



DECENT JOBS FOR YOUTH

Global initiative for action

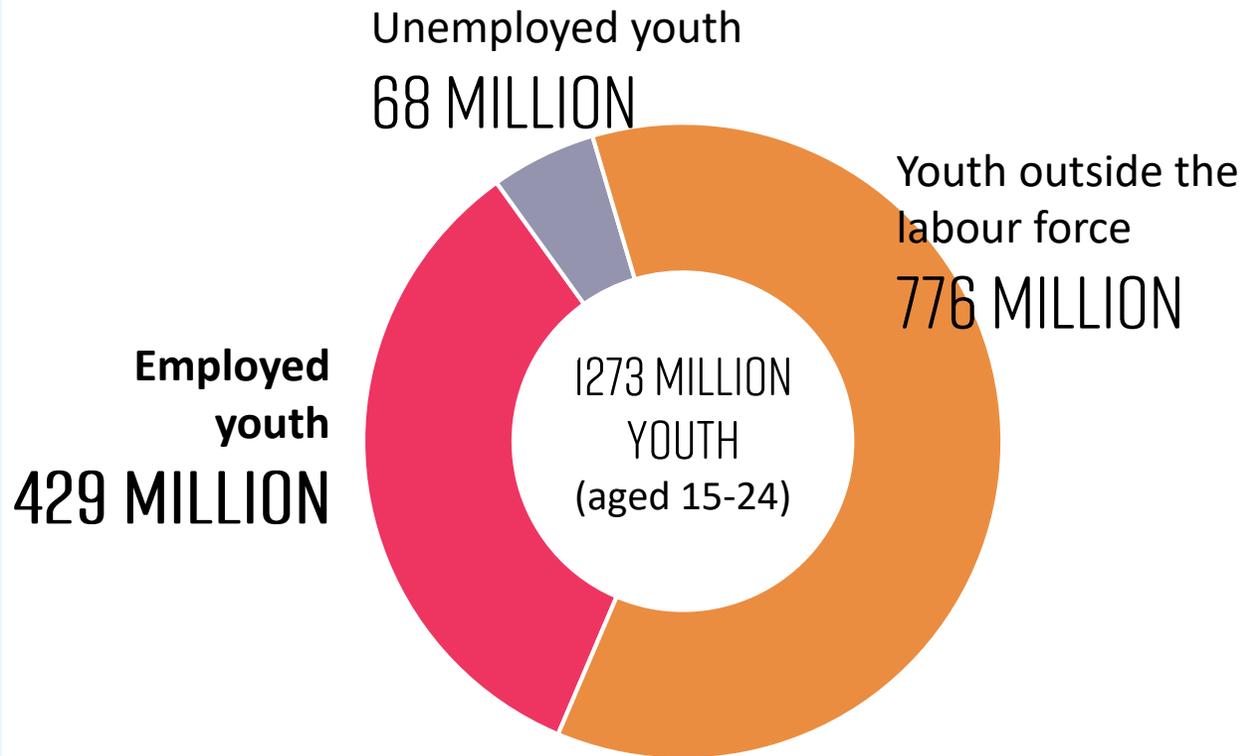
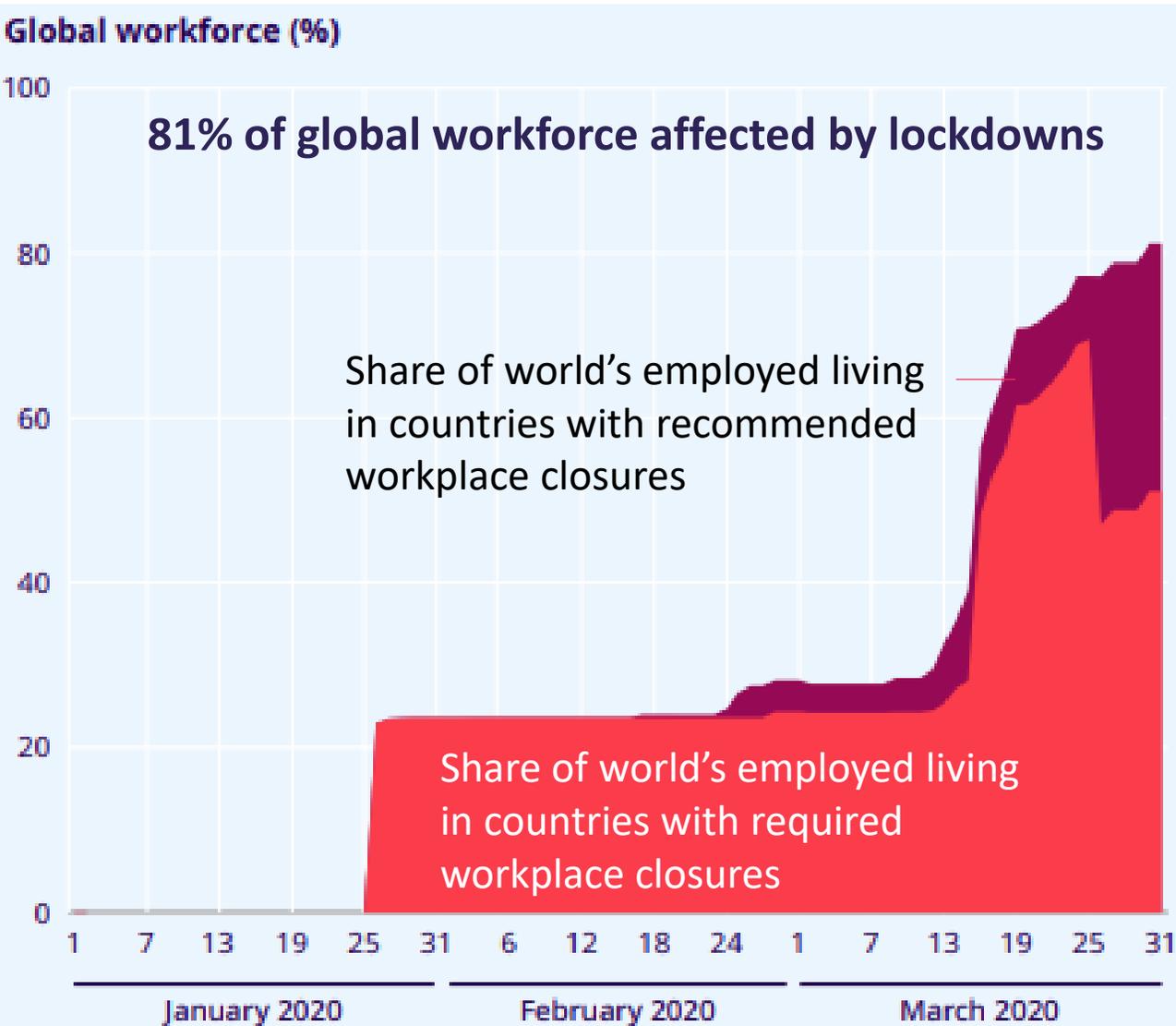


