed and developing Asia-Pacific region. The challenge, however, was how to design a youth guarantee scheme that captures the reality of developing Asia-Pacific and how such a system could be implemented given that the youth employment characteristics of developing Asia-Pacific were not the same as those of industrialized countries. For instance, in addition to the number of unemployed youth there was a large number of young people who were in vulnerable jobs and worked under precarious conditions. She explained that the main difference between developing Asia-Pacific and industrialized countries was that developing countries lacked well-functioning labour market institutions such as public employment systems which themselves were instrumental to youth guarantees. Ms Dasgupta maintained, however, that most developing countries had started investing in public employment systems which would offer more opportunities for schemes like a youth guarantee in the future.

She said that there was still a need for further research to determine the costs of a universal youth scheme in developing countries. However, she believed that the costs associated with such a scheme would not be the main obstacle. Rather, the challenge was the need for proper institutions and finding a way to make youth guarantees part of the overall developing agenda and not a stand alone tool. According to Ms Dasgupta, another challenge as well as opportunity lied in the fact that self-employment was still the dominant type of employment in developing Asia-Pacific. Hence, the youth guarantee in Asia-Pacific must explore additional avenues such as offering access to credit to youth entrepreneurs, business mentorship programmes and fostering links with existing employment guarantee schemes. In general, youth guarantees in the context of developing countries required a combination of different kinds of interventions, carefully tailored to the specific labour market context.

In terms of financial commitment, Ms Dasgupta said that she believed that not many young people in Asia-Pacific would be able to make financial commitments but one could explore other forms of commitment to address the risk of moral hazard. Mr Cognac supported this statement and emphasized that the unemployed youth in Asia-Pacific were not in a position to provide financial commitments but that such a scheme would require their general commitment anyhow.

What is the way forward?

Mr Cognac suggested that since youth guarantees had not been tested in Asia-Pacific to pilot the scheme on the local or provincial level. Further research was needed to develop an effective design and implementation strategy for youth guarantees.