

Global challenges – Global solutions: COVID-19 and the Employment Policy Response

Q&A for:

Lost in COVID-19 limbo-land: Pandemic hits youth employment hard

**Interview with ILO senior youth employment experts Niall
O’Higgins and Sher Verick**

Introduction by host:

The COVID-19 pandemic has hit the world’s young workers hard. While the pandemic has had an unprecedented impact across the global workforce, youth have suffered greater job losses than other age groups. According to the latest ILO statistical update on the impact of COVID, which came out just before World Youth Skills Day, employment of young people aged 15 to 24 fell sharply in 2020.

What’s more, the crisis and lockdown measures constrained young people from even looking for work, increasing the so-called NEETs—young people not in employment, education, and training—last year, leaving young people worse off for years to come.

So, where are we now and where are we headed? Here to brief us are ILO senior youth employment experts Niall O’Higgins and Sher Verick. Niall, Sher, welcome to the programme.

My first question is for Sher. You've been quoted as saying that young workers are living in a COVID limbo land. What exactly do you mean by that? How are

women faring in the current environment? Also, can you give some regional examples of the impact on both young women and men?

Sher: Yes, thanks Tom. I have mentioned the fact that youth are in a COVID limbo land because young people have been disproportionately affected around the world in two key ways. Firstly, they have experienced a devastating outcome in the labour market. In 2020 youth employment declined globally by 8.7% compared with adults who experienced the decline of 3.7%, but in addition to that, they've also experienced great disruption to education and training. Overall, we see as a result, not a specific increase in unemployment, but in particular, an increase in inactivity and also in many countries a rise in the NEET rate for those young people who are not in employment, education or training.

In terms of young women, it's indeed important to stress that young women have been disproportionately affected in most countries reflecting the sectors that they have worked in. So young women are more likely to work in hospitality and other service sectors, and these are the sectors that have been hit hardest by the lockdown measures. But I would also stress that in the case of young mothers, the closure of schools and care services, has also added to this impact because that has prevented them from being available for any type of work, including work that could be done from home, and this has also led to an increase in inactivity in some cases.

Now, finally, I would also point out that the crisis has hit all countries, but it has hit some regions much harder. In particular, we see much more devastating effects in middle-income countries. If we look at Latin America, we see declines amongst young men and women and particularly young women, as I've mentioned of 20% or more in 2020. We also see really devastating declines in other developing countries; in Africa and also parts of Asia and other regions of the world. This is a key feature of this crisis that is really important because these are the countries that also need a lot of support to overcome the impact on young people.

Okay. Niall, your report indicates that the unemployment rate provides only a partial vision of the impact of the COVID-19 crisis on youth. What are some of the other impacts and where have all the jobless youth gone?

Niall: Well, Tom, as Sher mentioned, we've seen youth employment fall dramatically in the wake of the pandemic, in particularly middle-income countries. But, what has been different about this crisis compared to previous crises like the global economic and financial crisis of just over a decade ago, most of these young people have entered inactivity. So rather than seeing substantial increases in unemployment amongst young people, in most countries, although there is a degree of variety across countries, in most countries, these young people have entered inactivity. That is they have stopped searching for work, and we have seen big increases in what we call inactive NEETS. That is young people who are neither in employment, education or training, but also have not looked actively for work.

There's a problem here. In as much as this is a substantial group of young people entering inactivity, mean that the short-term exit from employment may turn into long-term exclusion without appropriate action. There's a real danger that young people leaving the labour markets, becoming distanced from the labour market, will find it very much harder to re-enter. Youth employment will no doubt pick up in the future, but there's a danger that a group of excluded young people who are distanced from the labour market will have great difficulty getting back into it.

Sher, are things getting worse or better? Now that lockdowns are easing and some countries are opening up, is there any sign of recovery on the horizon, and what are the major factors in this?

Sher: Well, indeed this time last year we all hoped that things would be much better in 2021, but when we look around the world the fact is we're still very much in the midst of this crisis. What we see is a very uneven and fragile recovery. I would stress that according to our global estimates, youth

employment will not recover this year. We will still have a deficit at the end of this year, and this is going to continue for some years to come.

