International governmental organisations and global youth unemployment: the normative and ideational foundations of policy discourses

How to cite:

For guidance on citations see FAQs

© 2013 The Policy Press
Version: Accepted Manuscript
Link(s) to article on publisher’s website:
http://dx.doi.org/doi:10.1332/030557312X655648

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online’s data [policy] on reuse of materials please consult the policies page.

oro.open.ac.uk
THE NORMATIVE AND IDEATIONAL FOUNDATIONS OF INTERNATIONAL GOVERNMENTAL ORGANISATIONS’ DISCOURSES ON GLOBAL YOUTH UNEMPLOYMENT POLICIES

Ross Fergusson and Nicola Yeates

Department of Social Policy and Criminology

The Open University

Abstract

This article compares the normative and ideational substance of policy discourses concerning youth unemployment of seven leading international governmental organisations (IGOs). 31 policy documents produced between 2004 and 2012 are examined with regard to their attribution of the causes of and responses to youth unemployment. We classify the organisations according to whether they exhibit archetypal neo-liberal or social democratic positions, or hybrids thereof, across intersecting labour market and social welfare domains. We find evidence of significant hybrids and shifts in IGOs’ policy discourses. We relate our discussion to shifting global institutional and political/economic contexts of youth unemployment and social policy, and to debates about IGO responses in the aftermath of the global financial crisis. Our analysis addresses a hitherto neglected sphere of global social policy and youth policy research and opens a window on the contested politics of the determination of a policy field of strategic significance to labour, welfare and development policy.

Key words: youth unemployment; international governmental organisations; global social policy; policy discourse.

1. Introduction

The aim of this article is to bring to light hitherto unexamined aspects of global social policy and youth unemployment policy formation through an analysis of the ideational content of IGO policy discourses on youth unemployment during the 2000s. The article draws on literatures on IGOs and IGO policy roles; on youth unemployment; and on some policy responses to the global financial crisis (GFC). It analyses the policy discourses of a wide range of policy documents relevant to youth unemployment produced by seven leading IGOs, using a classificatory matrix that differentiates them according to their political-economic analyses of the causes of burgeoning global youth unemployment, and their positions on the need for and nature of welfare provision for young people who are affected by it.

The discussion is organised in four principal sections. Following an extended introduction, section two outlines our method of data collection and analysis, and explains our choice of IGOs, time period, documentary sample, and analytical method. The presentation of our findings begins, in section three, by setting out our summary synthesis of policy discourses within our analytical matrix. In section four, we examine policy shifts and points of alignment and convergence of the IGOs’ policy discourses. Section five concludes by reviewing our findings, and querying a mooted post-GFC retreat from neo-liberalism, at least in this policy field. Overall, our identification of the normative and ideational content of IGOs’ youth unemployment policies extends analysis of global social policy to a hitherto unexplored area and reveals its wider significance for understanding policy evolution in IGOs, their character and operation, and the contested politics of the determination of a policy field of strategic significance to labour, welfare and development policy internationally.

International governmental organisations (IGOs) loom large in scholarly debates about where, when, how and why cross-border spheres of governance matter for social policy formation. IGOs are major loci of political action, claims-making and debate in communities of transnational politics and policy over how territories and populations are to be governed. Increasingly emphasised is the ‘actorness’ of IGOs: they are neither simply objects of political actions, nor (neutral) arbiters of competing interests, nor reducible to ‘passive collections of rules and structures through which others act’ (Barnett and Finnemore, 2004:100); rather, they are political actors in their own right with autonomous sources of legitimacy and power to define norms, set standards and make rules. A burgeoning body of literature testifies to IGOs’ formative role in ‘policy framing’: emphasising how they shape knowledge, promote certain beliefs, values and priorities, generate policy ideas and develop policy applications (e.g. Schmidt, 2004; Armingeon and Beyeler, 2004; Deacon, 2007; Campbell, 1998; Orenstein, 2008; Harmer, 2011). This matters because, although the ideas that IGOs promulgate may not directly result in formal agreements or common policy agendas, they may nevertheless provide a platform for future collaboration, and/or generate policy and reforms that get taken up by other actors (Yeates, 2007). Thus, it is not just that IGOs are advantageously positioned at nodal points in cross-border knowledge circuits, or that they are vital knowledge ‘transfer agents’ within transnational policy networks (Stone, 2004): they actively mobilise their persuasive powers to (re)shape policy preferences, policy agendas, conceptual frameworks, indicators, metrics, and knowledge paradigms (Orenstein and Schmitz, 2006; Orenstein, 2008). If we are to understand the full range of political actors participating in determination of a policy field, the ideational content of IGO policy activism must constitute a key subject of analysis.

Our focus on youth unemployment brings into view a dynamic area of longstanding IGO social policy activism that has not been sufficiently examined to date by social policy traditions. Indeed, for the most part, the study of young people in the context of their possibilities for attaining personal economic independence has been overwhelmingly dominated by a preoccupation with young people’s ‘transitions’. This focus has itself been dominated by large-scale cohort-based research concerned with factor analyses that attribute persistent patterns of youth unemployment to a range of variables dominated by educational attainment and socio-economic class factors linked to individualised conduct and dispositions (e.g. Bynner, 2004; Raafe 2003; for a critical commentary see Fergusson,
2004). Exceptionally, a small minority of studies has taken much fuller account of socio-economic, political-economic, spatial, cultural, and racialised contexts to consider in depth the more immediate causes of young people’s unemployment (MacDonald and Marsh, 2001; Webster et al., 2006). Within the tradition of cohort-based studies, some comparative studies have applied this broad methodological approach within regional groupings – predominantly within the European Union (e.g. Bynner and Roberts, 2001; Roberts, 2009). A few studies in the tradition of more broad-based contextual analysis have taken a cross-national comparative approach (e.g. Blossfield, 2005; Bendit and Hahn-Bleibtreu, 2008). Copious studies of youth unemployment by labour market economists mostly adopt single country case study approaches (e.g. Spring, 1987). Studies of youth unemployment that adopt a genuinely global approach are almost completely confined to work by IGOs, though multiple single-country studies still tend to prevail. The sole exceptions are the work of the International Labour Organisation (ILO), which has latterly adopted a more genuinely global overview (ILO, 2010a, 2012a); and O’Higgins’ work (2001), much of which nevertheless remains primarily cross-national.