COVID-19 AND YOUNG PEOPLE IN THE WORLD OF WORK: IMPACTS AND POLICY FRAMEWORK

SUSANA PUERTO, ILO
8 APRIL 2020

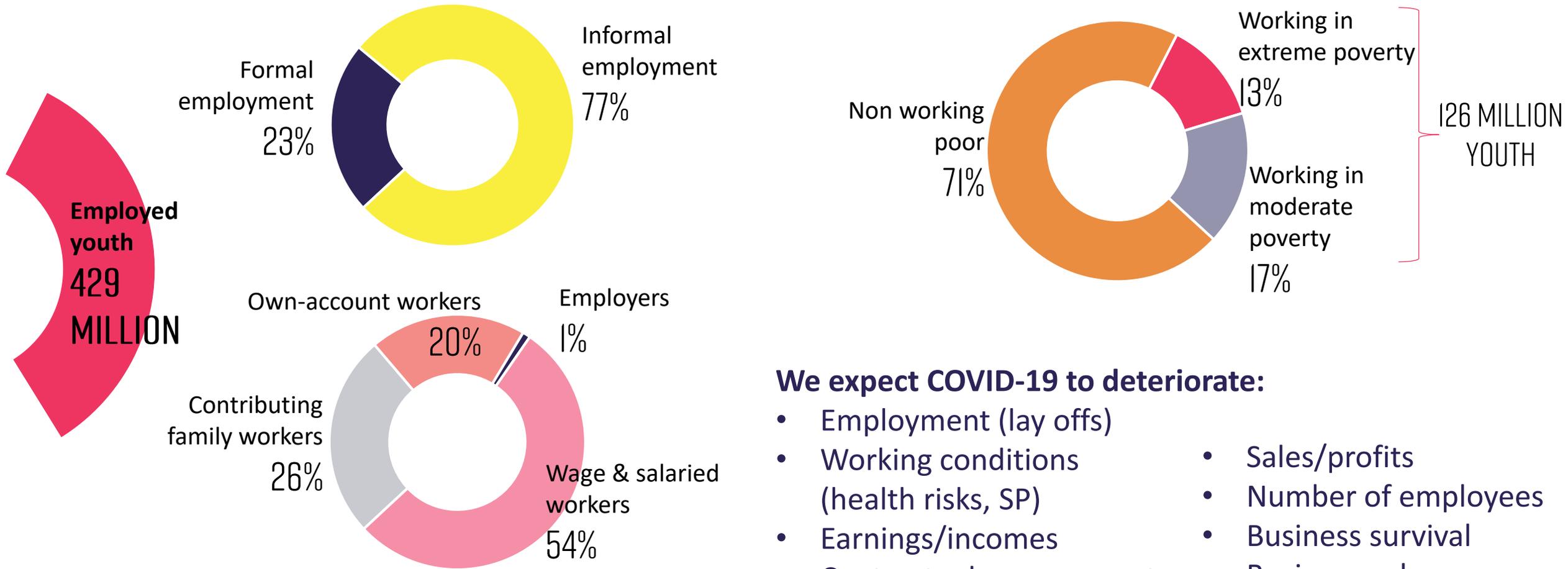
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WORLD'S 3.3 BILLION WORKERS HIT BY COVID-19



Sources: [ILO](#) based on The [Oxford COVID-19 Government Response Tracker](#); [GET Youth 2020](#)

