Youth Employment in Changing Labour Markets

1st meeting of the G20 Employment Working Group

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Young people in G20 countries face major challenges

- 44 million unemployed
- 36 million working but poor
- 154 million NEETs
- 2 out of 3 young women
Young people require better access to employment

Note: Figures refer to 2019.
NEET rates are much higher for young women than young men

In advanced G20 countries, vulnerable employment has increased, reflecting in part the expansion of the gig economy and platform work.

Source: ILO calculations based on the Labour Force Micro Database, version 1.5
Risk of automation is highest in jobs held by young people

Higher education provides entry to less automatable jobs

Relationship between educational attainment and the risk of job automation

OECD countries

Low- and middle- income countries

Returns to tertiary education have been falling – especially for young people…

Source: ILO calculations based on the Labour Force Micro Database, version 1.5
...and this has driven down wage inequality in many countries.

Source: ILO calculations based on the Labour Force Micro Database (LFM) version 1.5.
The number of jobs available for highly qualified young people in G20 countries is insufficient

- It's not that technological change – and the related rising demand for highly skilled workers - is no longer affecting wages and wage inequality…

- …rather - in some countries - growth in the supply of highly educated workers is outpacing growth in demand for them.
Summary and policy messages

1. There is insufficient job creation for young people
2. Supply and demand policies don’t match
3. Gender gaps in youth labour markets persist
4. Large numbers of young people are working in the informal economy and new forms of work

Need an integrated policy framework, including...

• macroeconomic and sectoral policies that support employment creation
• large-scale active labour market programmes for disadvantaged young people
• along with approaches to effectively tackle gender gaps
• updated educational and vocational curricula
• better organization, voice and representation to ensure appropriate wages and working conditions for young workers
• Effective and modernised public employment services