If the influence of transnational forces on political-economic conditions associated with youth unemployment receives almost no direct attention in the political sociology of youth, global social policy studies, for its part, has tended to favour single sector approaches to the neglect of trans-sectoral ones that draw from a range of policy fields and sectors. Classifications of IGOs’ welfare orientations, for example, have developed by reference to sectoral policies (e.g. Deacon and Hulse 1996; Yeates, 2008). But sectoral approaches are often too coarse-grained to reveal how particular issues (unemployment) and population groups (young people) are framed or problematised through policy discourses. As a result they invariably fail to capture nuances in position or ‘outlier’ positions which, in turn, may be of consequence for understanding IGOs’ overall welfare orientations. Our approach to the analysis of IGO youth unemployment discourses permits a new vantage point on IGO social policy analysis. Focusing on a social group (young people) in relation to a particular issue (unemployment) that cuts across more than one sector (employment, social security, training and education) and across multiple academic disciplines (social policy, sociology, political economy, labour market economics etc.) opens up an untried perspective on the multitude of discursive practices and constructions that inflect and challenge existing understandings of the ideational content of IGO social policy activism.

In sum, there is a strong *prima facie* case that youth unemployment is a neglected object both of global policy analysis and of the political sociology of youth policy, and that it is an illuminating and original lens through which to examine how IGOs seek to frame and adapt social policy knowledge, priorities and ideas. At the level of political practice, youth unemployment policy is established as a dedicated field of IGO policy activism. It can be traced back to the 1970s when the LO enjoyed virtual hegemony (Freedman, 2005). Since that time, and during the last decade in particular, youth unemployment has become an increasingly prominent object of global politics and policy and increasingly contested as a broader range of IGOs including the World Bank, the International Monetary Fund (IMF), and various United Nations (UN) bodies and agencies have entered this field. This, we argue, has significantly impacted upon the politics of policy formation. The 2000s were marked by two critical turning points. The first was the establishment in 2001 of a dedicated transnational public policy network, the Youth Employment Network (YEN) established by
the Oslo Millennium Summit (2001). This was significant because it redefined youth (un)employment as a social development issue (rather than a labour issue) and brought the World Bank into a tripartite inter-IGO partnership with the United Nations (UN) and the ILO. As we discuss in the article, these developments were associated with subsequent shifts in the policy discourses of other IGOs in the network, in particular the ILO.

The second turning point coincided with the eruption of the global financial crisis (GFC) in 2007-08. Youth unemployment was reasserted as a priority for IGOs as the financial crisis transformed into a global social problem; mass, endemic youth unemployment, an issue (long) besetting the poorest countries, now also beset the richest (ILO, 2010; OECD, 2010). In the context of the ‘Arab Spring’ democratisation movements in North Africa and the Middle East, the significance of youth (un)employment as a global policy issue was further amplified as it became identified as a trigger of social unrest and revolutionary political action (IILS, 2011).

Over the period we examine, then, youth unemployment has become an issue of markedly heightened political and policy significance that has mobilised a wider range of actors and perspectives within transnational policy making frameworks and, relatedly, has become marked by intensified contestation and struggle over the normative and ideational content of global policy.

By mapping the major contours of the ideational axes of alignment and division among IGOs during this recent period we bring to light significant features of the political dynamics shaping this fast-moving policy field. We contextualise these policy shifts in relation to trends in IGO social policy activism more widely, including the GFC. Although the primary concern of our research is not to trace the impact of the crisis on IGO policies, it is an unavoidable context for our analysis. One question preoccupying several analyses of contemporary global political economy is whether the crisis has prompted a retreat from or a reinvention of the premises, policies and practices of the dominant neo-liberal paradigm. The most wide-ranging analyses have variously envisaged serious damage to the neo-liberal project, major de facto compromises of its key tenets, or evolutionary adjustments that demonstrate its irrepressible adaptive resilience (see for example Wade, 2008; Harvey, 2010/11; Dumenil and Levy, 2011; Peck et al., 2012). The more grounded, policy-relevant commentaries question whether the shifting positions of IGOs around social policy issues signify challenges to the neo-liberal global policy paradigm (Utting et al., 2012; Deacon, 2011, 2012). How crisis conditions inform IGO policy shifts can offer a distinctive window through which to assess claims about a retreat from or a re-invention of neo-liberalism. We return to this debate later in the paper.

