COVID-19 AND YOUNG PEOPLE IN THE WORLD OF WORK:
IMPACTS AND POLICY FRAMEWORK

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WORLD’S 3.3 BILLION WORKERS HIT BY COVID-19

81% of global workforce affected by lockdowns

Share of world’s employed living in countries with recommended workplace closures

Share of world’s employed living in countries with required workplace closures

Sources: ILO based on The Oxford COVID-19 Government Response Tracker; GET Youth 2020
COVID-19 amplifieds youth workforce vulnerabilities

Sources: GET Youth 2020

We expect COVID-19 to deteriorate:

- Employment (lay offs)
- Working conditions (health risks, SP)
- Earnings/incomes
- Contractual arrangements
- Sales/profits
- Number of employees
- Business survival
- Business solvency...
Youth labour market outcomes are highly sensitive to the business cycle.

EVIDENCE FOR YOUTH: The impact of COVID-19 in the UK is likely to be worse for younger workers in smaller firms as their earnings are the most responsive to a drop in GDP.

Data: ILO STAT, for 90 countries from Q1 2008 to Q4 2019

Source: Bell et al, 2020 at VOX CEPR Policy Portal
**COVID-19’S IMPACT ON WORKING HOURS**

ILO estimates a decline in **working hours** (Q2 2020) by 6.7%, i.e. ~195 million full-time workers of all ages.

<table>
<thead>
<tr>
<th>COUNTRY INCOME LEVEL</th>
<th>DECLINE IN WORKING HOURS (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>5.3</td>
</tr>
<tr>
<td>Lower-middle</td>
<td>6.7</td>
</tr>
<tr>
<td>Upper-middle</td>
<td>7</td>
</tr>
<tr>
<td>High</td>
<td>6.5</td>
</tr>
<tr>
<td>World</td>
<td>6.7</td>
</tr>
</tbody>
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**EVIDENCE FOR YOUTH:**
Due to the coronavirus outbreak, 72% of workers aged under 30 in the US and 69% in the UK were more likely to have worked less **hours** than usually.

Sources: [ILO](https); [BBC News](https); Adams-Prassl et al (2020) for **US** and **UK**
Evidence from the US and the UK shows the economic impacts of the pandemic are already hitting hard (observed and expected) incomes of entrepreneurs and those in temporary employment and with variable working hours.

Most young workers today are in temporary employment, employment without a written contract, or both.

The impacts of COVID-19 on youth labour market outcomes will be severe in both developed and developing countries.

See: GET Youth 2017
Highly susceptible to aggregate demand shocks/lockdown and contagion. Lack of social protection, limited access to healthcare services and no income replacement in case of sickness.

Sources: ILO based on The Oxford COVID-19 Government Response Tracker and ILO STAT, and GET Youth 2020
The hardest-hit sectors are labour intensive and employ millions of often low-paid, low-skilled workers, who are already feeling the heat of the crisis.

**Economic sector and share in global employment**

- Accommodation and food, 4.3%
- Real estate; business and administrative activities, 4.7%
- Manufacturing, 13.9%
- Wholesale and retail trade, 14.5%

Before COVID-19, young people in the EU were over-represented in the **wholesale and retail trade & accommodation and food services sectors**

![Chart showing employment shares of different economic sectors in the EU for young people (15-24) and adults (25-64).](chart)

Source: Eurostat
WHAT ABOUT YOUTH OUTSIDE THE WORKFORCE?

- Schools are a safety net (food and protection)
- Lack of or slow digital transformation amplifies inequalities in education and skills development
- Weak education outcomes hamper the school to work transition
- There are large, negative and persistent labour market consequences if graduating from college during a recession

WHAT ABOUT YOUTH OUTSIDE THE WORKFORCE?

- Before COVID, one-fifth of young people had NEET status: they were neither gaining experience in the labour market, nor receiving an income from work, nor enhancing their education and skills.
- Young women, globally, were twice as likely as young men to have NEET status.
- Long spells of unemployment and discouragement early on in a person’s career may damage long-term prospects, as professional and social skills erode and valuable on-the-job experience is not built up.

Source: GET Youth 2020, 2013
ILO POLICY FRAMEWORK

- Stimulating the Economy and Employment
- Supporting Enterprises, Jobs and Incomes
- Protecting Workers in the Workplace
- Relying on Social Dialogue for Solutions
The policy framework for promoting job-rich inclusive growth is the cornerstone of youth employment promotion.

**The call to flatten both curves:**
- Pro-employment stimulus packages to contain the fall in aggregate demand and output induced by the crisis
- 2008 – bailout packages (Greece, Ireland, Portugal)
- 2020 – hardest hit sectors

Adapted from Gourinchas (2020)
Profiling helps meet individual constraints
Unemployment benefits and other available cash support
Referrals to other services
Modernizing (digitalizing) public employment services
Labour GPS

Labour intensive public works with OSH and protocols
Wage subsidies (SS contributions) or training subsidies (online learning)
Access to finance for (youth-led) MSMEs

Social protection for all | Financial and non financial support | Protect formal jobs and support those in the informal economy | PACED MEASURES THAT CONSIDER LOCKDOWNS AND THEIR GRADUAL UP-LIFTING – NOT A RECIPE

Digital skills
Virtual work based learning (Banks)
Reforms to TVET

SUPPLY

INTERMEDIATION

DEMAND
International labour standards on OSH must continue to be ratified. See evidence.

Protecting young workers is a great priority. Labour rights. Voice representation and right to organize.

Young workers and telework. Remote work. Rights, support and supervision.

Leave no one behind. Young workers in different contract types.
RELYING ON SOCIAL DIALOGUE FOR SOLUTIONS

STRENGTHEN THE CAPACITY AND RESILIENCE OF EMPLOYERS’ AND WORKERS’ ORGANIZATIONS
Youth representation, hard hit sectors

STRENGTHEN THE CAPACITY OF GOVERNMENTS
Information. Modernization of services. Monitoring and feedback loop

STRENGTHEN SOCIAL DIALOGUE, COLLECTIVE BARGAINING AND LABOUR RELATIONS INSTITUTIONS AND PROCESSES
Social dialogue is key to sustainability. Protection and promotion of youth rights and voices
1. Decent Jobs for Youth Blog Series: Youth Rights & Voices
2. Global Youth Employment and COVID-19 Survey
3. Social Media Campaign

If you would like to participate in or support any of the above activities or receive updates from us, please provide us with your contact information here
LET’S WORK TOGETHER

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