

Global Employment Trends for Youth 2022

Investing in transforming futures for
young people

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Headline news

- **Young people more vulnerable to economic fluctuations and disproportionately impacted by COVID-19 pandemic**
- **Youth unemployment levels remain higher than pre-pandemic**
- **High and increasing NEET – with ‘scarring’ potential (lockdown generation?)**
- **Significant differences by gender and regions**
- **Opportunities for youth employment growth in five promising sectors**
 - Promoting digital employment requires focus on quality of jobs: challenges to job and income security
- **Policy responses varied within and across countries, exacerbating inequalities, with little support to help young people in the job market while many suffering learning losses**

Contents

1. **Global and regional trends**
2. **Opportunities for decent jobs for youth
(including digital economy)**
3. **Policy recommendations**

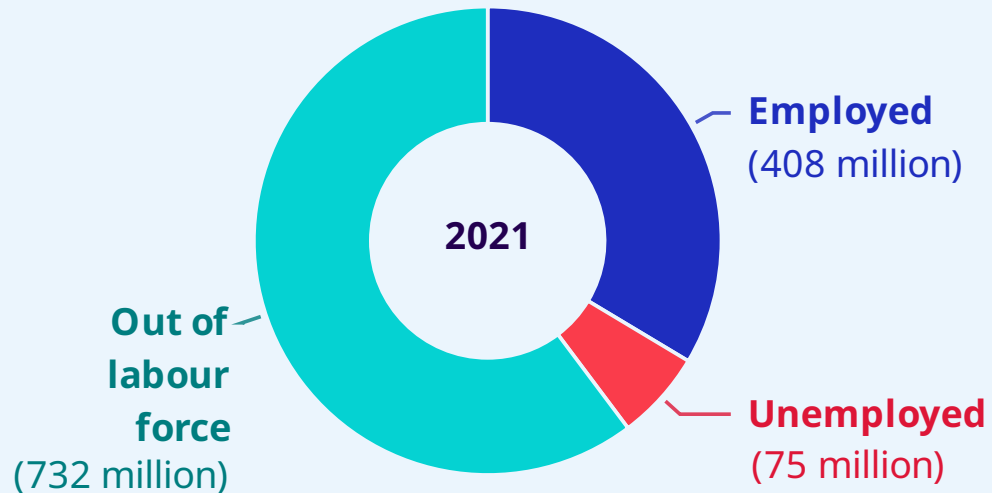


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Global and Regional Trends



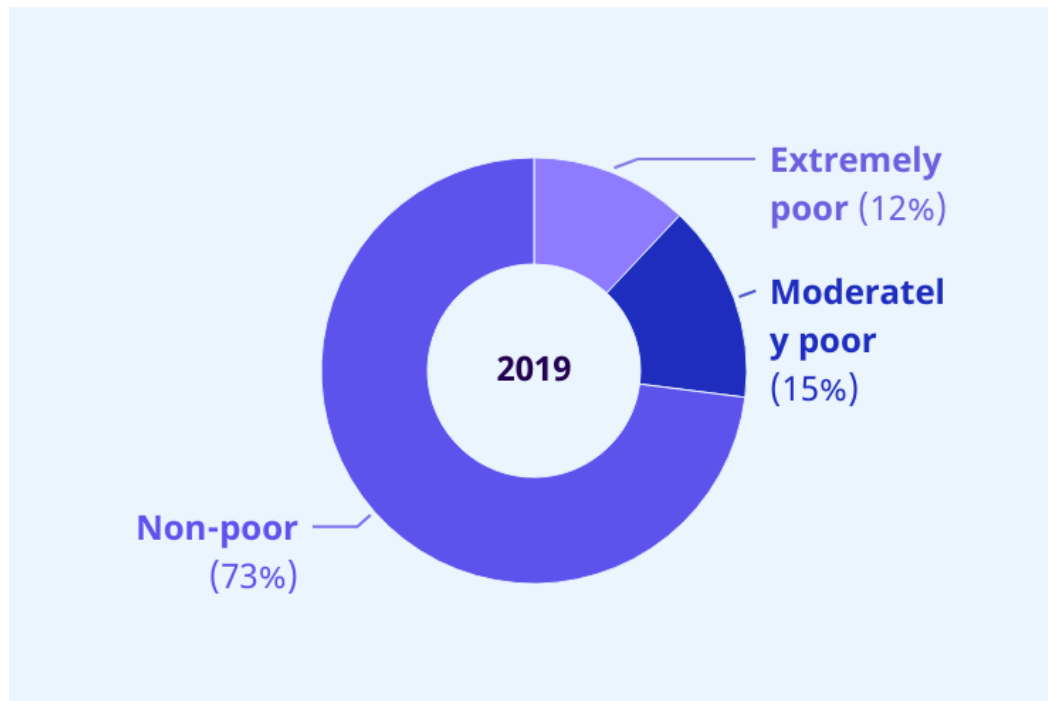
► The scale of the issue (1.2+ billion youths) – where are we now?