2. Method and aims

Our study maps and assesses youth unemployment policy discourses through a comparative analysis of policy documents from seven IGOs: the ILO, the IMF, the Organisation for Economic Cooperation and Development (OECD), the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the UN Economic and Social Council (ECOSOC), the UN Children’s Fund (UNICEF) and the World Bank. Though diverse in many respects all these IGOs are active transnational policy actors in the youth unemployment field.
Policy discourse is represented in a range of genres (policy reports, official reports, political speeches, interviews, press releases, briefings, media reports), but for the purposes of our analysis we focus on official documents of each of the organisations. These include reports (annual, thematic or special/ad hoc reports), quasi-technical documents (e.g. policy making and evaluation guides for practitioners), Minutes, Notes, Resolutions and formal statements. We excluded research papers, working papers, and evaluation reports that were prepared by external consultants. All of the documents examined are publicly accessible. We read every document published in the nine years spanning 2004-2012 that matched the above criteria and that represented a substantive engagement with youth unemployment. This periodisation reflects our aim of examining the most recent publications and statements while setting them in the context of positions preceding the GFC. We drew directly from 31 documents (referenced below) and consulted at least twice that number that lacked sufficient relevant coverage to merit inclusion.

Our aims in reading the selected documents were threefold: to examine the IGOs’ framing of the causes, problems and responses to youth unemployment; to identify dominant discursive clusters of analyses of the causes of youth unemployment and proposed policy responses to it; and to discern degrees of alignment and divergence of policy discourses and prescriptions amongst the organisations.

Charting the unfolding field necessitated clear descriptors of the contours to be tracked. Thus, we focus on the axes of description and analysis that gain ascendancy, as key determinants of the defining lines of contestation (Orenstein, 2008; Deacon, 2007). Our preliminary sample scrutiny indicated that the major axes of differentiation between IGOs were their analyses of the causes of unemployment amongst young people, and the relationship between unemployment and social protection/welfare provision. While many assumptions and analytical positions were evident, it was clear that these two axes would provide the greatest insights into the differences between IGOs, and into their own shifting positions over time. Along these axes, a range of social, social psychological and micro-economic factors and country-specific social and economic policy differences were repeatedly drawn upon to explain unemployment and its relationship to social protection and welfare provision. These factors were, however, unevenly and inconsistently present in the discourses and policy analyses we examined. More usefully for our purposes, most of the texts displayed a strong overt or underlying alignment with some broadly political-economic categories, modes of analysis and theorisations. In the interests of using analytical categories that would be encompassing and broadly consistent over time, across IGOs, and across territories, we privileged a broad, high-level categorisation. We therefore located the texts on a continuum broadly defined by neo-liberal and social democratic positions on employment, unemployment, education, training and entitlement to social protection.

Nevertheless, it was also clear that this approach generated a typology that was insufficiently nuanced to capture important differences and points of articulation between IGOs. Many texts were complex mixes of both traditions of socio-political thought. Clearer lines of differentiation could be drawn by identifying explicit and implicit explanations and assumptions about the causes of unemployment located within established models of labour market analysis. Most of the texts tended to be dominated by either a supply-side or a demand-side analysis of labour market disequilibrium. Similarly, most texts exhibited clear
statements or assumptions about the social risks of unemployment, and in particular the relationship between unemployment and social welfare provision. Some IGOs whose dominant discourses were typical of those of neo-liberal adherents to a dependency-driven analysis of welfare nevertheless recognised explanations of burgeoning youth unemployment that focused on failures of labour market demand. Equally, IGOs whose dominant discourses were broadly aligned with recognisably social democratic positions were, unremarkably, able to recognise perverse obstacles to adaptation to transformed labour market conditions in instances where crises of demand were clearly the underlying cause of such market failures concerning job opportunities for new young workers.

Such adaptations on the part of IGOs that had historically been broadly identifiable as adherents to recognisably neoliberal-inspired or social-democratic-inspired positions appeared responsive to new conditions and new evidence. At earlier points in some of their histories, most of the IGOs we considered could have been more confidently associated with broadly neo-liberal and broadly social-democratic stances on labour markets, youth unemployment, social protection for young unemployed people etc. This recognition served both to endorse this choice of a more-or-less binary core classification of IGOs, and to point the way to qualified, hybridised mixes of normative and analytical rationales for evolving policy positions on the causes and consequences of burgeoning youth unemployment.

These parameters led us to consider the intersection of the two, and the extent to which that intersection captured many of the complexities and nuances of responses that went beyond the crude binary of neo-liberal versus social democratic alignments. This, in turn, led us to develop a four way classification as a means of differentiating the policy leanings of each IGO. The resultant matrix beneficially highlights intersecting labour market and welfare discourses that are congruent with archetypal neo-liberal and social democratic positions, and discourses that blend ostensibly incongruent mixes of those positions (Figure 1). Thus, in Cell One, core neo-liberal discourse on markets and welfare attributes mass youth unemployment to young people’s poor adaptation to market requirements in combination with the prevalence of welfare dependency that disincentivises personal responsibility for acquiring skills that are in demand, discourages travel to jobs, and encourages young people to maintain unrealistic reservation wage levels. Cell Four is characterised by core social democratic discourse that attributes mass youth unemployment to economic contraction, retrenchment in stringent fiscal conditions, and massively reduced demand for labour, in combination with levels of welfare provision that are proper responses to the insecurities and ‘scarring’ effects that would otherwise be experienced by young people. Cell Two, then, represents those discourses which are hybrids of supply-side explanations of poor adaptation to market conditions on the part of young people, mitigated by some recognition of weak demand for labour, and an underlying commitment to welfare provision for particularly vulnerable groups whose exclusion from employment has demonstrably long-term adverse effects. Obversely, Cell Three represents discourses which recognise intractable demand deficiency in the market that cannot reasonably expect to meet a response from young people, but nevertheless regard the welfare of young people as primarily the responsibility of families.
This model is, of course, comprised of ideal types. The above characterisation of the archetypal cells One and Four is relatively extreme, and in practice we allowed it to encompass versions of IGO discourses of youth unemployment that tend towards the type, and are not significantly sullied by elements of the opposing core model. Similarly, our utilisation of the hybrid cells (Two and Three) embraces many more permutations of discourses that derive from counter-posing core positions rooted in neo-liberal and social democratic doctrines than those set out above. We emphasise, though, that our purpose was not primarily to achieve fine-grained analytic purity, but to make manageable the task of identifying prevailing trends and positions from a huge quantity of official policy text spanning a multiplicity of organisations over time. The central purpose of mapping the unfolding emergence of dominant discourses on youth unemployment in transnational policy spheres remains our focus throughout.