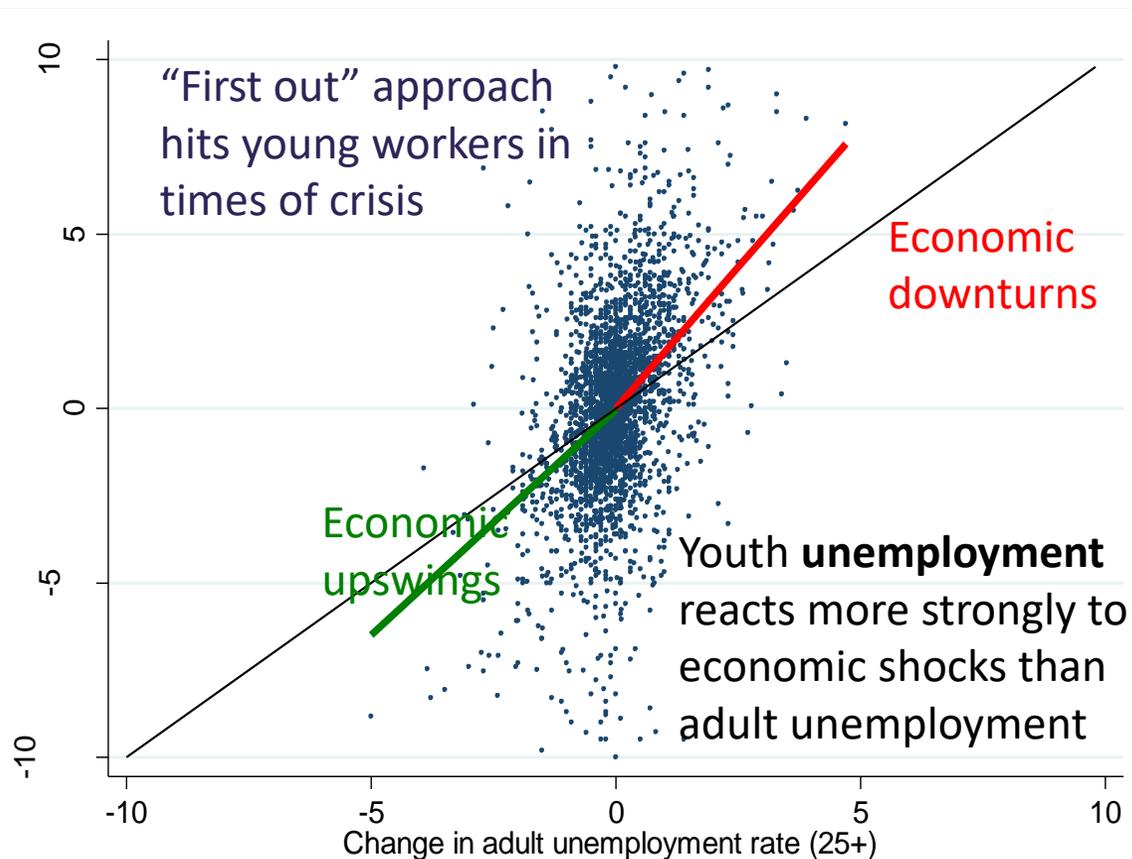
COVID-19 AMPLIFIES YOUTH WORKFORCE VULNERABILITIES



We expect COVID-19 to deteriorate:

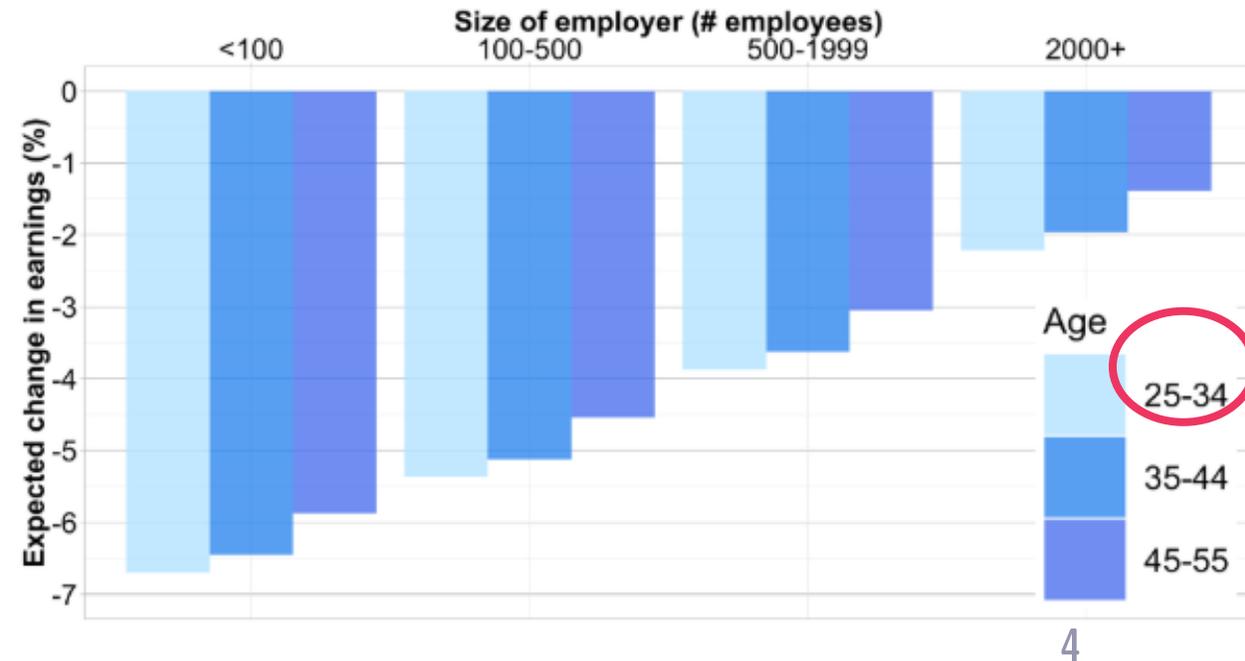
- Employment (lay offs)
- Working conditions (health risks, SP)
- Earnings/incomes
- Contractual arrangements
- Sales/profits
- Number of employees
- Business survival
- Business solvency ...

YOUTH LABOUR MARKET OUTCOMES ARE HIGHLY SENSITIVE TO THE BUSINESS CYCLE



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

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.