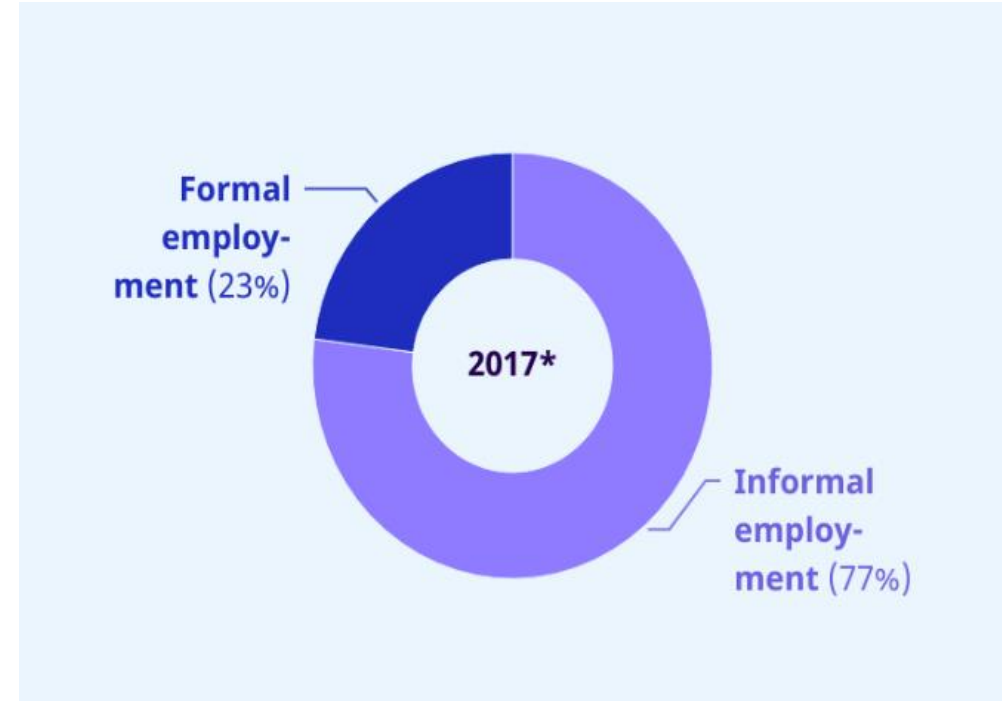
- Global youth unemployment is projected to decline to 73 million in 2022 - still 6 million above the 2019 level
- Young people more affected than adults by impact of COVID-19 as new recruitment collapsed
- Young women worse affected, partly due to unequal distribution of care responsibilities and pre-existing inequalities

And how we got there.....