3. Synthesis and classification of policy discourses

We begin our presentation of results with summary overviews of the IGOs’ policy discourses. These summaries are the product of repeated distillations to a level sufficient to categorise and model the approach; each element is the product of the narrative from several sources. Each overview begins with a brief summary descriptor of the nature of each IGO’s engagement and ends with our classification. Figure 2 locates each of the IGOs within the relevant cells in the classificatory matrix.

3.1 United Nations Economic, Scientific and Cultural Organisation

UNESCO has a longstanding substantive interest in youth unemployment that derives directly from its concern with education policy. Its discourse on young people is characterised by an emphasis on social investment, social equality, universalism, empowerment, social integration and a participatory orientation. It deliberately disavows a
strongly vocational skills orientation within education curricula in favour of a life-long learning approach that balances cultural and social with economically relevant approaches that contribute to the socialisation, integration and empowerment of individuals. It recognises that unemployment impacts disproportionately upon young people, and generates high risks of marginalisation and social exclusion. Significantly, UNESCO is the only UN agency to specifically emphasise the shortcomings of supply-side analyses of youth unemployment and to advocate demand-creation strategies. **Classification:** archetypal: social democratic.

### 3.2 United Nations Children’s Fund

UNICEF’s contribution to youth employment policy deliberations is surprisingly limited. Despite its central concern with the welfare of children up to 17 years, youth unemployment is a peripheral part of its work. Nonetheless, UNICEF emerges as a strong adherent to supply-side labour market analyses. It selectively cites the ILO’s (2010a) report to emphasise skills deficits amongst unschooled adolescents, and more generally the poor skills-readiness of adolescents for ‘the modern globalised economy’, and the attendant risks of poor employment prospects, lack of opportunities and poverty. Equal stress is placed on the loss of productive capacity to the economy and young people’s claimed increased susceptibility to fundamentalism or crime. Demand-side factors are not addressed. **Classification:** ambiguous: muted archetypal neo-liberal; and some recognition of the adverse effects of unemployment on individual security, without foregrounding welfare needs or entitlements.

### 3.3 United Nations Economic and Social Committee

ECOSOC’s approach to youth (un)employment is framed within the UN’s Decent Work agenda, which is oriented to robust employment-centred economic growth on the one hand, and to its poverty reduction and social development strategies founded on strengthened welfare entitlements on the other. It emphasises the importance of productive work for young people as part of a strategy of decent work for all, and the rights of young people to work and at work. A combination of supply-side and demand-led labour market analyses within a public/private partnership-based approach to tackling youth unemployment prevails. ECOSOC is notable for its emphasis on mainstreaming issues of youth employment within social development strategies, including those relating to poverty reduction, in order to mitigate the risks and costs of youth unemployment that include long-lasting scarring and distressing effects on young people themselves and wider society. ECOSOC is probably the most integrative of labour market and welfare analyses of youth unemployment amongst the IGOs we surveyed. **Classification:** Ambiguous: predominantly strongly archetypal social democratic but also implicitly adopts supply-side arguments through its emphasis on skills development.

### 3.4 International Labour Organisation

The ILO has by far the longest standing, most in-depth and committed engagement with youth unemployment and its adverse societal effects, pre-dating its constitution as a specialised United Nations (UN) agency in 1946. Unsurprisingly, its discourse on youth
unemployment is framed by the UN Decent Work Agenda and Global Employment Agenda. The ILO is distinctive for its emphasis on increasing aggregate demand for young people’s labour, whether through employment creation or labour market institutional reforms. It also advocates a wide range of targeted active labour market policies, including incentives for employers to recruit disadvantaged young people and in areas of high unemployment. It advocates supply-side measures in relation to skills development and entrepreneurship, but argues that these are ineffective in isolation from demand-side measures. The insecurities of unemployment are fully recognised and a strong case is made to institute a ‘basic social floor’ to reduce youth poverty and social exclusion. Classification: archetypal social democratic slightly inflected with a conditional acknowledgement of the need for supply-side measures.

3.5 World Bank

The World Bank’s relatively recent entry in the area of youth unemployment policy has been marked by attempts to make a prominent contribution to international thinking and policy in this field, most notably by commissioning a number of major studies and through its joint role with the ILO (and UN) in the Youth Employment Network since the early 2000s. Its discourse on youth unemployment is firmly grounded in human capital theory. Its supply-side analysis focuses on premature exit from schools which, it argues, perpetuates skills mismatches, and on social institutions which inhibit skill acquisition and work. Demand-side problems are attributed to ‘surplus’ labour resulting from excessively large cohorts of new entrants to over-supplied labour markets, and to the unintended consequences of public/economic policy failures bearing disproportionately heavily on young people. Its solutions lie in delayed labour market entry, and interventions to smooth transitions from school to work. Particular stress is placed on active job search, and on the provision of public work programmes, wage subsidies, internships, and training. In terms of social protection, the World Bank promulgates an approach that confines public support to the very poorest and makes entitlements conditional upon behavioural adjustments, but without drawing directly on dependency discourses. Classification: Archetypal neo-liberal.

