

# The BRICS Youth, the Financial Crisis and Job Promotion

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## Since the 2008 financial crisis

there has been an increasing focus on the creation of decent and productive employment for youth. This movement has recently been formally entrenched in the construction of the post-2015 Sustainable Development Goals agenda, under core dimension number 3: 'Inclusive social development'.

The BRICS grouping, created in 2006, was initiated in light of the prospect of its Member States representing the world's largest aggregate economy by 2050. It has since seen the protection of youth and the promotion of jobs emerge as a leading area of its social agenda. Currently the BRICS youth represent approximately one fifth of the world's working-age population; therefore, capitalising on their exceptionally low dependency rates (demographic bonus) represents one of the group's central priorities.

For many of the BRICS nations, the time of experiencing such low dependency rates is coming to an end. Hypothetically, if no measures are taken, the dependent populations in Russia and Brazil will overtake the working-age population by the 2050s. China's turning point could be almost 15 years earlier. This has two implications: countries can no longer postpone investments in the productive allocation of their youth; and such investments have to be capable of increasing productivity and strengthening social protection networks so that today's youth are not left unassisted when they grow old.

The slowdown in employment generation among all the BRICS countries, particularly among the youth, as a result of the 2008 financial crisis represents a major challenge for these countries, as it comes at a time when financial resources are required to actively invest in the youth. Even so, the same context of crisis since 2008 has highlighted the positive effects and efficiency of social programmes as instruments of resilience and inclusive growth among all the BRICS countries. Therefore, it is important to address how these countries utilise their globally recognised experience in implementing and managing social protection programmes and policies for the purpose of actively protecting and promoting their youth.

Inclusive production programmes among the BRICS countries fall into three broad categories: workfare; technical and professional training/education; and access to credit/grants to promote self-employment and entrepreneurship.

Our analysis suggests that inclusive programmes for youth have the potential to counteract or mitigate labour-market distortions, facilitating a smooth demographic transition that favours inclusive growth. In South Africa, which has the worst indicators for youth (un)employment, youth and women are the most benefited by its EPWP. In some Indian states, similar outcomes can also be attributed to the MGNREGA, even though this programme does not include

## Productive Inclusion Programmes Among the BRICS Countries

Country	Workforce	Professional training/education	Access To credit/grant/entrepreneurship
BRAZIL	--	PRONATEC	
		Projovem	Programa de Inclusão Produtiva
		Soldado Cidadão	Pronaf Jovem
		Proeja	ProUni Bolsa Família – Variável Jovem
INDIA	Mahatma Gandhi National Rural Employment Guaranteed Act (MGNREGA)	Urban Self-Employment Programme (USEP)	
	Swarna Jayanti Rozgar Yojana Shahari (SJSRY)	Urban Wage Employment Programme (UWEP)	
	--	Prime Minister's Employment Generation Programme (PMEGP)	Targeted Public Distribution Programme (TPDS)
CHINA	Yigong-daizhen	Young Laid-off Employees and Promoting the Reemployment of Laid-off Young People Programme	--
	Yulu Jihua		Tax reduction for enterprises hiring youth
SOUTH AFRICA	Expanded Public Works Programme (EPWP)	National Student Financial Aid Scheme (NSFAS)	Youth Employment Subsidy
		National Youth Development Agency (NYDA) Programmes	

Source: Author's elaboration.

youth quotas, unlike South Africa's EPWP. More sustainable experiences are found in all the BRICS countries with regard to programmes that foster rural and urban entrepreneurship by means of affording credit/grants and training to the most marginalised and vulnerable youth. Brazil's PRONATEC, which unified and coordinated many pre-existing federal government initiatives for the youth, shows that more structured investments tend to lead to better outcomes.

For the BRICS nations to capitalise on their demographic momentum at a time of global financial crisis, our analysis recommends expansionist rather than retractionist political-economic choices. We propose that investments be made not only through the market but also through progressive social programmes and policies capable of targeting the most vulnerable and marginalised youth. Naturally, we recognise that the necessary institutional set-ups are not yet fully functional in the BRICS countries. Many Russian initiatives still lack progressivity. There is a mismatch between assistance programmes and overall precarious working conditions in India. China's *Hukou* system still antagonises state-supplied safety nets and traditional family support in the case of migrants.

Overall, the need for better coordination of existing initiatives is essential, as well as the provision of mechanisms that go beyond merely covering educational gaps of the past or fast-forwarding the youth to the working reality of adults. There is a need to productively include the youth in a manner that allows them to express creativity, to actively defend and promote new values, to become agents of social transformation and to experience higher levels of sustainable autonomy.

### Reference:

Arruda, P.L. and A.K. Slingsby (2014). 'Social Programmes and Job Promotion for the BRICS Youth', Working Paper, No. 130. Brasília, International Policy Centre for Inclusive Growth.