► Pre-existing decent work deficits among youth, aggravated by pandemic

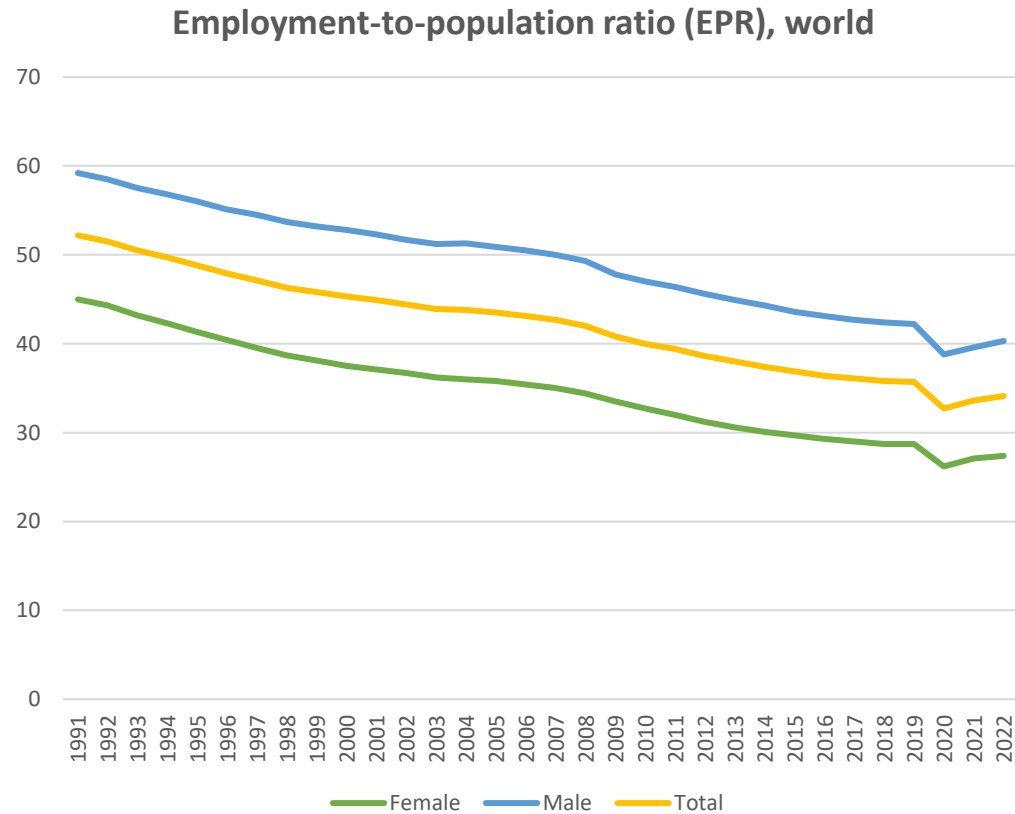


Working poverty



Informality

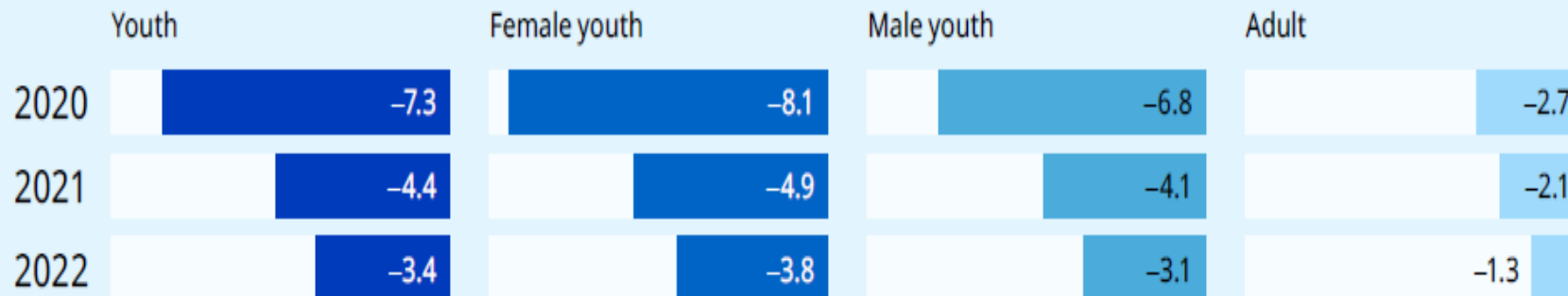
▶ Declining youth employment, with a long-running gender gap



- Declining ratio mainly due to shift towards higher education
- Young men 1.5x more likely to be employed than young women

COVID-19 had a disproportionate impact on youth employment

World (excluding India)



Employment deficit relative to 2019 by sex and age

COVID-19 led to a fall in global youth employment by -7.3 per cent in 2020

Young women suffered the sharpest declines in employment, especially in middle income countries

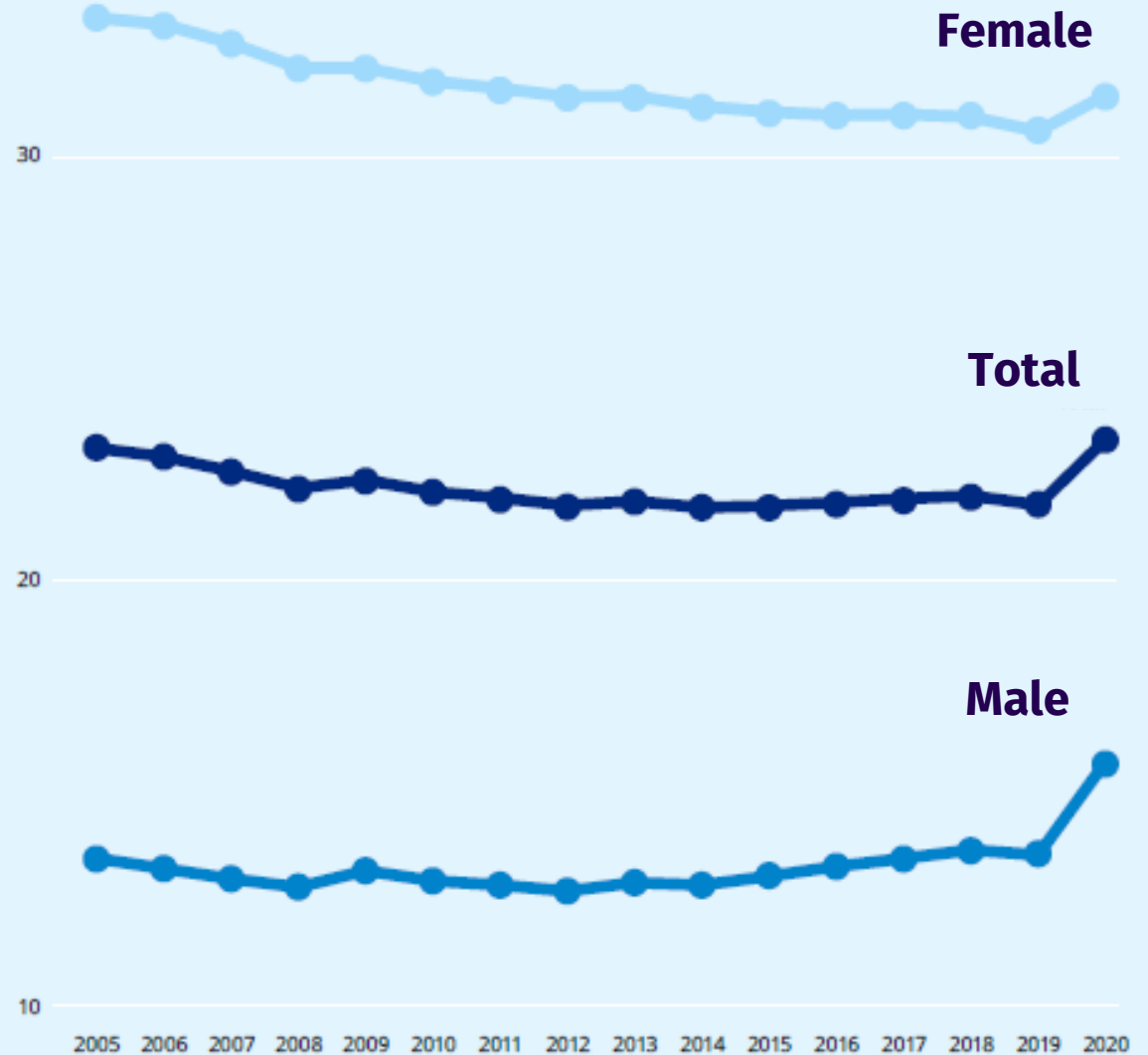
Fall in employment translates into **inactivity**