3.6 Organisation for Economic Cooperation and Development

The OECD’s Jobs Strategy (1994) concerned youth as well as adult unemployment. Its relatively long-standing committed interest intensified greatly shortly before the GFC, when it commissioned a four-year, 16-country in-depth Jobs for Youth programme, which represents the most intensive analysis of youth unemployment undertaken by any IGO. The OECD’s approach to youth unemployment is the most fluid, adaptive and volatile of the IGOs we reviewed. Its position in the early 2000s was indistinguishable from that of the current World Bank position; by 2010 it makes cautious acknowledgement of the policy approaches advocated by the ILO. It moved from an unmitigated emphasis on supply-side measures to a blended approach that incorporated demand-related strategies. This reflects a long-standing recurrent concern about the threats to social cohesion posed by a long-term cadre of unemployed young people, migrants and unskilled workers. By 2010 OECD was acknowledging demand deficiency as a major cause of burgeoning youth unemployment. At the same time policies to reduce labour supply are disavowed, the proposed solutions to demand-side problems continue to have a supply-side undertone, and there is an unusual
emphasis on ‘over-qualification’. Advocacy of welfare entitlements limited to ‘safety nets’ continues, but is again heavily mitigated by arguments that these be sufficiently extended to ward off social unrest. 

*Classification:* Highly ambiguous (Cells 1, 2 and 4). Committedly supply-side, but with recognition of demand deficiency; dominated by concern about the risks of welfare dependency but also of the risks to social stability resulting from welfare insecurity.

### 3.7 International Monetary Fund

The IMF made its first public intervention on issues relating to youth unemployment, welfare and social cohesion in 2010. At a joint conference with the ILO it drew attention to the highly inflated rates of youth unemployment globally, and to the effects of mass youth unemployment on social cohesion. Remarkably, IMF disputes orthodox (neo-liberal) objections to social protection and labour market intervention measures. Unemployment insurance is described as providing ‘vital demand stabilization’ because of the high propensity of unemployed people to consume. Increased benefits are cited as having high fiscal cost-effectiveness because of their direct impact on aggregate demand. The case for making benefits conditional on created ‘social’ jobs is recommended. Job subsidies are also advocated insofar as they allow short-time working and inhibit redundancies. 

*Classification:* highly ambiguous (Cells 1, 2 and 4) over time, shifting commitments as between supply-side and demand side analyses, and between dependency and entitlement discourses on welfare.

*Figure 2 Classification of IGOs’ policy discourses on youth unemployment*

<table>
<thead>
<tr>
<th>Labour market analysis</th>
<th>Welfare analysis</th>
<th>Welfare as Cause of Dependency</th>
<th>Welfare as Response to Insecurity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply-side emphasis</strong></td>
<td>1</td>
<td>World Bank (UNICEF) (OECD) (IMF)</td>
<td>2 Hybrid discourses (ECOSOC) (ILO) (UNICEF) (OECD) (IMF)</td>
</tr>
<tr>
<td>Archetypal neo-liberal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Demand-side emphasis</strong></td>
<td>3</td>
<td>Hybrid discourses [void cell]</td>
<td>4 Archetypal social democratic UNESCO (ECOSOC) (ILO)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. Critical analysis of the IGO discourses

Figure 2 highlights some striking features of the dominant discourses of these key IGOs, notably: first, the almost exclusive concentration of IGO discourses upon readings of welfare for young unemployed people that are grounded in conceptions of unemployment as a source of insecurity deserving of robust social protection, rather than as a manifestation of dependency which fuels unemployment; second, the almost even division between IGOs whose interpretations of youth unemployment focus on supply-side causes and demand-side causes; third, the ambivalent position of almost all ‘pro-welfare’ IGOs on the supply-side versus demand-side analyses, to the extent that only two organisations are unequivocally committed to either a supply-side explanation (UNICEF) or a demand-side explanation (UNESCO); fourth, the one highly influential and powerful IGO which has an ostensibly unequivocal neo-liberal interpretation of youth unemployment – the World Bank (Cell One); fifth, the predominant investment of UN entities in an unequivocally social democratic interpretation of youth unemployment (Cell Four); and, sixth, the difficulties in differentiating between all IGOs which advocate a predominantly social democratic analysis of the issue (Cell Four), and those whose analysis is a hybrid of social democratic and neo-liberal stances, by virtue of their ambivalence over the precedence afforded to supply-side and demand-side analyses (Cell Two). Finally, it is also of note that supply-side analyses foregrounding the insecurities of unemployment (Cell Two) are not mirrored in demand-side analyses that foreground a dependency-led critique of welfare (the void Cell Three). For now, we simply observe that Cell Three seems to be an unsustainably contradictory hybridisation of source doctrines, whereas comparable contradictions represented by Cell Two appear to be pragmatically worked around.

IGOs’ policy discourses often resemble complex shifting hybrids. Here, we focus on two aspects of this hybridity. The first considers why IGOs that lead on a demand-deficiency analysis of youth unemployment (Cell Four) also tend to acknowledge supply-side analyses, but not vice versa. The second concerns the concentration of IGO discourses on varying degrees of recognition of the need for welfare provision (section 4.2). Thirdly we turn to temporal aspects of the discursive shifts, looking at the relationship between the GFC and shifts in IGO policy discourses to address debates revolving around whether the GFC heralds the abandonment or reinvention of neo-liberalism.

