



International
Labour
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▶ Global Employment Trends for Youth 2022: The Americas

The Americas consists of the Northern American countries – that is, Canada and the United States of America, both high-income countries – and the Latin American and Caribbean (LAC) countries, most of which are middle-income countries. The channels through which the COVID-19 crisis impacted these groups of countries, and crucially their ability to put policy measures in place to counterbalance these impacts, have been very different. Canada and the United States put in place fiscal stimulus packages representing over 10 per cent of GDP in 2020. In contrast, the LAC countries were only able to implement packages varying from less than 2.5 per cent of GDP in Mexico and in several Central American countries up to less than 10 per cent of GDP in Brazil and Chile in the same year.¹ The recovery that followed was rapid for both subregions. In 2021, the US economy grew by 5.7 per cent and that of Canada by 4.6 per cent, while real GDP in LAC economies increased on average by 6.8 per cent,² though the rate of growth declined in the second part of the year. In 2022, global growth and trade deceleration, energy and food inflation, and greater financial volatility are impacting LAC countries severely. The Economic Commission for Latin America and the Caribbean expects that in 2022 growth in the region will only be 1.8 per cent.³

Labour markets in LAC countries were greatly affected by these developments. Employment-to-population ratios contracted by 10 percentage points in 2020, significantly more than the contraction of regional GDP of 6.8 per cent. Although labour markets recovered in 2021, the recovery has been insufficient: by the end of the third quarter of 2021, 4.5 million jobs were still “missing”, of which 4.2 million were among women. Informality and unemployment persist, and

the low GDP growth projected for 2022 is challenging the incipient employment recovery.⁴

In this context, the unemployment rate of young people aged 15–24 years in LAC countries is worrying: it stood at 21.6 per cent in 2021, 3.6 percentage points above the level of 2019. Historically, young women’s unemployment rates have been higher than young men’s, but the crisis exacerbated this trend. Young women’s unemployment rate, at 27.0 per cent in 2021, represents over a quarter of all young women in the labour market and is 5 percentage points higher than in 2019 (table 1). The projected improvements in 2022 will not be sufficient to reach pre-pandemic levels, themselves worse than the world’s average. In contrast, the projected unemployment figures in Northern American countries for 2022 will be better than pre-pandemic levels.

Data concerning the labour underutilization (LU3) rate⁵ for 2020 shows the catastrophic effects of the COVID-19 crisis on regional youth labour markets. The LU3 rate, combining the rate of youth unemployment and the potential labour force, reached almost 30 per cent for young women, and was 7 percentage points higher than the pre-pandemic levels – 12 percentage points higher than the same rate for young men. The fact that young women have higher potential labour force rates than young men⁶ reflects the challenges young women have faced in searching for a job and being available to take up employment, given the acute restrictions imposed on job searching and the increased care demands households experienced as a result of school closures and the health crisis. This is reflected in the youth NEET rate (the proportion of young people not in employment, education

¹ International Monetary Fund (IMF), “Fiscal Monitor Database of Country Fiscal Measures in Response to the COVID-19 Pandemic”, accessed 29 July 2022.

² IMF, *World Economic Outlook*, 2022.

³ Comisión Económica para América Latina y el Caribe (CEPAL), *Panorama Fiscal de América Latina y el Caribe*, 2022.

⁴ OIT, *Panorama Laboral 2021: América Latina y el Caribe*, 2022.

⁵ The LU3 indicator may be thought of as a broadened unemployment rate inasmuch as it includes both the unemployed and the potential labour force (comprised of those who would like to work but for one reason or other are not actively looking). The precise definition may be found at <https://ilostat.ilo.org/glossary/>.

⁶ The potential labour force includes those who are not in employment and who are available but are not seeking work; and those who are not in employment and who are seeking work but are not available.

► **Table 1. Youth unemployment rate, labour underutilization (LU3) rate and NEET rate, world and Americas, 2019–22 (percentage)**

			2019	2020	2021	2022	
Youth unemployment rate	World	Total	13.5	15.2	15.6	14.9	
	Northern America	Total	8.6	15.5	10.1	8.3	
		Male	9.7	15.6	11.0	9.5	
		Female	7.6	15.3	9.1	6.9	
	Latin America and the Caribbean	Total	18.0	21.2	21.6	20.5	
		Male	15.2	18.1	17.9	17.0	
		Female	22.1	25.9	27.0	25.8	
	Youth LU3 rate	World	Total	20.3	23.3	n/a	n/a
		Northern America	Total	10.6	17.8	n/a	n/a
Male			11.6	18.0	n/a	n/a	
Female			9.5	17.5	n/a	n/a	
Latin America and the Caribbean		Total	26.3	32.1	n/a	n/a	
		Male	21.8	27.1	n/a	n/a	
		Female	32.5	39.3	n/a	n/a	
Youth NEET rate		World	Total	21.8	23.3	n/a	n/a
		Northern America	Total	10.6	14.3	n/a	n/a
	Male		10.2	14.1	n/a	n/a	
	Female		11.0	14.4	n/a	n/a	
	Latin America and the Caribbean	Total	21.2	24.0	n/a	n/a	
		Male	14.2	17.6	n/a	n/a	
		Female	28.2	30.5	n/a	n/a	

Note: Youth are defined as those aged 15–24 years. LU3 rate refers to the combined rate of youth unemployment and potential labour force. The values in the column for the year 2022 are projections. n/a = not available.