282 million youth in NEET status (23.3%), with COVID-19 reversing 15 years of progress

- ▶ Small downward trend
- ▶ Large but falling gender gap
- ▶ SDG Target 8.6: By 2020 (now 2030), substantially reduce the proportion of youth not in employment, education or training

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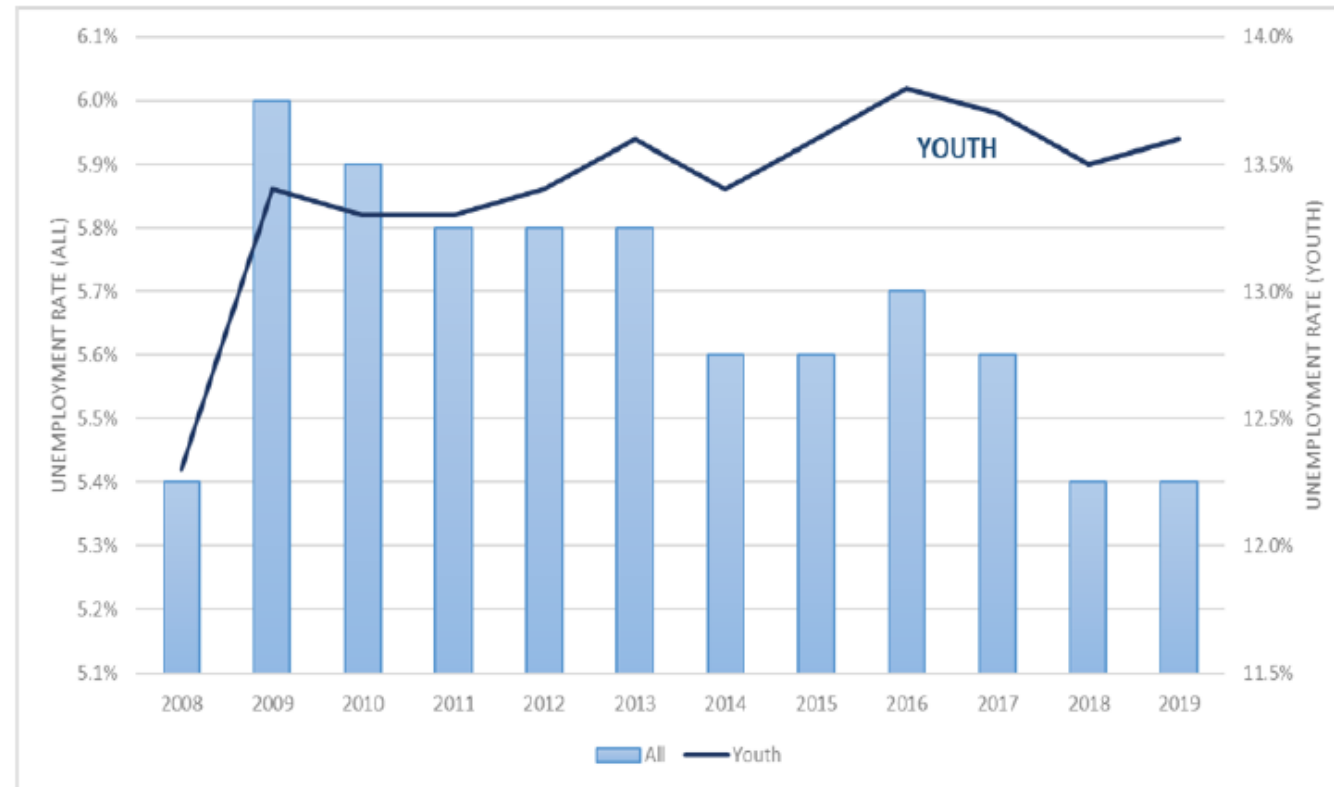
Global NEET rate by sex, 2005-2020



When will youth employment recover fully?

