Global Employment Trends for Youth 2022

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Contents

1. Global Trends
2. Digital and Green Economies
3. Policy recommendations
Global Trends
The scale of the issue (1.2+ billion youths) – where are we now?

- Global youth unemployment is estimated to decline to 73 million in 2022 - still 6 million above the 2019 level. In 2023 a further slight increase in youth unemployment is expected.

- Young people were more affected than adults by impact of COVID-19 as new recruitment collapsed.

- Young women affected on multiple fronts also due to unequal distribution of care responsibilities and pre-existing inequalities.
Pre-existing decent work deficits among youth, aggravated by pandemic

Working poverty

Informality
Over 280 million young people are in NEET status; in 2020 NEET rates rose to their highest levels since records began in 2005

- Large but falling gender gap

- Men most affected by the negative economic shock (>2pp, versus <1pp for women) – but also recovered more quickly

Source: ILOSTAT
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)

- World
- North Africa
- Sub-Saharan Africa
- Latin America and the Caribbean
- North America
- Arab States
- East Asia
- South-East Asia and the Pacific
- South Asia
- Northern, Southern and Western Europe
- Eastern Europe
- Central and Western Asia

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

- World
- North Africa
- Sub-Saharan Africa
- Latin America and the Caribbean
- North America
- Arab States
- East Asia
- South-East Asia and the Pacific
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Key messages (Part I)

Young people were hit particularly hard by the COVID-19 crisis in multiple dimensions.

Young people who lose their job or fail to obtain one are particularly vulnerable to “scarring” (long-term employment prospects)

Disrupted education can cause significant learning losses, creating both intergenerational and intragenerational inequalities.

Global inequalities - within and across countries – due to heterogenous direct and long-term effects of the COVID-19 crisis on different “types” of young people in different countries.

COVID-19 crisis has made the prospect of achieving many targets of the Sustainable Development Goals (SDGs) harder
Opportunities for youth in Digital and Green Economies
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
What is the Digital Economy?

• Economic activities using digital information and knowledge and the internet as key inputs to production, marketing and distribution of goods and services

• Not just the platform/gig economy…

• Best seen as a continuum:

• High (HDI), Medium (MDI) and Low Digital Intensity (LDI)
Digitalization is affecting many industries...differently by Age, sex and Country Income

Figure 3.4: Youth Employment by broad ISIC (Rev. 4) sector, digital intensity and country income, 2020.

Source: ILO calculations based on the ILO DC micro-database.
Job quality is on average relatively high (and high skilled)

Figure 3.7: Percentage of young workers with permanent contracts, by digital intensity and country income group, 2013, 2018 and 2020.

High-income countries

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDI</td>
<td>69.9</td>
<td>71.9</td>
<td>72.9</td>
</tr>
<tr>
<td>MDI</td>
<td>72.1</td>
<td>69.6</td>
<td>70.1</td>
</tr>
<tr>
<td>LDI</td>
<td>62.8</td>
<td>63.4</td>
<td>62.5</td>
</tr>
<tr>
<td>Overall</td>
<td>70.4</td>
<td>69.8</td>
<td>69.8</td>
</tr>
</tbody>
</table>

Low- and middle-income countries

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDI</td>
<td>52.2</td>
<td>57</td>
<td>61.9</td>
</tr>
<tr>
<td>MDI</td>
<td>50.1</td>
<td>52.9</td>
<td>56.7</td>
</tr>
<tr>
<td>LDI</td>
<td>20.5</td>
<td>26.7</td>
<td>28.4</td>
</tr>
<tr>
<td>Overall</td>
<td>34</td>
<td>40.5</td>
<td>44.9</td>
</tr>
</tbody>
</table>

Source: ILO calculations based on the ILO DC micro-database.
But so too are inequalities in the benefits of educational attainment, especially in low and middle income countries.


Source: ILO calculations based on the ILO DC micro-database.
And then there’s the platform economy
Young people are particularly suited to online (and other forms of gig) work and have some relative advantages, for example:

- young crowd-workers earn higher wages than older crowd-workers; due to higher/faster returns on experience
- Particularly attractive to young people in lower income countries (given their alternatives)
- However, the hourly earnings of young (and adult) women are around 20% lower than for men
- & Returns to formal education are zero (although most crowd-workers are relatively well educated)
- & (typically) No job security (& OSH)
Overall...

