

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

Is the future ready for youth?

Youth employment policies for evolving labour markets

Introduction by moderator:

We often ask whether youth are ready for the future. But is the future ready for them? That's the underlying theme, and the title of a recent, comprehensive book by the ILO on the youth employment challenge.

In 2019, there were more than 1.2 billion persons aged 15 to 24 in the world. Among them, around 430 million were working. But 68 million or more than 13 percent were unemployed. What's more, the ILO estimates that some 22 percent of all youth or roughly 267 million weren't in education, employment or training.

Each generation has faced different circumstances in their lives. A large portion of the current generation of youth was already facing daunting challenges finding work. The COVID-19 pandemic has only made matters worse with new social, educational and economic consequences. And then there's the impact of climate change and technology and other factors.

These young people have become what the ILO has called the "lockdown generation".

This book brings together contributions from a range of ILO experts related directly or indirectly to youth employment policies. Asking whether youth are ready for the future places the burden of preparation on them. That's why the book poses question: "Is the future ready for youth?"

Here to discuss these issues, and how to transform traditional youth employment policies to help build a better future for them, are the book's

editors, Sukti Dasgupta, Chief of the ILO Employment, Labour Markets and Youth Branch, and Juan Chacaltana, ILO Senior Employment Policies Specialist. Sukti, Juan, welcome to the podcast.

My first question has to do with the nature of the youth employment challenge. Sukti can you give us a quick snapshot of the extent of the youth employment challenge, how COVID-19 has affected youth employment and why it is important that the future be prepared for youth?

Sukti: Thank you, Tom. Yes indeed, in terms of the nature of the challenge for youth, the labour market opportunities for young people are far fewer, as well as the quality of the jobs that they get is far worse. Many young people are inactive and what we call in the category of not in employment, education or training, and all these challenges are much bigger for young women than for young men. And this was so before COVID-19 happened and COVID-19 has actually just exploded the youth employment challenge. And from the research that the ILO has done in the last year, young people have lost some 8.7 per cent of job opportunities. And not only that, young people have also lost out in terms of education, and their transitions are far more difficult. And that is why this book, which is looking at policies for young people and how the future can be shaped for youth is so important and so relevant, because some of the future of work drivers, which were impacting on labour markets for young people have been accelerated by this COVID crisis, such as technological change.

And therefore, this book looks at employment and labour market policies for young women and men – from the demand side, that’s macroeconomic, sectoral and enterprise policies for job creation, supply side policies such as skills policies and lifelong learning, and policies promoting youth transitions to labour markets, as well as institutions that match demand and supply such as public employment services. The book also focuses on the particularly vulnerable situation of young women, of rural workers, of young workers in the platform economy. And it has a very big emphasis on rights of young people and aspirations for youth. So, it looks at not only what the current situation is,

but also what can be done to ensure that we have a future that exploits the possibilities that young people can bring to the economy and enrich their lives.. And, in the context of ILO's Centenary Declaration for the Future of Work, this book also adopts a human centered approach, which puts young people at the center of the policy discussion on youth employment.

Thank you, Sukti. Given the timing of this publication, the book is now more important than ever. One of the things you mentioned is the impact of technology. We tend to think that technological change is a good thing, but what impact has the substantive increase in the use of new technologies of work had? And what kind of labour market are youth facing in the future? Juan?

Juan: Thanks, Tom. Indeed, technological change is happening everywhere and its use has increased with COVID-19. Technology, you know, enhances productive capacities in the economies and is the main engine of new productive knowledge, a key element for the demand of new training and qualifications. However, technology could also create inequalities and even polarization in the labour market. Some parts of the world still don't have access to electricity or even less to internet or other technologies. Recall that an uneven dissemination of technology is at the basis of broader phenomenon, such as low productivity or informality, for example. Technology can also create new forms of work and new work arrangements. We have now internalized the use of terms such as the gig economy, crowdwork, co-working, YouTubers, social media manager. In this respect, in the case of the youth, we observe sort of a paradox, on the one hand, young people are more capable of handling and adapting quickly to new technologies than older generations.

However, this new work arrangements could also put their lifelong trajectories at risk. In the book, there is a chapter on this highlighting the fact that in many of the new forms of work, like crowdwork, for example, the worker is not identifiable by name. This means they have no way of proving that they have been working and sometimes are unable to provide reference to future employers. A lack of working experience has always been a main bottleneck for new entrants in the labour market. The challenge here is to find the right

balance between the short-term opportunities new technologies bring and taking a careful look at the consequences in their lifetime trajectories, via sound youth employment policies with a human centered approach as proposed by the Centenary Declaration of the ILO.