Source: Bell et al, 2020 at [VOX CEPR Policy Portal](#)

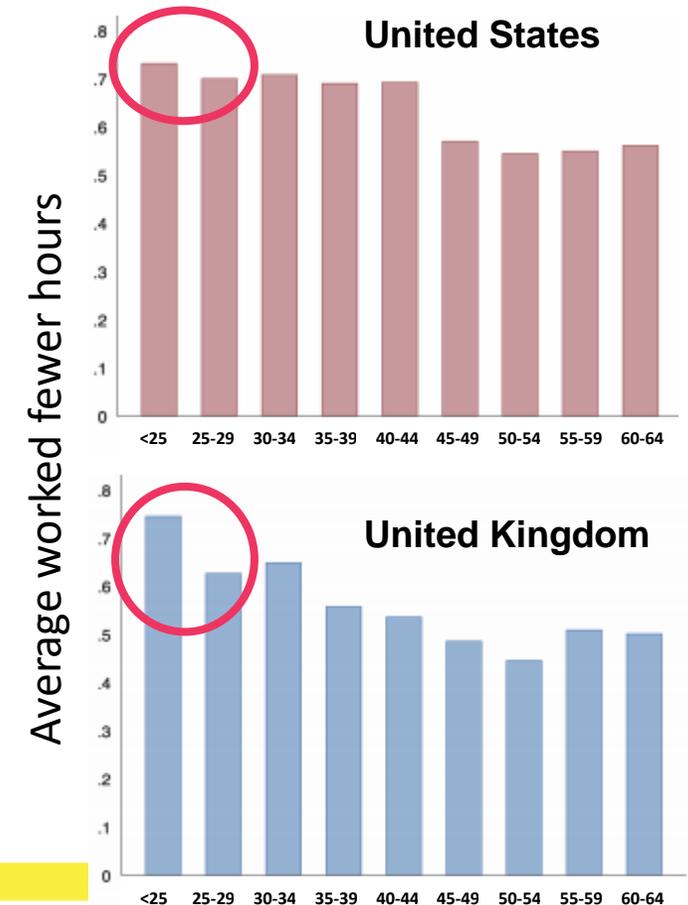
COVID-19'S IMPACT ON WORKING HOURS

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

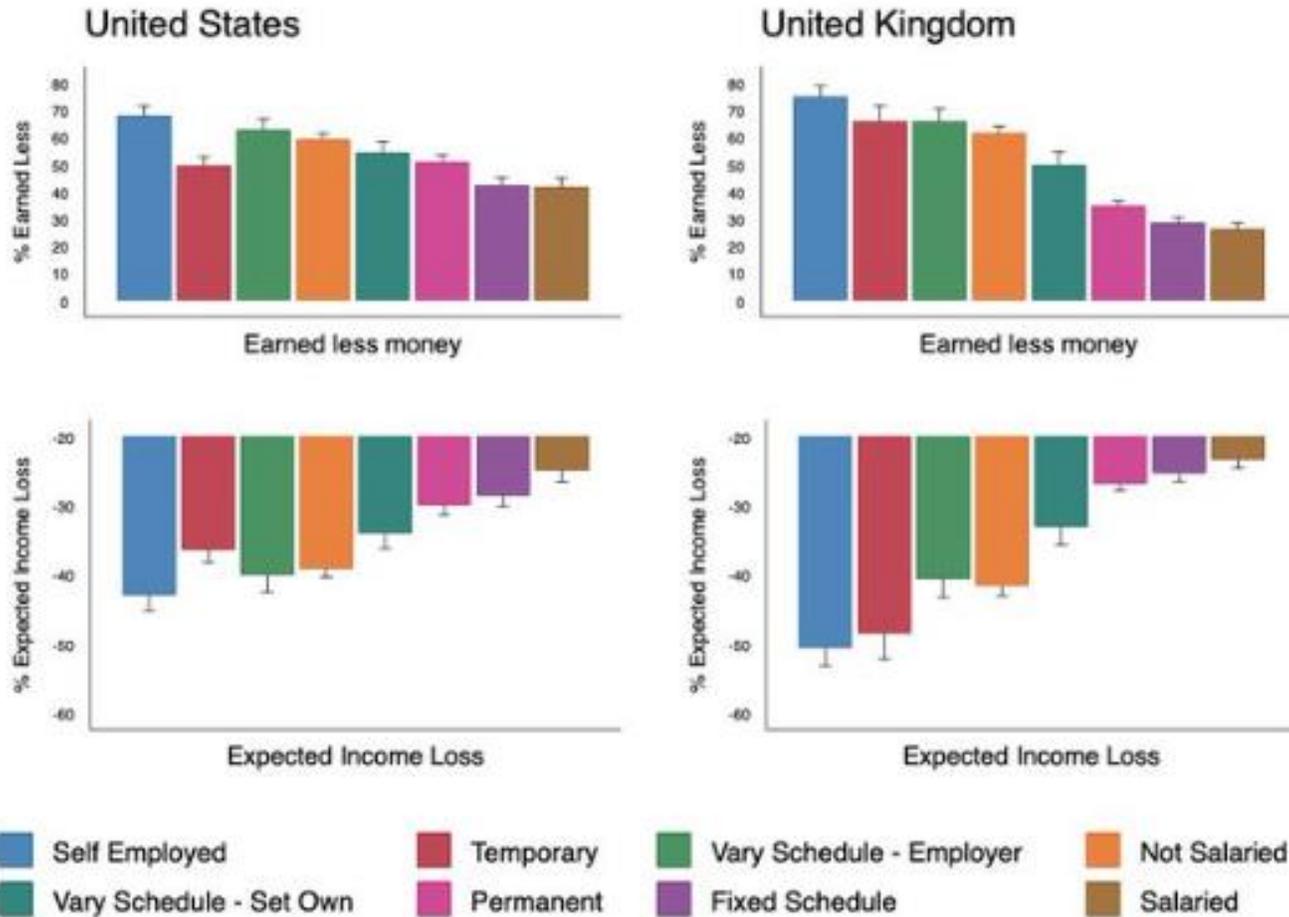
COUNTRY INCOME LEVEL	DECLINE IN WORKING HOURS (%)
Low	5.3
Lower-middle	6.7
Upper-middle	7
High	6.5
World	6.7

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.



