

Welcome Speech of H.E. Dr. Savaş Alpay, Director General of SESRIC
At the Opening Session of the
Study Visit on “Skill Development for Youth Employment”
Ankara, Turkey, 11-13 January 2012

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Distinguished participants,
Ladies and Gentlemen,

Assalamu Alaikum wa Rahmatullahi wa Barakatuhu,

It is a great pleasure for me to address this august gathering on the occasion of the Study Visit on “Skill Development for Youth Employment”, which we have the honour, at SESRIC, to organize it in collaboration with the Islamic Development Bank (IDB) Group, The Union of Chambers and Commodity Exchanges of Turkey (TOBB) and the Ministry of Education of the Republic of Turkey, Ministry of Labour and Social Security.

At the outset, I would like to welcome and thank you all for accepting our invitation and designating these three days from your valuable time to participate in this important study visit. Our thanks and appreciations are also extended to the TOBB, Ministry of Education of Turkey and the IDB Group for their support and contribution to the organization of this unique event. I am pleased to note that 32 experts representing 9 OIC member countries from different regions are together here today to share and exchange their experiences, practices and knowledge on one of the most challenging issues facing our member countries, which is combating youth unemployment.

As we are all aware, unemployment is considered as one of the most serious socio-economic challenges facing many countries around the globe, both developed and developing, including the OIC member countries. Recently, in the aftermath of the recent global economic and financial crisis of 2008-2009, unemployment has become an

important issue at the top of the agenda of both developed and developing countries. Although the negative impacts of the crisis on the real economy varied widely among countries and regions, the sharp increase in unemployment rates around the world was the common and most severe effect of the crisis. In particular, the effects of the global financial crisis have been more severe on young people (age 15 to 24 years) where they faced greater challenges in finding suitable jobs. The already high unemployment rates among young people increased further during and after the crisis and triggered serious social and economic problems.

According to the ILO *Global Employment Trends 2011* report, global unemployment rate increased from 5.6% in 2007 to 6.3% in 2009, and despite the modest economic growth in 2010, it was estimated at 6.2%. It has been noticed that, due to the crisis, adult unemployment rate (% of labour force age 24 and over) increased from 4.1% in 2007 to 4.8% in 2009 and estimated at the same level in 2010. However, youth unemployment has reached the highest rates ever by raising above 13% in 2009 from a level of 11.8% in 2007. It has been also estimated that, due to the crisis, out of the 620 million economically active youth worldwide, 81 million were unemployed at the end of 2009, the highest number ever reached. Consequently, it has been recently estimated that almost 28% of the young workers in the world were in extreme poverty, a situation which causes serious socio-economic and political problems in many countries around the globe.

The OIC member countries are not exceptions, where over the last decade, as a group, the OIC countries had recorded higher average adult unemployment rates compared to the world average and the averages of other developing countries, but comparable to those recorded by the group of the developed countries until 2007; the starting year of the recent global financial crisis. Average adult unemployment rate in OIC countries decreased from a level above 6% during the period 2001-2006 to below 5% in 2008. However, according to SESRIC staff forecasts, the average adult unemployment rate in OIC countries was estimated at above 5% in 2009 and, with a slight decrease, at 4.8% in 2010, which is almost the same level of 2008. Although this rate was equal to the world average, it was still above the average of the developing countries (3.9%).

Yet, at the individual country level, unemployment rates were varied among OIC countries. For example, while 15 out of the 44 OIC member countries, for which the data are available, recorded unemployment rates lower than the OIC average of 4.8% in 2010, many OIC countries recorded quite high unemployment rates, particularly during and after the crisis. This is clear in some major OIC countries such as Turkey, Indonesia, Iran and Egypt, where unemployment is still a serious concern, with average rates of unemployment recorded between 7% and 11%. Moreover, among the OIC countries, for which the data are available for 2010, Sudan, Tunisia, Jordan, Albania, Saudi Arabia and Algeria recorded unemployment rates ranging between 10 to 14%.

The figures on youth unemployment in OIC countries are even less promising. Over the last decade, OIC countries had recorded higher average youth unemployment rates compared to the world average and the averages of other developing countries. Despite the limitation of the availability of the data, statistics indicate that in some OIC countries like Tunisia, Egypt, Palestine and Albania, youth unemployment rates reached to more than 30%. During the last decade, youth unemployment rate reached more than 15% in a significant number of OIC countries like Palestine, Egypt, Tunisia, Indonesia, Algeria, Iran, Lebanon, Bahrain, Syria, Turkey and Morocco.