Great Recession (2008-09):

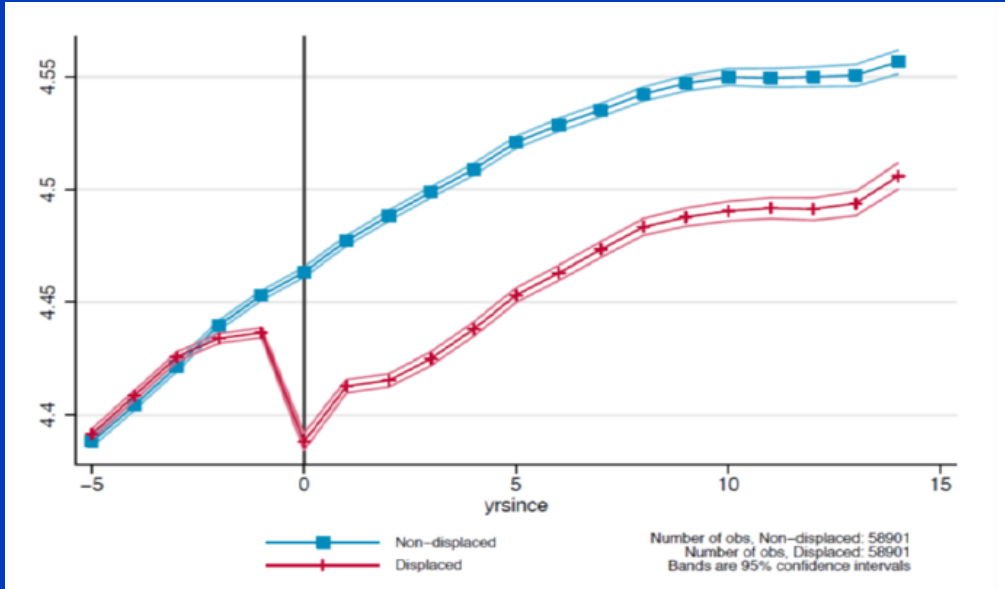
10 years for aggregate unemployment and youth unemployment rates never made it back!



Source: ILO, World Employment and Social Outlook 2021

Risk of 'scarring' from prolonged unemployment and NEET, potentially undermining countries' long-term social and economic growth

Earnings gap after episode of job loss





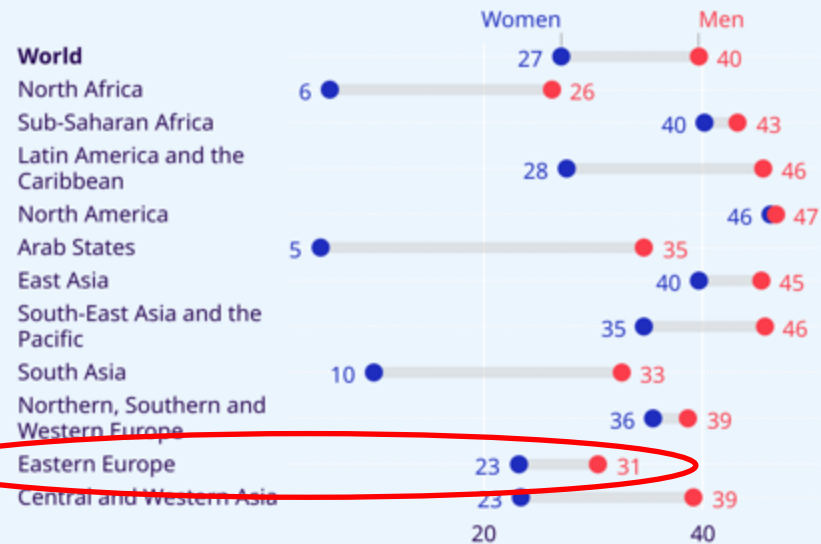
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A close-up, profile view of four women of diverse ethnicities and ages, looking towards the right. The women are layered, with the youngest on the far right and the oldest on the far left. The lighting is soft and natural, highlighting their features.

