Youth unemployment has become a global epidemic, reaching a peak of 74.5 million unemployed young people in 2013. This bleak labour market trend is set to continue with 700,000 more young people unemployed today than last year.¹

Youth unemployment has a cascading effect, placing a burden on individuals and society, and hindering government from delivering public service for the future. Business, government, higher education—and young workers themselves—must work together to develop the right skills that will position young people for successful, long-term employment.

Skilled from the starting block
Digitalisation is a strong force creating a push/pull in the labour market. According to some estimates, computerisation has put about 47 percent of total US employment at risk, as machines are taking on certain tasks that can be automated.² In contrast to potential job loss, by 2015, 4.4 million IT jobs globally will be created to support big data.³

The effects of the digital revolution are not only on employment, but also on the skills and knowledge needed for young people to be employable. Young people must move fast to upskill and continually reskill to keep pace with the labour market need for IT knowledge, creative thinking and problem-solving skills.

Young people must take proactive steps to get their skills in shape for today’s digital era. This means developing strong analytical thinking, being creative and learning how to thrive in a multicultural environment. When youth begin their career unemployed, this puts them on a path to low wages and low income. More specifically, US graduates who enter the market with one year of unemployment can lose up to $492,876 over their lifetime as a result.⁴
Learning isn’t a sprint, it’s a marathon

The gaping skills gap will not close overnight because much work needs to be done to better align available skills and available jobs. According to the Accenture Jobseeker Survey, 41 percent of jobseekers indicate their skills do not match the jobs available.6 Businesses and academia share the same perception. For instance in the UK, more than 83 percent of businesses and almost 89 percent of academics think the skills gap needs to be bridged in order for the UK to be competitive in the world economy.8

Young job seekers must take note and look at learning as a lifelong process—not a journey that ends at graduation. Lifetime learning helps keep people employed for the long run, and helps them find better, higher paying jobs that improve their standard of living.

A good example of lifelong learning in action is Singapore’s Workforce Training Support and Lifelong Learning Endowment Fund, which encourage continuous training and up-skilling—starting in school and complementing a person’s entire work cycle until retirement.7

Coaching together at the frontlines, not sidelines

Contributing to the weak position of youth employment is a lack of collaboration and insight-driven approaches among all parties involved. Currently, 66 percent of public employment service officials surveyed across 11 countries believe they have limited insight into future skill needs of companies.9 In the UK, 52 percent of employers have no contact at all with public employment agencies.9

Education, employment and government leaders comprise an ecosystem that can collaborate proactively to shape programmes that help build in-demand skills for young citizens. There are three paths to consider:

1. Assess the skills fitness level. The labour market ecosystem must try to produce accurate and up-to-date statistics on knowledge, skills and competencies. A “competency catalogue” would create a common framework through which companies, governments and workers could identify gaps and opportunities. The European Union has created the European Skills, Competences, Qualifications and Occupations (ESCO) catalogue, which identifies and categorises skills and competences, qualifications and occupations in 22 European languages, allowing employment services to exchange meaningful information, and enabling workers to find the right job more easily.10

2. Reward good behaviour. Members of the labour market ecosystem should try to create incentives for people to take responsibility of their own training. Fiscal incentives, such as tax breaks, can entice workers to take ownership of their career path. Employers stand to benefit, too. The Government of South Australia Critical Skills Investment Program offers grants that assist Group Training Organisations to employ and mentor more apprentices and trainees. They also pay employers up to $4000 for apprenticeship and traineeship completions in qualifications that are of strategic importance to the state.11

3. Exercise experimentation. A mindset of testing and evaluation may foster breakthroughs in closing the skills gap. Once skills and training experiments are proven successful, they could be scaled and extended across the labour market ecosystem. Data capture and analysis would help to indicate the effects and outcomes of new programs.

By helping young people to get their skills in shape, employers can reap the benefits of a new generation of employees ready to meet the demands of the digital era. Furthermore, government can deliver public service for the future by connecting youth to lifelong learning opportunities to keep them sustainably employed and finding better jobs in the labour market.

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4. Based on Accenture calculations
5. Accenture Jobseekers Survey 2013
8. Accenture Public Employment Officials Survey 2013. Countries surveyed include: Australia, Brazil, Canada, France, Germany, India, Italy, Japan, Singapore, the United Kingdom and the United States.
9. Accenture Integrated Virtual Labour Market