But indeed there are some positive trends. In particular in those countries, who have been able to open up in recent months, end of 2020 in particular, and these are countries that have been able to control the pandemic better, so they've been able to then allow economic activity to return. Meaning they've been able to let businesses reopen and people return to work and be able to consume etcetera, in the ways that it had before. This is reflected also in improvements in the labour market.

In addition to those changes in our lockdown, really important factors have included the ability to maintain the macroeconomic stimulus, to keep the economy going and other subsidies and interventions that target the labour market. These have been strongest in advanced economies who have been able to do this in that period. At the same time then we've seen reversals, we've seen countries having to return to lockdown measures.

Ultimately, of course, what will be absolutely critical is a vaccination rollout and the ability to maintain that support and stimulus for the economy. This is most challenging in developing countries, of course, who have less means and capacity to do so. These are really important for us to monitor going forward.

As Niall pointed out as well, I think you have to be really concerned about those young people who have withdrawn from the labour force. So those that have given up job search, or who have a weak attachment to the labour market. There we really risk having a generation who's going to be scarred by this crisis. So we really need to focus on not only maintaining that general support to the economy, but also those efforts and policy measures that target young people and in particular, the most vulnerable young people.

Thank you for that, Sher. Niall, what is to be done about this? What are the policy priorities? How can governments, employers and workers' organizations work together to carry these out? Can youth have a voice in the conversation? How

can these policies and programmes be tailored to safeguard young workers' rights?

Niall: Thank you, Tom. Yes indeed. One of the features of the pandemic and the response measures to date has been the fact that they tended to be emergency income support and job retention measures, which because young people tend not to be so well established on the labour market, have tended to leave young people out. Very often, young people have not been able to access these programmes, and that indeed is one reason why that youth employment has suffered so greatly.

The bottom line here is that now that things are starting to recover, although fragile as it is, as Sher pointed out, we need to move from broad-based income support and job retention, job preservation measures, to more active intervention in creating jobs which young people can access and through active labour market programmes, which can create opportunities for young people to re-enter the labour market. Bearing in mind what we already said about young people leaving the labour market altogether, a strong focus needs to be placed on outreach measures. That is actively seeking out young people who are no longer looking for jobs as such.

So we need to develop outreach and indeed this is where public employment services and workers' and employers' organizations can collaborate with civil society, organizations, and youth organizations to seek out these young people who are distancing themselves from the labour market.

There is also another point here concerning job quality. We've spoken so far really mainly about the loss of jobs. One thing we've seen with the pandemic has been an acceleration of the trend towards digitally enabled and online jobs. Now, this is in one sense of very positive development and young people in particular, are very well-placed to take advantage of this, but at the same time, these types of employment that are available in online markets and through delivery services and so on, tend to be rather insecure in nature, tend to be rather short-term and task-based, the so-called gig economy.

So we need to pay attention to the quality of work here. Here employers' and workers' organizations can play an important role in making sure that these forms of employment become better types of employment, that these types of employment mean a return to decent work. So we need to avoid some of the dangers inherent in the digital forms of employment and move back towards higher quality employment.

One of the issues that arises with digital employment and digital platforms in particular, is the strong need for international coordination of policy response. Here too, the role of young people and young people's voice can play an important role. Thus far young people have participated in a series of policy initiatives and discussions at the international level, also organized by the ILO. It's very important that we listen to what young people are saying about their future, we hear what they're saying about their aspirations, and we understand what it is about their aspirations that needs to be taken into consideration.

The bottom line here, Tom, is that we need to ensure that short-term exits from the labour market of young people doesn't turn into their long-term exclusion.

Moderator out:

Thanks, Niall and Sher for your insights on this critical issue. Though there are some signs of recovery, the situation in many parts of the world remains highly uncertain and fragile. The current crisis has caused serious disruptions to education and training, and it reminds us what is happening to young people. One hopeful sign is the focus of World Youth Skills Day on the importance of equipping youth with skills for employment to support job creation and help them in the path to entrepreneurship. As our two experts have made clear, we'll need to continue monitoring the youth employment situation, and develop specific, tailored human-centred policy responses that work. Let's hope that what we do now will not only help confront the current crisis but lay the groundwork for addressing future ones.

I'm Tom Netter, and you've been listening to the ILO podcast series Global challenges – Global solutions: COVID-19 and the Employment Policy Response. Thank you for your time.