Thanks, Juan. One of the points that the book makes is that being young and being female in the world of work can result in what the book calls a double strike. After many years of expounding on gender equality, when it comes to young women, are we moving forward or backwards in the world of work? And as we know that gender equality can boost productivity and economic growth, wouldn't that be smart economics? Sukti?

Sukti: Thank you, Tom. And, indeed, being young and being a woman is a double strike. Young women are more likely to have lower labour force participation rates than men. There is huge labour market segmentation in terms of the sectors that young women are finding jobs in. And those are the sectors, which are likely to be less paid as well as more vulnerable for various reasons. And part of this is because, of course, young women have not the same access to education as young men, but also because young women take on the role of the unpaid care worker within the families, which is particularly more severe in some parts of the world due to cultural norms. But globally, what we find is that the roles of young women beyond the household remains limited to a much greater extent than that of young men and the gender gaps continue in job search, in the quality of jobs obtained, and in terms of the gender wage gap and the labour market transitions of young women are far less certain than that of young men. Now COVID has, as you pointed out earlier, the COVID has really exposed these inequalities even more. And what we find is that because of the sectors that young women were working in, and because they're already precarious situations in the labour market, they have really, really been badly hit. And, therefore, it is absolutely a necessity that policies for youth employment today are gender responsive. And what we need to build back better from COVID-19 is actually also to build back fairer with a stronger emphasis on gender equality, with a stronger emphasis on stimulating jobs for

young people, including preventing job loss of women and investing in the care economy, both in terms of creating jobs as well as for improving job quality and for enabling many young women to enter the labour market, instead of being trapped in care work at home, unpaid care work at home. And the role of social dialogue and the role of skills and education policies is all very important. But of primary importance, again, is something that Juan mentioned in his response earlier is of demand-side policies in creating and enabling young women to have opportunities in the labour market. Thank you.

Thank you, Sukti, I think you've raised some very good points there. Unfortunately, the rapid transformation for youth in the world of work before and during the pandemic has not been matched by a similar evolution in policies. What can be done in the short- and medium-term to address this huge challenge? And, what are the long-term prospects for youth in the labour markets?

Juan: Thanks, Tom. Yes, labour markets are evolving and transforming faster than youth employment policies. And that is a major challenge for governments and social partners. In the book we advocate for a new generation of youth employment policies. In the future, what we see is that policies will have at least the following new elements. First, they will be more based on the demand side of the labour market rather than the current predominant supply side approach, Sukti has mentioned. So issues such as full and productive employment or sectoral policies for a structural transformation will become more relevant in the policy discussion. Policy would also take more integrated approaches. In particular, we think that policy will go beyond the school-to-work transitions and include issues such as lifelong learning and other transitions such as the educational transition, the school-to-business transition, or even the fact that some young people start having children and becoming parents.

We also think that policy will be more based on new technologies and focused on green solutions. And they will take more into consideration the fact that new generations participate and express their views using social media. So there is a possibility to channel that new way of participation into lifelong social dialogue

with the youth for the development of better policies, both expanding job opportunities, and youth rights. In the short term, in some countries, we have observed a new trend towards upgrading some aspects of youth employment policies to include new technologies. And this involves areas such as education or training, where not only the contents are being adapted to the needs of the digital economy, but the way education and training are being delivered are also being transformed. It is also happening in areas such as the public employment services that are increasingly using internet apps or even artificial intelligence for job search, or even job matching. Of course, as in the case of the digital transformation of the labor markets, the digital transformation of youth employment policies also need careful monitoring and tripartite social dialogue. Thanks.

Moderator: Sukti, Juan, thank you for sharing your insights on this important issue. Clearly, the youth employment challenge will be with us for a long time to come. Youth unemployment is nearly three and a half times that of older adults, a ratio that's been increasing over the past decades. And as the world's population gets younger, the youth employment challenge may only get bigger.

In a world awash with smart phones and where half the population can access the internet, the current generation of youth is probably the most informed in history and participates more via social media than any other generation in the past. As a result, they are increasingly aware of what policies are being implemented, and what policies are still needed. Let's hope this book launches a global and local dialogue on what needs to be done. The youth are ready for the future. Now the future needs to be ready for them.

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.