3. BIG REGIONAL, GENDER AND AGE DIFFERENCES

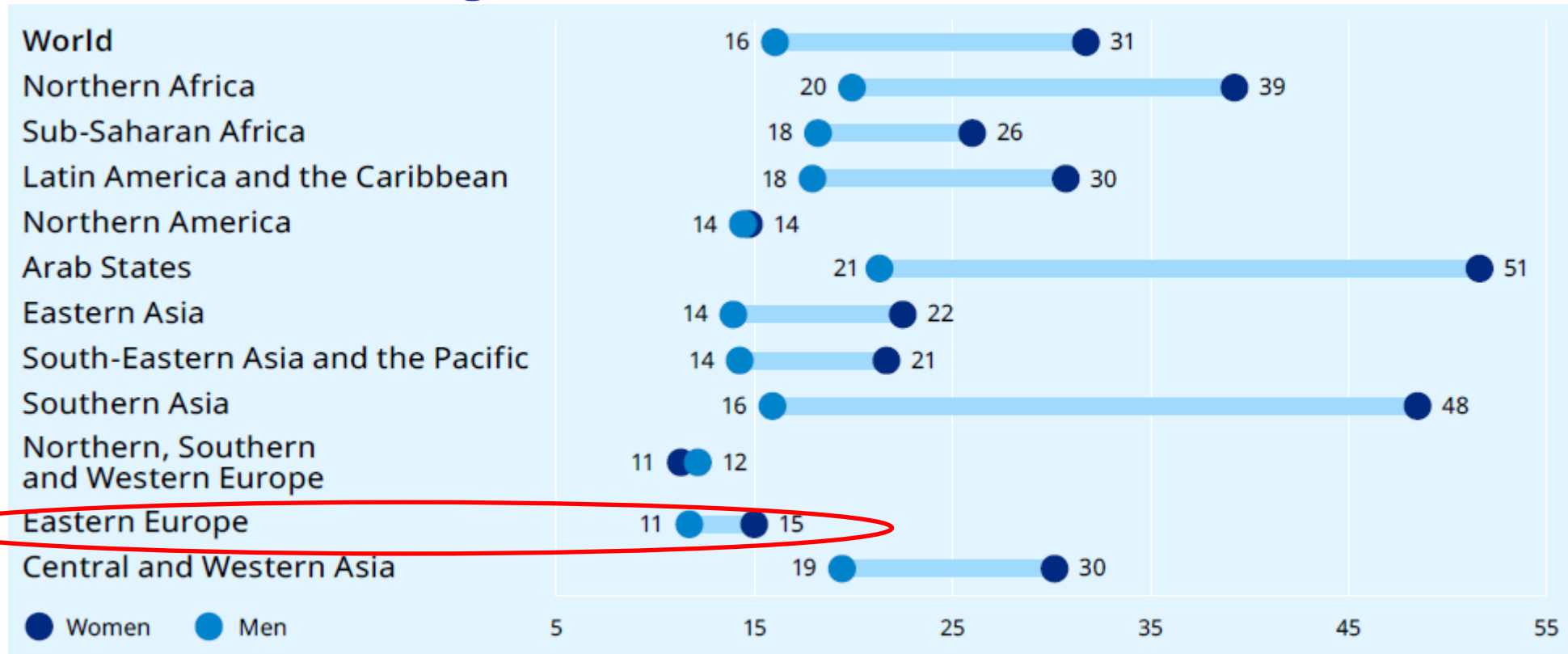
▶ Youth employment-to-population ratios across regions

▶ Figure 1.5: Youth EPR, by sex, world and subregions, 2021 (percentages)



- Large gender gaps driven by restrictive social norms, gender discrimination and unequal care responsibilities