4.1 Concessions on supply-side and demand-side analyses

The ILO and ECOSOC both concede that supply-side deficiencies (skills, mobility, wage expectations) are significant contributory causes of mass youth unemployment, alongside the sharp decline in demand for young people’s labour. Empirically, ‘pure’ supply-side and demand-side analyses can be readily refuted by selected case studies within any labour
market. Except in the deepest recessionary conditions some available posts remain unfilled by virtue of lack of available expertise. Obversely, if the skill profile of the unemployed population perfectly mirrored the skill profile of the employed population, it would be clear that insufficient demand for labour, not skills deficits, fully accounts for extant levels of unemployment. Between such extremes, exceptions to supply-side and demand side explanations for unemployment are inevitable. At issue is whether deficiencies of supply or of demand are attributed with being the predominant cause of unemployment. In this case, ECOSOC and ILO unequivocally accept that supply-side factors are contributory, without being explicit about their proportionate effects compared with those of demand-side factors.

Since the GFC, much more marked concessions by the ILO and the World Bank across supply- and demand-side positions have emerged. In our preliminary analyses the World Bank was uniquely classified as unequivocally committed to supply-side explanations of youth unemployment and to a view of welfare as a cause of welfare dependency. Its adherence to such neo-liberal policy stances is central to its credibility with its highest-contributing member states. Its core texts that comment on youth unemployment are overwhelmingly dominated by supply-side discourses. Remarkably, though, one strand of the World Bank’s discourse inverts mainstream supply-demand debate. It begins its accommodation of demand-side analyses by deftly reworking supply-side claims that would-be young workers are ill-prepared for existing employment opportunities. Its argument that ‘large cohorts of new entrants and higher female participation rates will continue to add pressure on the youth labour market’ (World Bank, 2007: 103) identifies a new demographic terrain for analysis. This concedes that there is mismatch between supply and demand for young people’s labour, but explains that mismatch neither by reference to the capabilities of those whose labour is surplus to requirements, nor to deficient demand for young labour. Rather it attributes youth unemployment to oversupply, in the form of the excessive size of cohorts being released prematurely from compulsory schooling onto oversubscribed labour markets.

This strand of its discourse places the World Bank precariously close to neo-Malthusian arguments about population size; and, paradoxically, also close to functionalist Marxist reserve army theory which sees schools and colleges as existing in part to absorb excess young people’s labour in times of weak demand. The argument that schools and colleges should in effect manage labour supply has continued to be a dominant strand of World Bank thinking. This strand is nevertheless of diminishing credibility as school rolls and unemployment rates have begun to rise simultaneously as the full effects of financial crises surged through labour markets. By 2010, the World Bank had made a major concession to tactics of social-democratic intervention that are anathema to classical neo-liberal market precepts. It advocated financial incentives to firms to hire workers with the express purposes of broadening opportunities available to them (World Bank, 2010: 2, 3, 5). This is extended by supporting wage subsidies that serve to offset the effects of employing young people whose marginal productivity may be below market wages (op. cit., p.2). This is an astonishing departure for an organisation whose every activity is framed by the precepts of the competence and efficiency of market systems. In effect, advocating recruitment incentives and wage subsidies prioritises social need over the unhampered operation of markets.
The ILO, for its part, had, as we noted, accommodated aspects of supply-side arguments in its policy discourse. This is less remarkable. The demand vs. supply binary is an analytical artifice: unemployment must be the primary result of a workforce that is unable or unwilling to take up job opportunities, or of a lack of vacancies despite a willing and able work-force. If the labour market is seen as an aggregated national entity, both explanations cannot prevail. But in practice, once the labour market is seen as diverse, varied and segmented, both analyses can prevail simultaneously and co-locationally. Thus, some aspects of ILO’s shifting approach are an explicit realistic recognition of the need to address both analyses to mitigate education and labour market failures while also promoting efficiency and equity in the labour market.

Such shifts may be essential for any policy and campaigning organisation that actively engages with policy processes and local projects. The commitment to balancing efficiency against equity, and job-search against planning maintains this delicately balanced duality, while still conceding much to supply-side discourse. What is perhaps more striking about the ILO’s engagement with supply-side discourse is that it has recently begun to align itself with some of the more fundamental precepts of neo-liberal pro-market discourse. Even in 2008, ILO was going well beyond recognition of the importance of skills training to meet market need when it advocated a need to ‘promote entrepreneurship’ on the part of labour market institutions that help young people access jobs (ILO, 2008: 7). This invokes the neo-liberal argument that demand failure in labour markets is the direct result of weak market stimuli and of would-be workers’ over-reliance on the provision of employment rather than its creation. This is a surprising departure, particularly if it is applied to disadvantaged and marginalised young people. Similar observations apply to the ILO’s commentary that ‘equipping youth with skills and work experience can be effective in preventing unemployment and increasing the quality of jobs’ (ILO, 2010: 3), again implying that skills actively create work.

There is, then, a strong case to be made that the ILO’s policy discourse has substantially shifted, by accommodating aspects of supply-side analyses of youth unemployment, and that the World Bank has accommodated a demand-side analysis. In both instances, we argue, these accommodations have extended beyond pragmatic adjustments and constitute direct engagement with core precepts which are at some odds with these IGOs’ dominant stances. Shifts of such significance go well beyond the ebb and flow of emphases that characterise the shifting internal discourses of complex organisations.