VULNERABILITIES OF THE SELF-EMPLOYED AND THOSE IN IRREGULAR EMPLOYMENT WILL INCREASE

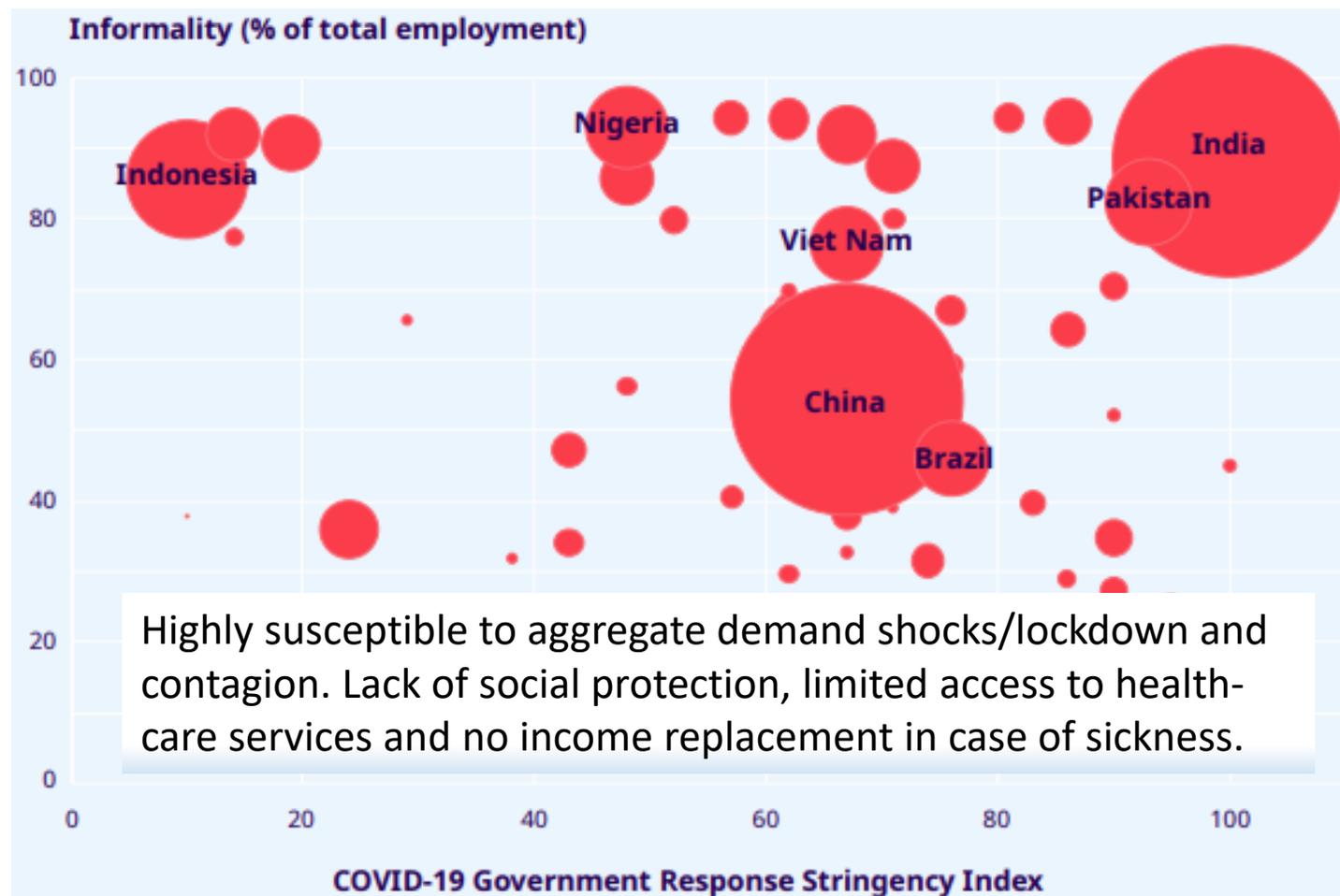
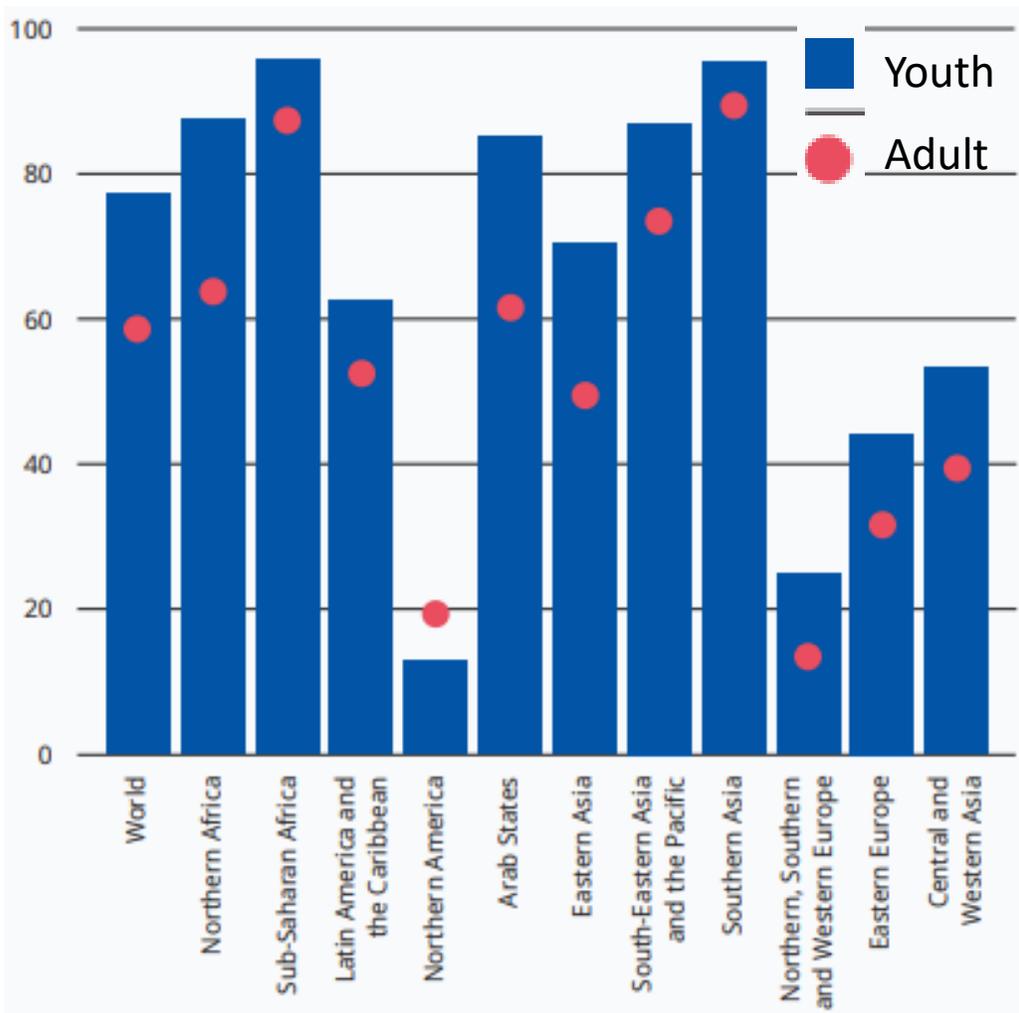