NEET rates across regions

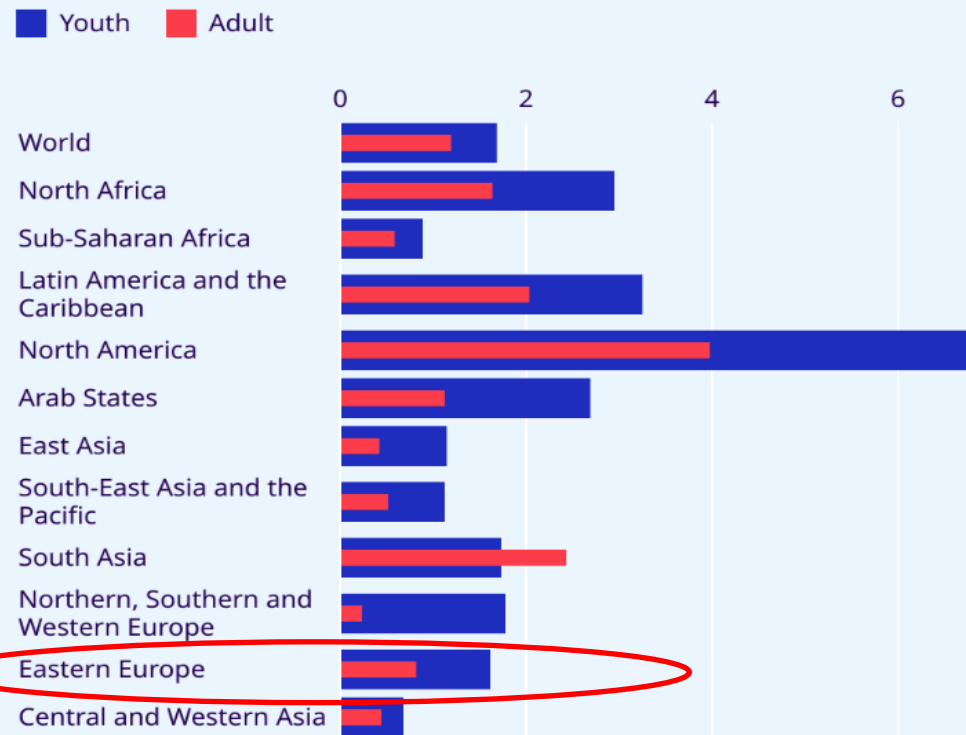


- For young men, being NEET is generally driven by the (un)availability of job opportunities

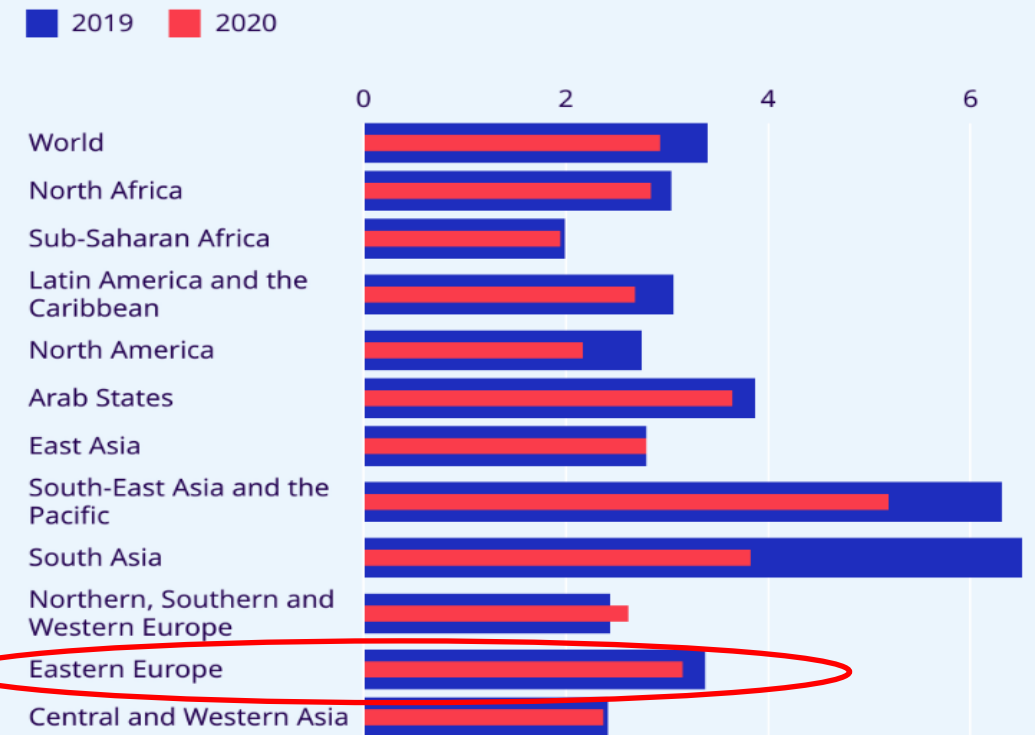
- Female NEET rates are largely due to structural barriers to entering advanced education or the labour market

▶ Youth unemployment rates around 3 times adult rate

▶ **Figure 1.10: Change in unemployment rate 2019-2020, by age (percentage points)**



▶ **Figure 1.11: Youth-adult ratio of unemployment rates, 2019-2020, world and by region**





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OPPORTUNITIES TO INCREASE YOUTH EMPLOYMENT

5 “economies” offering a brighter employment future for youths



- Identified by the Global Youth Employment forum in Abuja (2018)
- Aligned with the G7’s ‘3Ds’ that are reshaping labour markets – digitalisation, decarbonisation, and demographic change
- Considerable potential to absorb young workers while setting economies on a more robust path towards sustainability, inclusiveness and resilience

▶ What would be the youth employment impacts of undertaking a number of green, digital and care policy measures?