Both organisations’ accommodations have already been the focus of some trenchant critiques (cf. Sukarieh and Tannock (2008) on the World Bank’s efforts to restore the credibility of the neo-liberal project; Kryvoi (2009) on ILO employment regulation targets in the interests of employers and governments). One possible interpretation is that these accommodations may be related to the Youth Employment Network partnership and an anticipated ‘cooperation dividend’: for the World Bank, intervention in market processes in exchange for the promotion of some of its core programmes and values amongst the ILO’s extensive networks; and for the ILO access to the World Bank’s extensive development resources. Of course, the ‘ideational distance’ travelled by each organisation is not necessarily of equal import, or significance. Further research is needed to investigate the
political and institutional conditions and dynamics giving rise to these discursive shifts and their translation into tangible outcomes.

4.2 Adherence to core welfare discourses

Compared with the two-way process of discursive shifting in relation to labour markets, contestation between IGOs on the issue of welfare remains decidedly entrenched. It is unremarkable that the UN agencies afford prominence to pro-welfare discourses given their rights-based charters. More surprising is the apparent porosity of the boundary between supply-side and demand-side labour market analyses alongside the gulf separating counterposed positions on welfare. In contrast to labour market analyses, positions on welfare derive directly from precepts that are inherent core elements of neo-liberal and social democratic values and traditions. Integrity dictates that they cannot be trimmed to match observed conditions.

That said, such trimming is evident in the OECD. Historically, OECD discourse in relation to youth unemployment was strongly aligned to a welfare dependency approach. We found its advocacy of conditionalised safety nets as a minimalist concession to welfare needs to be robust, closely paralleling the World Bank’s position. Unprecedentedly, the OECD has departed markedly from that position. Between 2006 and 2008, the Secretary-General’s annual report makes only passing mention of youth unemployment. By 2010, the report was advocating more focused attention on income support and stronger social safety nets for young people (OECD, 2010a: 27), and in 2011 it was advocating further strengthened income support (OECD, 2011a: 75).

The triggers for this are relatively transparent in the documents themselves. In 2010 the previously unused terminology of a ‘hard core’ of young unemployed people emerged. This ‘hard core’ is variously described as ‘youth left behind who would be likely to suffer long-term scarring’ (OECD, 2010b: 16) and as ‘youth who cumulate disadvantage’ (op. cit., Executive Summary). This lexicon has strong undertones of recalcitrance and quasi-criminality, which invoke visions of mass youth unemployment as a threat to social stability and cohesion. OECD member nations were actively urged to target intensive assistance, to make temporary extensions to the safety net as ‘vital to prevent poverty’, and to provide income support, and effective, reliable social protection. Of note here is the OECD’s reminder that half of OECD countries had recently provided or increased unemployment benefits for young people (OECD, 2010b: 136), and its admiring description (OECD, 2010b: 80) of the USA’s Recovery Act (2009) which substantially extended their eligibility for unemployment benefits. These commendations betray an anxiety not present prior to the GFC; and a striking abandonment of welfare dependency discourses.

An even more belated entrant to this debate, along similar lines, is the IMF. Famously reticent about participating in the discursive politics of social policy, its entry into this domain is striking. Occasioned by a joint conference with the ILO, IMF’s contribution is entitled ‘The Human Cost of Recessions’. There is a strong focus on the cost to individuals and families through loss of earnings, impacts on health, and adverse effects on children. Special emphasis is given to the adverse effects on social cohesion. Economic hardship and unemployment are said to have ‘far-reaching consequences on social cohesion’ (ILO/IMF,
2010: 21). The presentation draws on a major longitudinal study which found that 18-25 year olds who had experienced recessions had reduced confidence in the benefits of personal effort and a stronger perception of inequalities. It suggests that these findings shed 'alarming light on today's situation of high long-term and youth unemployment rates' and makes the powerful claim that ‘the labour market experience of today's youth will have deep adverse impacts on the faith in public institutions of future generations’ (ibid: 21). This is a remarkable and powerfully stated departure for one of the two key global financial institutions.

Apart from these two examples, we found no other instance of a major IGO departure from core values on welfare provision. The broad indications of our model remain a reasonable representation. IGO discourses and positions on labour market causes of burgeoning youth unemployment are infinitely more fluid than discourses concerning welfare. Similarly, there are some indications of accommodations between IGOs on their labour market positions, but none on their welfare positions. And this explains the void Cell Two of our classificatory model: the World Bank’s marginal demand-side concessions on wage subsidies do not sufficiently offset its staunch position on welfare dependency to query its ‘pure’ neo-liberalism.

4.3 The global financial crisis: challenging neo-liberal social policy?

Here we return to the question of whether IGO policy shifts on youth unemployment indicate a weakening of the supposedly hegemonic power of neo-liberalism post-crisis. It is difficult to be definitive about what impact the GFC has had on the development of policy in this area because it is, surprisingly, the focus of only a very small minority of the post-2007/8 policy literatures we analysed. The documents that were published at the height of the crisis (2008-2011) rarely made even passing reference to it. UNICEF’s (2010) annual report devotes very small coverage to it. ECOSOC’s general intervention on the GFC devotes a single paragraph to youth unemployment (ECOSOC, 2010, para. 22). UNESCO publications do not address it; nor do two World Bank publications otherwise dedicated to youth unemployment (World Bank, 2010a, b).

