



Rede der IUSY-Präsidentin Viviana Piñeiro auf der Ratssitzung der Sozialistischen Internationalen im Juni 2010 in New York

Comrades:

It is a pleasure for the International Union of Socialist Youth being here participating in a new World Council of the Socialist International. Today when we have to discuss the challenges that the global economy presents, we want to make some references to one aspect of the problem that has been delayed once and again, or being faced in ineffective ways. I am referring to youth employment.

The economic slowdown in some countries has been worsened by the economic and financial crisis, affecting especially the most vulnerable, including youth. The crisis has exacerbated the difficulties that young people face in finding decent work, achieve autonomy and be able to exercise their citizenship rights.

The biggest problem today is not the level of youth unemployment, but their future impact. The young people entering the working world at a time of economic recession have, throughout his career, lower wages, more periods of unemployment and higher over-qualifications than those entering in a period of economic expansion.

Young people are the largest global asset for the present and the future, but also represent a group with serious vulnerabilities. In recent years, the increasing global unemployment has hit young people and today youth faces great economic and social uncertainties. Compared with adults, young people today are three and a half times more likely to be unemployed. This often end up with a situation where its potential is not used because they do not have access to decent and productive work.

There is a proven link between youth unemployment and social exclusion as the inability to find employment creates a sense of exclusion among young people. For many young people being without work means not having the opportunity to escape from poverty. Moreover, it was found that previous experience of unemployment affects future employment opportunities.

In any case, official unemployment rates are only part of the problem, because even when young people are employed, working conditions may be inadequate. In both developed and developing countries young people are more likely to find intermittent and insecure work opportunities, and often in the informal economy and with limited job protection.

It is necessary to give young people a greater chance of getting decent employment at a younger age to avoid the vicious circle of unemployment, poor working conditions, poverty and frustration which, in turn, undermines the future prospects of the entire economy.



In a recession time, youth are more vulnerable than adults for two main reasons. First, in the early stages of recession companies stop hiring which means that those who are just entering the workforce with few employment opportunities begin their experience as unemployed. Secondly, if the economic downturn continues, businesses resort to retrenchment measures, choosing in many cases by first firing the latest to join the company. Since young workers are more likely to have been recruited recently, they could be the first to be fired, so that rates of youth unemployment would increase even more in comparison with those of adults.

Another explanation for the difference between unemployment rates of young people and adults has to do with the fact that young people have higher rates of completion of the employment relationship. The fact that labor force register a large number of people who move from employment to unemployment and vice versa is a sign of a dynamic labor market, where there are layoffs and hiring. Many lose their jobs, but find a new one with relative ease, which means that their period of unemployment is usually short. To what extent are young people affected by these business practices of firing first to the last employees hired?

By contrast, when there is not much fluidity between employment and unemployment can be assumed that the labor market is stagnant which means that there are few who lose their jobs but those who lose have little chance of finding a new one. In this case, the unemployment level remains constant. Workers tend to be unemployed for a long time and chances of finding a job decreases gradually, often to the point where they cease to be part of the labor market.

Young people often lack experience, but on the other hand, may be more motivated and offer new ideas or viewpoints. Ignoring this potential is a great economic waste. If the world rate of youth unemployment is reduced by about half the rate of adult unemployment, while respecting certain natural differences, between 2.2 and 3.5 billion dollars would be added to the global economy. This represents between 4.4 and 7.0 percent of global GDP value. If you offer young people productive work, the largest relative benefits would correspond to sub-Saharan Africa, with an estimated increase of GDP from 12 to 19 percent.

The most obvious advantage of better use of the productive potential of youth is the personal benefit to the young people themselves. It was found that previous experience of unemployment impact on person's future behavior to the labor market.

The links between generations in the context of poverty are a proven fact: people who live in chronic poverty remains poor for much of their life and it is highly likely that their children will be as well. It is necessary to break this cycle, and the best way is to give young people the opportunity to work out of poverty.

The poor young people whose incomes do not allow them to finance their maintenance costs are a major challenge not only in developing countries but also in developed economies. Most of the economies with a high proportion of unemployed young people recognize an increase in poverty among young people and consider it



the result of increasing unemployment and the increasing number of young people in casual and part-time jobs.

The main training stages ranging from infancy to youth, during which the fundamental aspects of personal development are defined, are determined by the "success" or "failure" of a person in life. But the training will be an antidote to unemployment on the extent it is addressed, on skills and knowledge, to labor market needs.

In times of recession as the ones we are living, it can be seen the rise of the level of over-qualification. The reason is twofold: firstly workers, given the difficulties of finding a job appropriate to their skills, accept jobs well below their level. On the other hand, firms that in normal circumstances would have some reluctance to hire a worker over-qualified for the position by the possibility of losing that employee in a short time do not have that many reservations when unemployment is high. Although academics have a lower unemployment rate than other levels of education, would it make sense to generate an army of overqualified workers to whom their training would not have an impact on their productivity? And that without counting the great psychological stress produced by over qualification.

It is therefore even more imperative to address the challenges of youth employment and seeking solutions to increase and realize the potential of young people and ensure decent work opportunities.

Providing decent and productive work to young people is the biggest challenge for governments. People with decent work, young or not, are the basis of the stability of communities and, therefore, a solid pillar for the future of a globalized world.

As socialists we must be consistent and creative in taking the measures necessary to meet the challenges of the global economy, and in particular concerning youth unemployment. In this regard:

- We recommend the implementation of a global tax on financial transactions and that financial international agreements are based on the right of the countries from a principle of self-determination and countries regarding human rights.
- Eliminate bureaucratic barriers and promote youth entrepreneurship.
- Implement education and training programs to develop knowledge, skills and attitudes to promote youth entrepreneurship as a path to job creation and to increase financial stability.
- Institutional support and agreement among the social partners should be the facilitators of the entry into the labor market, supported education as the key factor for change and the achievement of this objective.
- It is necessary to develop a fair labor market, social and sustainable, with protection of labor rights that guarantee the right to education, health and retirement. A labor market in these conditions allows a better fight against corruption and the black economy. At the same time it reduces poverty rates as agreed in the Millennium Development Goals, and this directly has an effect on young people.
- It is necessary to generate participatory economic analyses with a gender perspective on youth issues regarding



the economic situation. These analyses must offer the strategic lines for the generation of public policies, public and private cooperation programmes and implementation of programs in public youth policies.

- We demand national and multinational companies to offer decent employment for young men and women and enforce corporate social responsibility within the framework of international agreements.
- Develop, design and promote inclusive economic and social policies with a view to sustainable economic growth for poverty reduction and for the insertion and maintenance of young people into productive life both through formal employment, and through conditioned incomes transfer when needed.
- Investing in youth human capital training through programs and projects that promote the potential of young people to transform the material conditions of youth.
- Promote equal opportunities for decent work for young people by ensuring the protection against discrimination in working spaces.

To conclude, emphasize the need to give high priority to youth development, considering the specifics of the demographic and strategic importance of young people worldwide. Young people cannot remain the future, young people are the present.

Thank you very much