Evidence from the US and the UK shows the economic impacts of the pandemic are already hitting hard (observed and expected) incomes of **entrepreneurs** and those in **temporary employment** and with **variable working hours**.

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.

3/4 YOUNG WORKERS IN INFORMAL EMPLOYMENT



Highly susceptible to aggregate demand shocks/lockdown and contagion. Lack of social protection, limited access to health-care services and no income replacement in case of sickness.

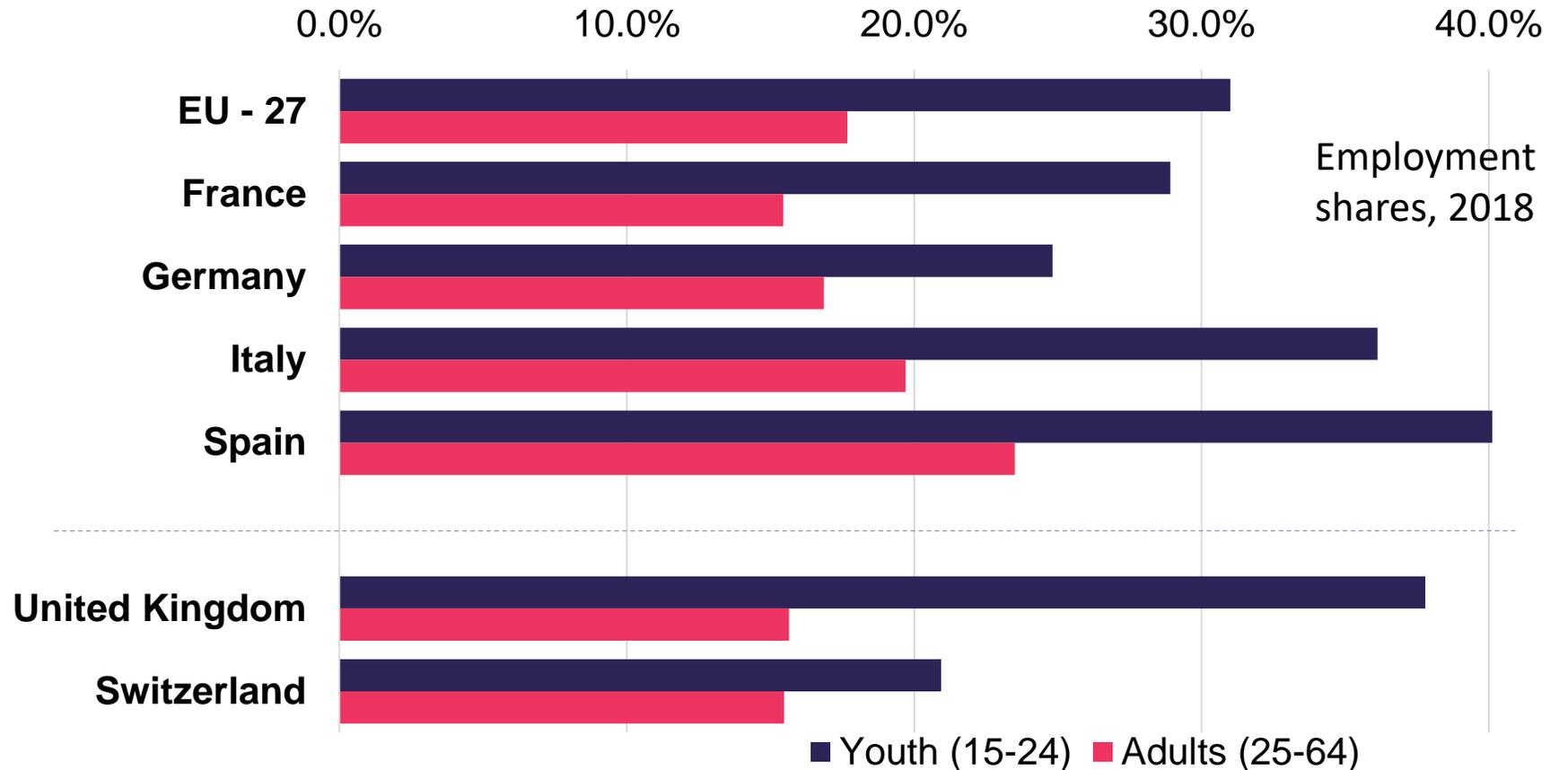
SECTORS SUFFERING FROM THE ECONOMIC DOWNTURN

