Youth and the future of work

YouthForesight Community Forum

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Pre-pandemic: Higher risk of unemployment and poor quality jobs

I. What (we think) we know (1)

Unemployed youth 68 million

- Employed youth 429 million
  - Formal employment 23%
  - Informal employment 77%

- Non working poor 71%
- Working in extreme poverty 13%
- Working in moderate poverty 17%

126 million youth

Sources: GET Youth 2020
Pre-pandemic: Digitalization is not necessarily benefiting youth, if not accompanied by strong job creation policies

1. Risk of automation is highest in jobs held by young people

2. Higher education provides entry to less automatable jobs

3. Young people’s returns to tertiary education have been falling

Pre-pandemic: Youth “dominates” the platform economy

Across sectors, workers on online web-based and location-based platforms are typically below age 35

ILO, World Employment and Social Outlook 2021
Covid-19: Massive and disproportionate impacts on youth

- Young women suffered the sharpest declines in employment, especially in middle income countries.
- The fall in employment translated into inactivity.
Covid-19: And with large-scale disruptions in education and training

- Nearly one in eight (13%) young people saw their education and training come to a full stop.
- Transition to online and distance learning more widespread among youth in high-income countries.
- Two out of three (65%) young people report learning less than before the outbreak.
- Three out of five (60%) young people report that their education might be delayed or fail.

**Share of youth (18-29) exposed to alternative learning opportunities**

<table>
<thead>
<tr>
<th>Country income group</th>
<th>No courses</th>
<th>At home assignments</th>
<th>Video lectures</th>
<th>Online testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>44%</td>
<td>21%</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td>Lower-middle income</td>
<td>20%</td>
<td>33%</td>
<td>55%</td>
<td>42%</td>
</tr>
<tr>
<td>Upper-middle income</td>
<td>12%</td>
<td>31%</td>
<td>54%</td>
<td>40%</td>
</tr>
<tr>
<td>High income</td>
<td>4%</td>
<td>46%</td>
<td>65%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: [Youth & COVID-19 report](https://www.ilo.org)
How quickly will youth employment recover? Faster than others?

**Unemployment**: 10 years to get back to the pre-crisis level (and youth unemployment rate never made it!)

Probably not, if the previous experiences (e.g. Global Financial Crisis 2008-9) can be a guide.
Impacts on youth capability: *Damaging the future?*

The combined effects of lower job opportunities and training may create long-term consequences for youth. The question is how large this *scarring* effect will be.

Episodes of job losses have “permanent” impacts on job quality and earnings.

Source: Schmieder, von Wachter, & Heining 2018 "The Costs of Job Displacement over the Business Cycle and Its Sources: Evidence from Germany"
Impacts on mental wellbeing: *how large and widespread, and how long?*

- Some preliminary indication from a global survey 2020
- Globally, **one out of six** young people are probably affected by anxiety or depression.
- Lower average mental well-being levels for **young women as well as younger youth**.
- Risk levels for young people whose education or work has been disrupted **almost double** as high.

### Possible/probable anxiety or depression according to the Short Warwick Edinburgh Mental Wellbeing Scale

<table>
<thead>
<tr>
<th>Age cohorts</th>
<th>18-29</th>
<th>30-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>17%</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender (18-29)</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>18%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment (18-29)</th>
<th>Working</th>
<th>Stopped working (no hours worked)</th>
<th>Stopped working (job lost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>14%</td>
<td>14%</td>
<td>23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education (18-29)</th>
<th>Education on track</th>
<th>Education delayed or might fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>12%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Youth & COVID-19 report
III. What needs to be done? (1)

**WHAT: Policies we need**

- Getting **macro policies** (fiscal, monetary, sectoral/industrial, trade, etc.) right in order to boost labour demand for youth and enhance capabilities of young people
  - Need for **youth-targeted programme**, especially for **young women**
  - Including active labour market programmes, as part of national employment polices
- **Skills for the future**, which can meet business demands but also enrich individual lives over the life course
- **Strong institutions**, not ad hoc measures, for sustained and effective support
- **Credible actions**, from verbal to financial commitments
- Developing a **coherent policy package** for actions (see the next slide)
Example: How to bring policies together for greater impacts?

Strengthening the *transition to decent work*

**The destination**

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

**The path**

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

**Inclusiveness**

Most disadvantaged youth

- Public employment services
- Occupational health and safety (OSH)
- Psychosocial support measures
- Promotion of youth rights
III. What needs to be done? (3)

HOW: The way we shape policies

• A grand shift from “working for youth” to “working with youth” (UN Secretary General, Our Common Agenda)

• Yet, youth’s participation in policy development and social dialogue remains weak and non-systematic

• What are the missing elements?
  • Noting that youth voice has been so crucial in mobilizing global climate actions, how can we create a similar political momentum for global actions on youth employment?
  • Further support for youth representation, notably in workers and employers’ organizations
  • Ensure young women’s voices in developing a gender-responsive recovery and development