The notable exceptions to this dearth of reference to the crisis emanate from the ILO, the OECD, and latterly the IMF. From 2008 onwards, global youth unemployment was a focus of annual ILO reports and other publications (ILO, 2012a, 2012b; Somavia, 2010, 2012a, 2012b). The OECD’s major Jobs for Youth study began before the GFC, but its summative review (OECD, 2010b) was heavily inflected by its major impact on youth unemployment. The OECD’s focus shifted more directly to its effects on youth unemployment in subsequent publications (notably OECD, 2011a, 2011b), although its Employment Outlook reports of 2009 and 2010 on the jobs crisis gave no emphasis to youth unemployment. The IMF’s sole resonant intervention noted above (ILO/IMF, 2010) has not been followed up. Significant as these latter interventions are, they do not support any general claim that the unfolding engagement of IGOs with youth unemployment has been stimulated by the GFC.

Seen in this context, the policy adaptations advocated by the IGOs we have considered are, we suggest, not well characterised as a retreat from the neoliberal project. None of the shifts that have taken place to IGO discourses constitute a wholehearted move to embrace values readily identifiable with social democratic social policy discourses. The adaptations
proposed by the IGOs we focussed on more closely resemble the next modality for the survival of neo-liberalism within global social policy. A relatively modest player in this field, UNESCO alone remains unequivocally rooted in its historic social democratic social policy stance. The ILO has embraced supply-side explanations of youth unemployment, while both the ILO and World Bank uneasily circumnavigate the contradictory terrain of supply-side versus demand-side explanations for youth unemployment. The OECD’s formulations might reasonably be construed as lifting the height of the safety net, rather than substituting it with permanent modes of social protection and robust welfare entitlements. The IMF response to its new-found concerns about social cohesion is framed in terms of short-term amelioration of the conditions of unemployment until self-sustaining recovery begins (ILO/IMF, 2010: 38).

On the basis of our analysis, the precepts of neo-liberalism in global youth unemployment policy remain essentially unsullied, largely unchallenged, and even reinvented. In this we share Deacon’s (2011, 2012) analysis of changes in global social policy discourse which leaves in the balance questions about whether policies on social protection are changing in the wake of the GFC. He finds indications that the World Bank may be reviewing its position on social protection, labour strategy and pensions but identifies no significant shifts to date (2012: 90-91). For the IMF he identifies more concrete evidence of policy continuities in the shape of targeted poverty alleviation and residual means testing, contrary to the IMF’s own claims of a commitment to structural reforms to protect the most vulnerable (ibid: 93-4). In a similar vein Utting et al (2012) consider the GFC in the context of a wide range of global social and labour market policies, offering a measured assessment of claims that the crisis has damaged the neoliberal paradigm. They find evidence of multiple shifts and accommodations into which the changes we have found blend easily, and conclude that ‘numerous spaces for action exist and are emerging that point to the possibility that neoliberal hegemony might be challenged. This, however, seems to be a long-term prospect’ (ibid: 18). They caution against ‘sweeping generalisations about the direction of ‘progressive’ or ‘regressive’ change’ and conclude that ‘eclectic hybrids rather than anything approaching the ideal-type futures are more likely outcomes’ (ibid: 18). Our documentary analysis endorses this view.

5. Conclusions

This article has established and applied parameters for inquiry into the normative and ideational contours of youth unemployment policy discourses that have recently been deployed among a range of IGOs. From a wide range of observations of IGO policy discourses we have identified several IGOs that mix social democratic stances on welfare with neo-liberal sympathies on explanations of unemployment, and we have contrasted this with the palpable absence of the obverse mix. We have also reviewed recent in IGOs’ historical tendencies regarding continuing divergences on demand-focussed and supply-focussed explanations of youth unemployment, as against growing convergence on the importance of social protection to reduce potentially dangerous social effects of the GFC. And in particular we have concluded that attempts to associate these unfolding discursive developments with a mooted retreat from neo-liberalism lack clear empirical support, at least in this field of policy.
Our study opens up a previously uncharted policy field to an analysis of how transnational forces play out in the context of youth (un)employment policy. We have focused on policy discourse because the language in which it is expressed frequently epitomises the normative as well ideational roots of the policies that IGOs advocate and promote. This recognition says little about the efficacy, reach or impact of these policies in practice, for which further research is needed. Our attempts to map so great a volume of IGO publications are necessarily schematic. We recognise that IGOs are not monolithic, homogenous bastions of values and political allegiances, but large, heterogeneous organisations. Mapping the lines of ideational cohesion, alliance and fracture within as well as between these organisations will be necessary to draw a fuller picture of the dynamics of global youth unemployment policy determination, alongside further investigation into how policy discourses are shaped by changing organisational norms.

Despite these cautionary notes, the capacities of the foregoing analysis to illuminate both the evolution of policy and the character and operation of key IGOs extends knowledge of a key area of global social policy formation. It also points the way towards an enhanced understanding of a new set of actors – IGOs – which are highly active in the framing of youth unemployment policy but which have been overlooked by policy studies. And it illuminates the often-conflicting policy ideas and advice urged upon governmental and non-governmental actors grappling with the effects of unprecedented and burgeoning numbers of young people whose early attempts at economic participation fail.

References


ILO (2004a) *Starting right: decent work for young people*, Background paper to the Tripartite meeting on Youth Employment: the way forward, TMYEWF/2004/, Geneva: ILO.


OECD (all years from 2004 to 2011) *Employment Outlook*, Paris: OECD. [cited reports from this series are referenced individually]

OECD (all years from 2004 to 2011) *Secretary-General’s Report to Ministers*, Paris: OECD. [cited reports from this series are referenced individually]


OECD (2010b) *Off to a Good Start? Jobs for Youth*, Paris: OECD.

OECD (2011a) *Secretary-General’s Report to Ministers*, Paris: OECD.