Covid-19 has reinforced the trend towards digitalization

Digital economy offers significant opportunities for young people
  • On average, relatively good job conditions

But, not open to all – Conditions for access
  • mainly high skilled employment;
  • need internet access

Digital employment often means less secure jobs – also accentuated during the pandemic

Action is needed to ensure the benefits are not just reaped by a lucky few
YOUTH EMPLOYMENT IN THE GREEN ECONOMY
Climate change and youth employment crises closely linked and must be tackled together

Young people particularly vulnerable to climate change and biodiversity loss

Transition to green and blue economies opens up opportunities for young people

Source: ILO, Global Employment Trends for Youth 2022, based on Deloitte (2021)
Addressing conceptual/measurement challenges critical in raising awareness among young people on green/blue opportunities

**Definition of green**

**Narrow**

- Waste collection, treatment and disposal activities; materials recovery
- Energy efficiency (construction, transport)

**Broad**

- Renewable energy
- Sustainability of production

**Processes (“greening”)**

- Waste collection, treatment and disposal activities; materials recovery
- Renewable energy
- Energy efficiency (construction, transport)
- Sustainability of production

*Figure 2.3 Relationship between total employment, employment in the environmental sector and decent jobs*

- Total employment
- Employment in environmental processes
- Employment in production of environmental culture
- Decent jobs
- Jobs in non-environmental sector created thanks to greening

Note: Employment in environmental sector = A U B; employment created thanks to greening = A U B U D; Green jobs (employment in environmental sector that is decent) = (A U B) \( \cap \) C

Source: ICLS (2013)
Around 10 per cent of young people employed in (narrow) environmental services sector, often with large gender disparities.
Transition to green economy can lead to creation of some 8.4 million additional jobs for young people as a result of strengthened regulations, “greening” and as green investments can often be more labour intensive than “unsustainable” investments.
Employment in renewable energy has been expanding rapidly while future technological adoption will drive future employment opportunities. The share of women in renewable energy is higher than in the overall energy sector, suggesting transition to renewables could advance gender equality.

**Figure 2.5 Change in global employment in the renewable energy sector between 2012 and 2020, by technology (millions)**

<table>
<thead>
<tr>
<th>Increase</th>
<th>Solar photovoltaic</th>
<th>2.62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind energy</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Hydropower</td>
<td>0.52</td>
<td></td>
</tr>
<tr>
<td>Bioenergy</td>
<td>0.12</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.74</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** ILO calculations based on International Renewable Energy Agency (IRENA) jobs database.

...share of women in renewable energy higher than in the overall energy sector, suggesting transition to renewables could advance gender equality.
Transition to green economy requires both technical and core (soft) skills, which are in shortage in many countries.

<table>
<thead>
<tr>
<th>Core skills required across the economy</th>
<th>Core skills required in medium-to high-skilled occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>→ Environmental awareness and protection; willingness and capability to learn about sustainable development</td>
<td>→ Analytical thinking (including risk and systems analysis) to interpret and understand the need for change and the measures required</td>
</tr>
<tr>
<td>→ Adaptability and transferability skills to enable workers to learn and apply the new technologies and processes required to green their jobs</td>
<td>→ Coordination, management and business skills that can encompass holistic and interdisciplinary approaches incorporating economic, social and ecological objectives</td>
</tr>
<tr>
<td>→ Teamwork skills reflecting the need for organizations to work collectively on tackling their environmental footprint</td>
<td>→ Innovation skills to identify opportunities and create new strategies to respond to green challenges</td>
</tr>
<tr>
<td>→ Resilience to see through the changes required</td>
<td>→ Marketing skills to promote greener products and services</td>
</tr>
<tr>
<td>→ Communication and negotiation skills to promote required change to colleagues and customers</td>
<td>→ Consulting skills to advise consumers about green solutions and to spread the use of green technologies</td>
</tr>
<tr>
<td>→ Entrepreneurial skills to seize the opportunities of low-carbon technologies and environmental mitigation and adaptation</td>
<td>→ Networking, information technology and language skills to perform in global markets</td>
</tr>
<tr>
<td>→ Occupational safety and health</td>
<td>→ Strategic and leadership skills to enable policymakers and business executives to set the right incentives and create conditions conducive to cleaner production and transport</td>
</tr>
</tbody>
</table>
Key messages

Better measurement and data required to inform young people, for policy design and implementation (including just transition policies) and for skills anticipation systems.

Simulating impact of green policies aimed at achieving climate neutrality points to welfare, economic and employment gains relative to business-as-usual scenario.

Aggregate masks job creation and destruction by regions, countries, sectors and demographic groups; those who will access green jobs not necessarily those who lose their jobs; so skills and social protection matter.

Better skilled workforce, including in the appropriate technologies, required for transition to green economy.
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

Advancing social justice, promoting decent work
Thank you!

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