Green

Improving energy efficiency in buildings and appliances, decarbonizing electrical power generation through a shift to renewable energy, and expanding electric vehicles usage and associated infrastructure

→ **additional net 8.4 million jobs**

Digital

Reaching universal (90 per cent) internet broadband coverage (SDG9c)

→ **additional net 6.4 million jobs**

Care

Investments in health and social care provision and in education coverage with a view to meeting the relevant targets of SDG 3 (on health) and SDG 4 (on education)

→ **additional net 17.9 million jobs**

► Digital employment: trends and characteristics

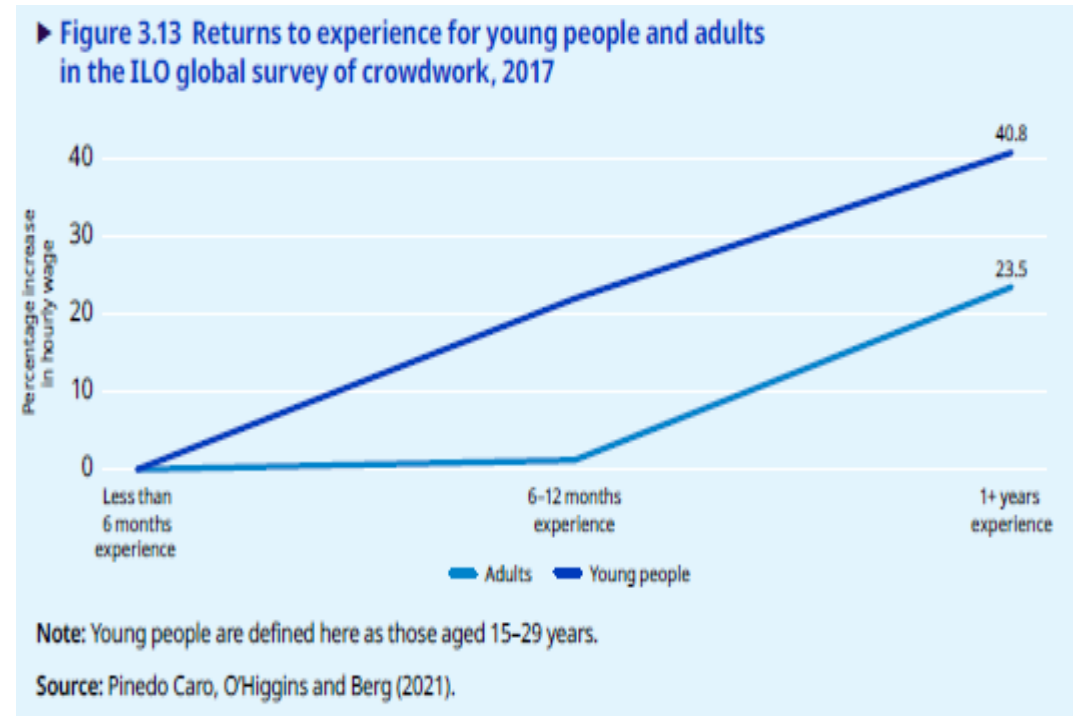
Digital employment is captured using the OECD's index of digital intensity of economic activity, which captures the extent to which economic sectors have "gone digital".

Trends:

- Digital intensity increases as one moves from agriculture to industry, and from industry to services
- Digital employment is heavily concentrated in urban areas, especially in low- and middle-income countries
- Women, particularly young women, are slightly more likely than men to be in digital employment
 - In high-income countries however, young men account for a greater share of HDI employment than young women
- Youth employment in the digital economy is characterized by the relatively high proportion of skilled workers with concomitant high levels of education
- Higher digital intensity goes hand in hand with higher levels of wage employment and formalisation

Crowd work: a risk or an opportunity?

- **Share of young workers undertaking task-based (or gig) work around twice as large as that of older workers across range of European countries: but youth more likely than older workers to be doing full-time (as opposed to part-time) task-based work**
- **Young people earn hourly wages which are higher than those of older workers: due to greater speed at which young people “learn by doing”. In crowdwork the returns to experience are significantly larger for those aged under 30 years**



▶ In online crowdwork, some workers are more equal than others

- **Young online crowdworkers relatively well educated (at least secondary education). Still, the returns to education in crowdwork are zero: young online crowdworkers with tertiary or post-tertiary qualifications earn no more than their colleagues with just secondary education.**
 - Only learning by doing counts
- **Young women's wage rates in crowdwork are around 20 per cent lower than those of young men**
 - Access to tasks are anonymous: so not due to labour market discrimination
 - Young women willing to work, on average, for lower wage rates than equally qualified men.
- **Crowdworkers face difficulties in validating their experience and bargaining for higher wages.**
 - Although job performance metrics routinely collected, not easy to translate these into portable documentation to demonstrate skills and experience

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Policy Recommendations



A package for the promotion of youth employment

The destination

- Countercyclical fiscal policies
- Economic and employment policies
- Investment in sectors that can create jobs (**digital, green, care economies**)

*** Data

The path

- Investment in education and training (core skills, including basic digital and green skills)
- Youth guarantees (quality apprenticeships)
- Social protection
- Subsidised employment
- Entrepreneurial skills & SME support

Inclusiveness

Most disadvantaged youth

- Public employment services
- Occupational health and safety (OSH)
- Psychosocial support measures
- **Youth rights & voices**



thanks

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