In particular, the Arab countries suffer the highest youth unemployment rates in the world with an average of more than 25% compared to the world average of 12.6%. Average labour force participation rate in Arab countries is only 35% compared to the world average of 52%. In this context, it is worth mentioning that in order to reduce the average unemployment rate of the region to the global average and to approach the world average work force participation rate, more than 85 million jobs should be created over the next ten years.

Distinguished participants,

Ladies and Gentlemen,

In fact these figures and estimates indicate that unemployment is one of the major economic and social problems that is still facing many OIC countries and calling for

urgent solutions. In particular, it is clear that youth unemployment has been spreading far and wide in many OIC countries. In most of these countries, youth unemployment has been on such a large scale that it has become a structural socio-economic phenomenon that requires more efforts to be made for developing effective strategies, policies and programmes for combating unemployment, particularly in the segment of the young people through promoting their participation into labour market. Identifying the key causes of high levels of youth unemployment in these countries should be considered as a crucial precondition for developing such effective strategies and programmes.

In this context, it should be mentioned that though causes of unemployment are varied across countries depending on the prevailing socio-economic and political conditions of each country, in most of OIC countries, youth unemployment is commonly subject to skill mismatch and inappropriate matching between degrees and demand occupations. The lack of the skills needed for the new jobs in labour market and the mismatch between the supply of skills and competencies by the labour force and demand by employers causes structural unemployment. Therefore, accurate matching between labour market needs and available skills are tremendously crucial to adapt rapid changes and to sustain social cohesion, productivity and competitiveness in the labour market.

It is worth mentioning here that one of the best practices in skill improvement of labour force against unemployment is Vocational Education and Training (VET). Vocational training is defined as an educational activity with both theoretical and practical components directed to identifying and developing human capabilities for a productive and satisfying working life.

In this connection, I would like to inform you that in 2008 we have initiated and designed the Vocational Education and Training Programme for OIC Member Countries (OIC-VET) with the aim of supporting the OIC efforts to enhance the capacity building and the quality of human resources in its member countries. The OIC-VET Programme, for which SESRIC was entrusted to assume the role of the OIC Executing Organ and to lead the responsibility for the proper implementation and management, is now a common platform for human resources development initiatives in the OIC Member Countries.

In this context and within the framework of the OIC-VET Programme, we have recently initiated, in collaboration with the Islamic Development Bank (IDB), a project titled Skill Development for Youth Employment (SDYE) with a view to contributing to the efforts of the OIC member countries towards decreasing the high unemployment rates, particularly youth unemployment.

Today, we have the honour at SESRIC to organize this Study Visit as an initial phase of the SDYE programme with the aim of sharing and exchanging the experience of Turkey in fighting against youth unemployment through the project named “Skill 10 Project”. The Skill 10 Project of Turkey is a partnership project for eradicating youth unemployment through developing the skills of the unemployed youth people in various fields and areas. “Skill 10 Project” is a project which initially targets an accurate skill matching between various sectors in the economy and workforce through providing skills training, particularly for young unemployed people according to the needs of demand occupations.

Through strong private and public partnership, the project tends to provide skills training based on careful research of the needed skills of the labour market and industrial companies. As such, the Skill 10 Project of Turkey shares similar objectives with the project named “Education for Employment” which has been recently initiated and implemented by the IDB in cooperation with World Bank.

I believe that this Study Visit will be an instrumental approach in transferring the Turkish experience in “Skill 10 Project” as a best practice for fighting against youth unemployment to other member countries. We hope that this visit will develop a wider cooperation between the Turkish institutions involving in the “Skill 10 Project” and their relevant counterparts institutions in your countries. During these three days you will share and exchange knowledge, practices and experiences and draw on successful examples for combating youth unemployment.

I am confident that the work you are about to accomplish would, ultimately, approximate and contribute significantly to the collective welfare for your countries. I hope that this study visit will set the ground for establishing a professional network among your institutions for systematic sharing of knowledge and experience on youth employment issues and improving the quality of your national programmes in this important and challenging area.

As we all look forward to the successful outcome of this study visit, I wish you all the success.

Thank you for your kind attention.

Wassalamu Alaykum we Rahmatullahi we Barakatuhu