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 services, 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**

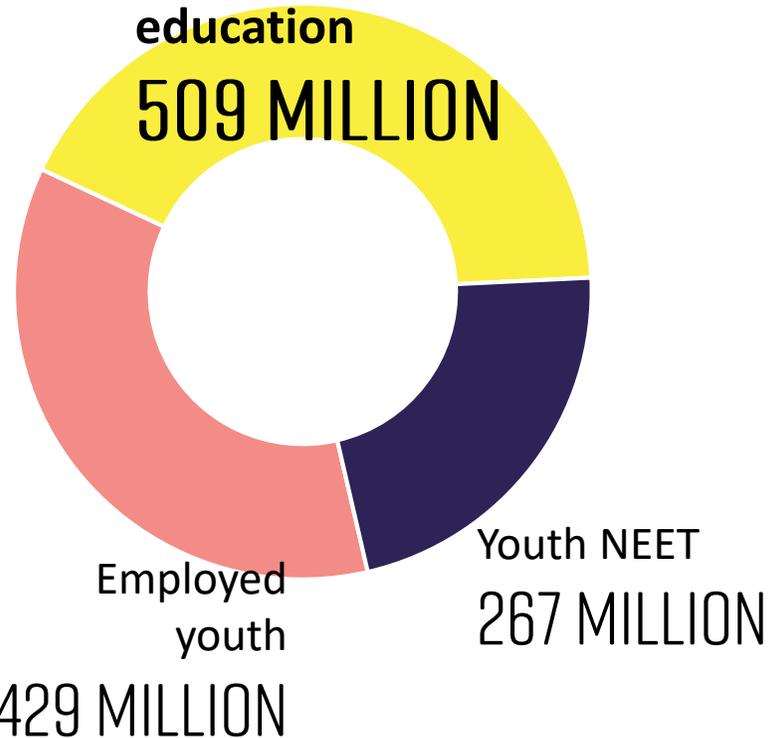


Source: Eurostat

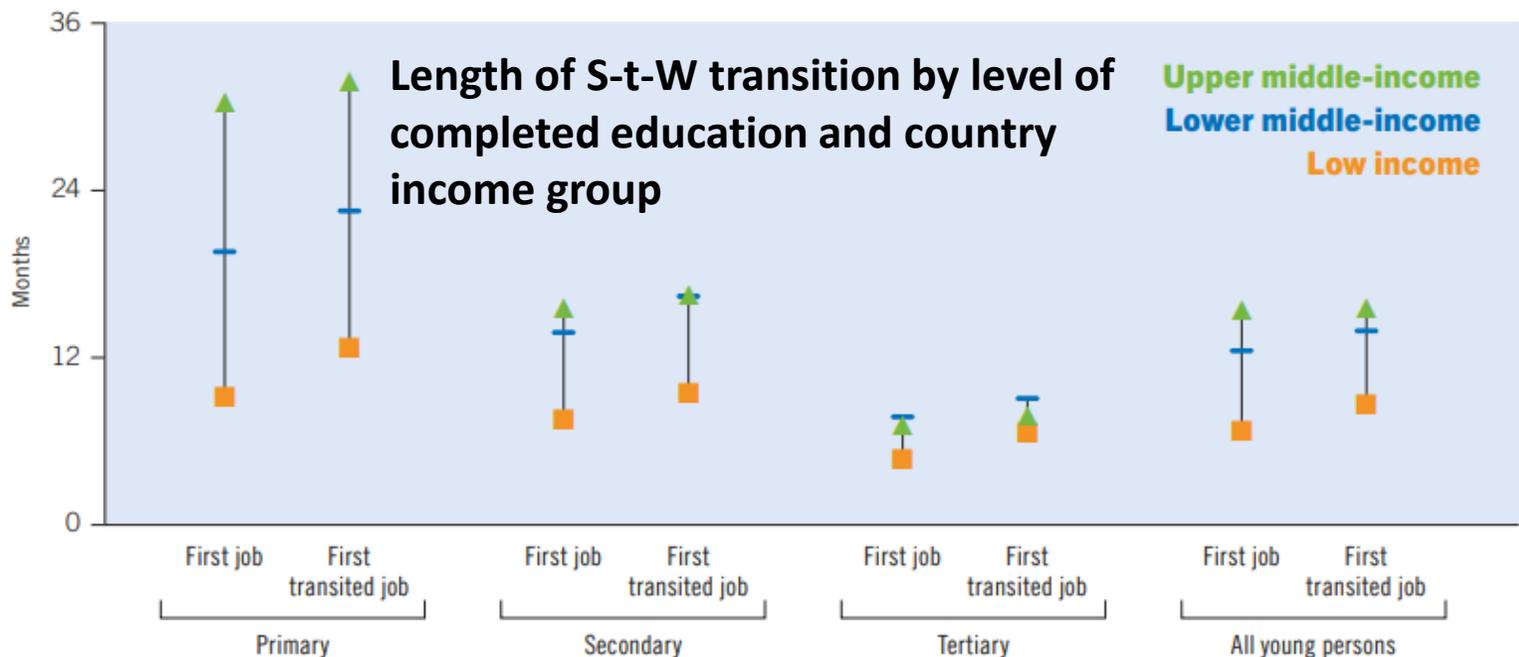
WHAT ABOUT YOUTH OUTSIDE THE WORKFORCE?