Source: ILOSTAT, ILO modelled estimates, November 2021.

or training), which in 2020 reached 30.5 per cent for young women. Thus almost a third of all young women in LAC countries were NEET, while this proportion was less than a fifth (17.6 per cent) for young men.

The picture is radically different for young people in Northern America, with unemployment rates below world average levels, and young women's unemployment levels (15.3 per cent) and labour force underutilization (17.5 per cent) slightly below those of young men's (15.6 and 18.0 per cent, respectively) during 2020. Yet the crisis was severe: unemployment and labour force underutilization rates doubled compared to pre-crisis levels in the case of young women. The crisis also affected the NEET rate, which jumped 4 percentage points for young men, compared to an increase of 3.4 percentage points for young women. As a result, both had similar NEET levels in 2020, at an average for both sexes of 14.3 per cent.

The gender gaps in NEET rates in LAC countries are closely related to those in the labour force participation rate (LFPR) and the employment-to-population ratio (EPR) (table 2). Young women's LFPR fell by almost 5 percentage points in 2020 (to 34.5 per cent) and, although it recovered in the following two years, is still projected to remain 1 percentage point below pre-pandemic levels in 2022. Young men's labour force participation follows a similar pattern but from higher levels, dropping from 57.7 per cent in 2019 to 52.1 per cent in 2020. It is expected to be 56.5 per cent by the end of 2022. Young women and men return to the labour markets with the expectation of getting jobs, but these are harder to find than before the pandemic. The EPR dropped by 5.4 percentage points for young women and by 6.3 per cent for young men between 2019 and 2020 due to the drastic impact of the pandemic. The EPR is expected to be 28.6 per cent for young

► **Table 2. Key labour supply indicators, world and Americas, 2019–22** (percentage)

			2019	2020	2021	2022
Youth labour force participation rate	World	Total	41.2	38.6	39.7	40.1
		Total	52.1	50.2	51.6	51.8
	Northern America	Male	52.6	50.8	52.3	52.3
		Female	51.5	49.6	50.8	51.3
	Latin America and the Caribbean	Total	48.8	43.4	46.7	47.6
		Male	57.7	52.1	55.4	56.5
		Female	39.7	34.5	37.8	38.6
	World	Total	35.7	32.7	33.6	34.1
	Youth employment-to-population ratio		Total	47.6	42.4	46.4
Northern America		Male	47.5	42.8	46.6	47.4
		Female	47.6	42.0	46.2	47.7
Latin America and the Caribbean		Total	40.1	34.2	36.7	37.9
		Male	49.0	42.7	45.5	46.9
		Female	31.0	25.6	27.6	28.6

Note: Youth are defined as those aged 15–24 years. The values in the column for the year 2022 are projections.

Source: ILOSTAT, ILO modelled estimates, November 2021.

women and 46.9 per cent for young men by the end of 2022, still below pre-pandemic levels.

In Northern American countries, the EPR and LFPR are expected to be at 2019 levels for both young women and young men by the end of 2022. The fact that the EPR has recovered means that employment creation has kept pace with the expansion of the youth population and is the reason why unemployment rates are lower than they were before the pandemic.

In *Global Employment Trends for Youth 2022*, the ILO used a macro-econometric model to quantify the economic and

employment impacts of a number of policy measures for promoting inclusive and sustainable green, digital and care transitions. The “green policy scenario” encompasses measures designed to pave the way towards a net zero economy by 2050 or 2060, the “digital policy scenario” aims at providing universal (90 per cent) internet broadband coverage, while the “care policy scenario” includes investments to increase health and social care provision and education coverage with a view to meeting the relevant targets of SDG 3 (on health) and SDG 4 (on education). The results show that the Americas have great potential to create jobs through facilitating a transition towards more sustainable green, digital and care economies (table 3).

► **Table 3. Projected youth employment impacts of various policy scenarios relative to the baseline, Americas, 2022 and 2030** (thousands)

	2022	2030
Green scenario	101	707
Digital scenario	127	1 607
Care scenario	391	1 539
Combined scenario	606	3 480

Note: Youth are defined as those aged 15–29 years.

Source: ILO, based on the E3ME model of Cambridge Econometrics.

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Additional jobs for young people in the Americas – defined for the modelling exercise as comprising people aged 15–29 years⁷ – created through a “big push” towards sustainable investments could amount to almost 3.5 million by 2030, compared to a “business-as-usual” scenario. This comprises 700,000 more youth jobs from green investments, 1.6 million youth jobs from expanding broadband infrastructure (the digital scenario) and over 1.5 million new jobs for youth arising from investment in the care economy. Youth employment growth through investment in the digital economy is the largest contributor to the overall youth employment results, providing evidence of the gaps in broadband coverage in the

region and the enormous potential to expand digitalization. Less positively, 57 per cent of these new jobs would go to young men, while only 43 per cent would go to young women. The modest results of the care scenario are associated with the fact that coverage is relatively high already, in particular in the region’s high- and upper-middle-income countries. However, given care needs, the total in absolute numbers of jobs for young people created by the expansion of care services is similar to that created by the investments in the digital economy. Some 70 per cent of these new jobs would go to young women.

⁷ For this modelling, the age range was expanded to include those aged 25–29 years so as to make the modelling results more robust. This broader definition also reflects the fact that in many countries around the world, young people enter the labour market at increasingly later ages.