Youth not employed but in education

509 MILLION



- 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

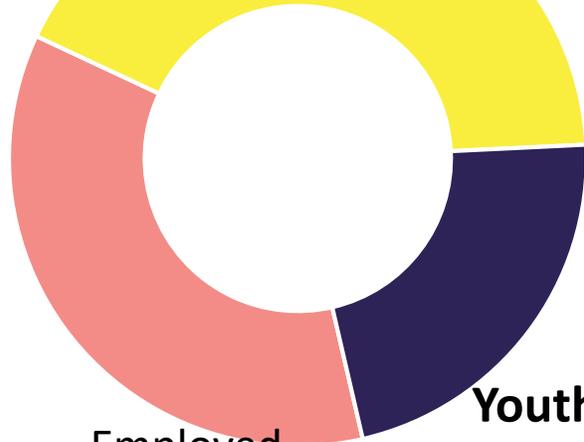


Source: GET Youth [2020](#), [2017](#), [Kahn \(2010\)](#)

WHAT ABOUT YOUTH OUTSIDE THE WORKFORCE?

Youth not employed but in education

509 MILLION



Employed youth

429 MILLION

Youth not in employment, education, or training (NEET)

267 MILLION

- **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.**
- **The 2008 economic crisis pushed young people into inactivity.** Discouragement among youth in OECD countries almost doubled between 2007 and 2011.
- **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.

ILO POLICY FRAMEWORK



STIMULATING THE ECONOMY AND EMPLOYMENT



SUPPORTING ENTERPRISES, JOBS AND INCOMES



PROTECTING WORKERS IN THE WORKPLACE



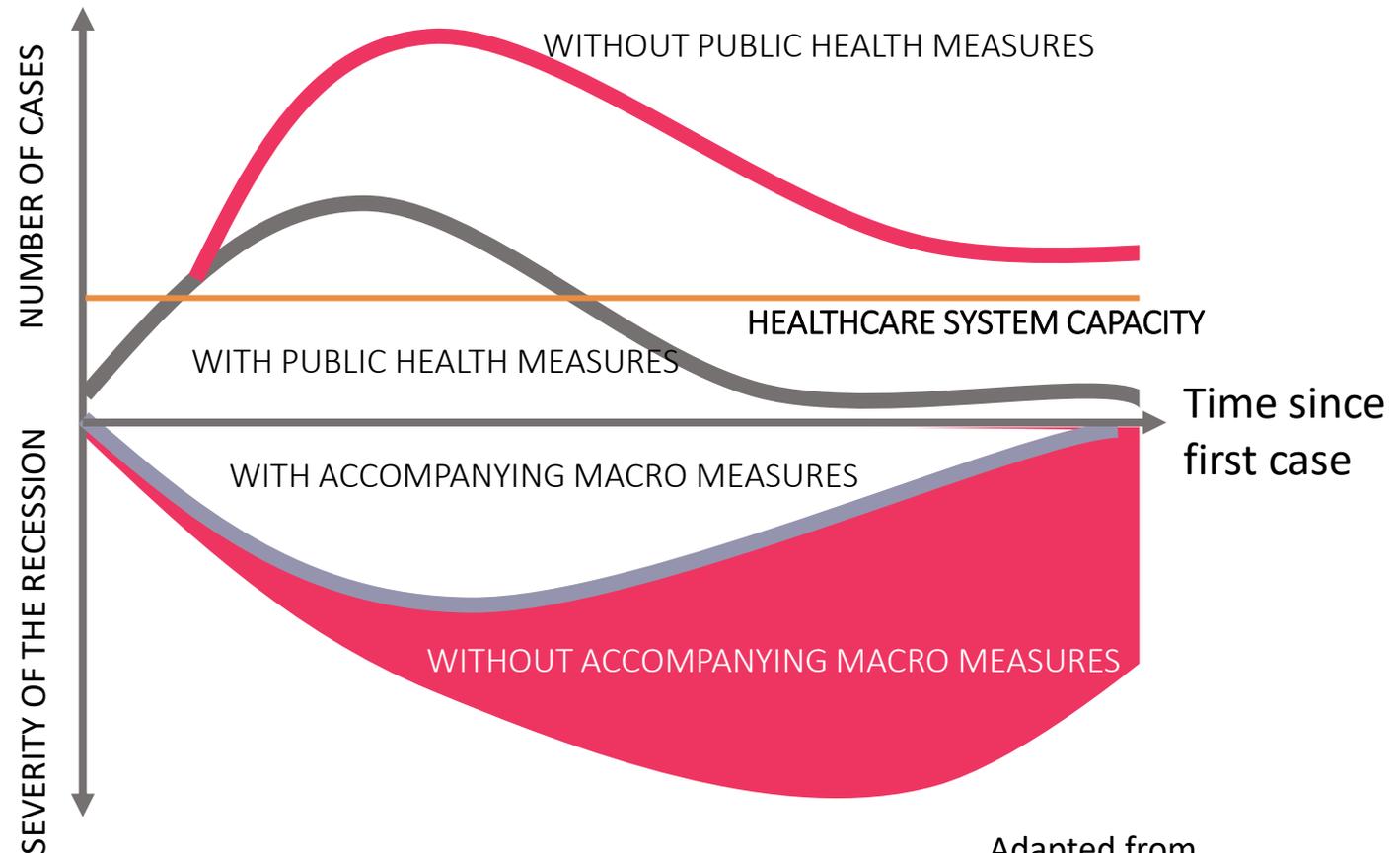
RELYING ON SOCIAL DIALOGUE FOR SOLUTIONS

STIMULATING THE ECONOMY AND EMPLOYMENT

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 \(2020\)](#)

SUPPORTING ENTERPRISES, JOBS AND INCOMES

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
- *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



SUPPLY



INTERMEDIATION



DEMAND



PROTECTING WORKERS IN THE WORKPLACE



STRENGTHEN OSH MEASURES

International labour standards on OSH must continue to be ratified.

[See evidence](#)

ADAPT WORK ARRANGEMENTS

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

PREVENT DISCRIMINATION AND EXCLUSION

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

HEALTH CARE ACCESS AND EXPANDED ACCESS TO PAID LEAVE

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



ACTION FOR AND WITH YOUNG PEOPLE



- 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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