



Tackling the COVID-19 youth employment crisis in Asia and the Pacific

27th PECC General Meeting – Plenary session 4: Youth and Jobless

▶ Youth employment and COVID-19 in Asia-Pacific

Overview

1. Youth and the labour market in Asia and the Pacific before COVID-19
2. Impact of the COVID-19 crisis on youth employment
3. Policy recommendations

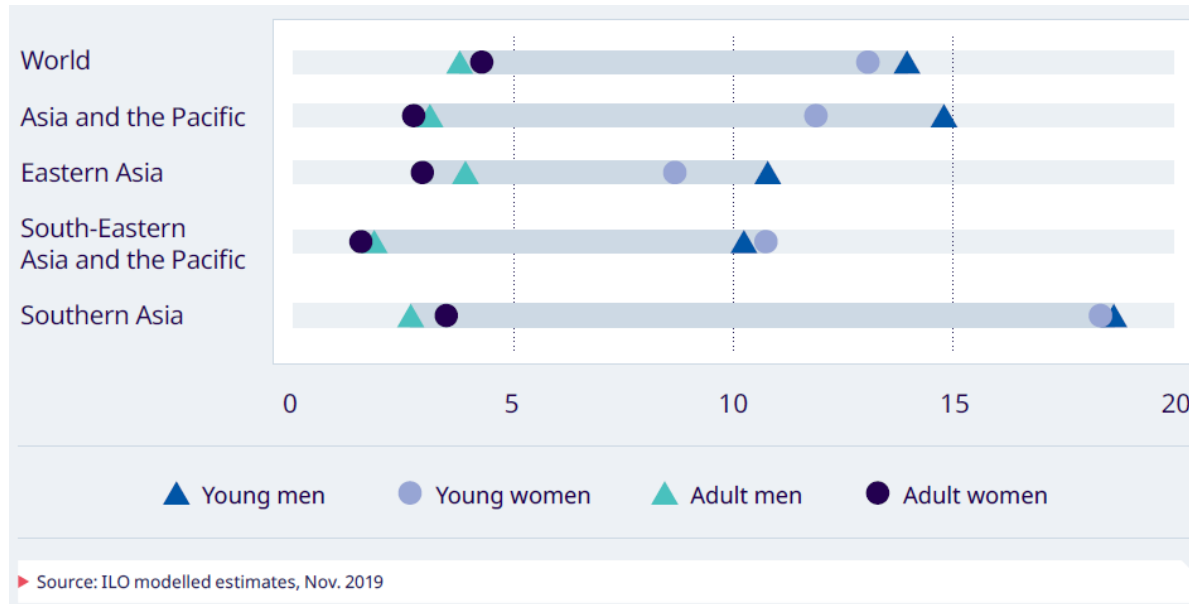
Source

- ▶ Tackling the COVID-19 youth employment crisis in Asia and the Pacific: International Labour Organization, Bangkok (Thailand), and Asian Development Bank, Manila (Philippines), 2020.
- ▶ https://www.ilo.org/asia/publications/WCMS_753369/lang--en/index.htm



▶ **Even before the COVID-19 crisis, youth in Asia and the Pacific were already in a vulnerable situation.**

Asia-Pacific - Sub-regional youth and adult unemployment rate, by sex, 2019 (%)

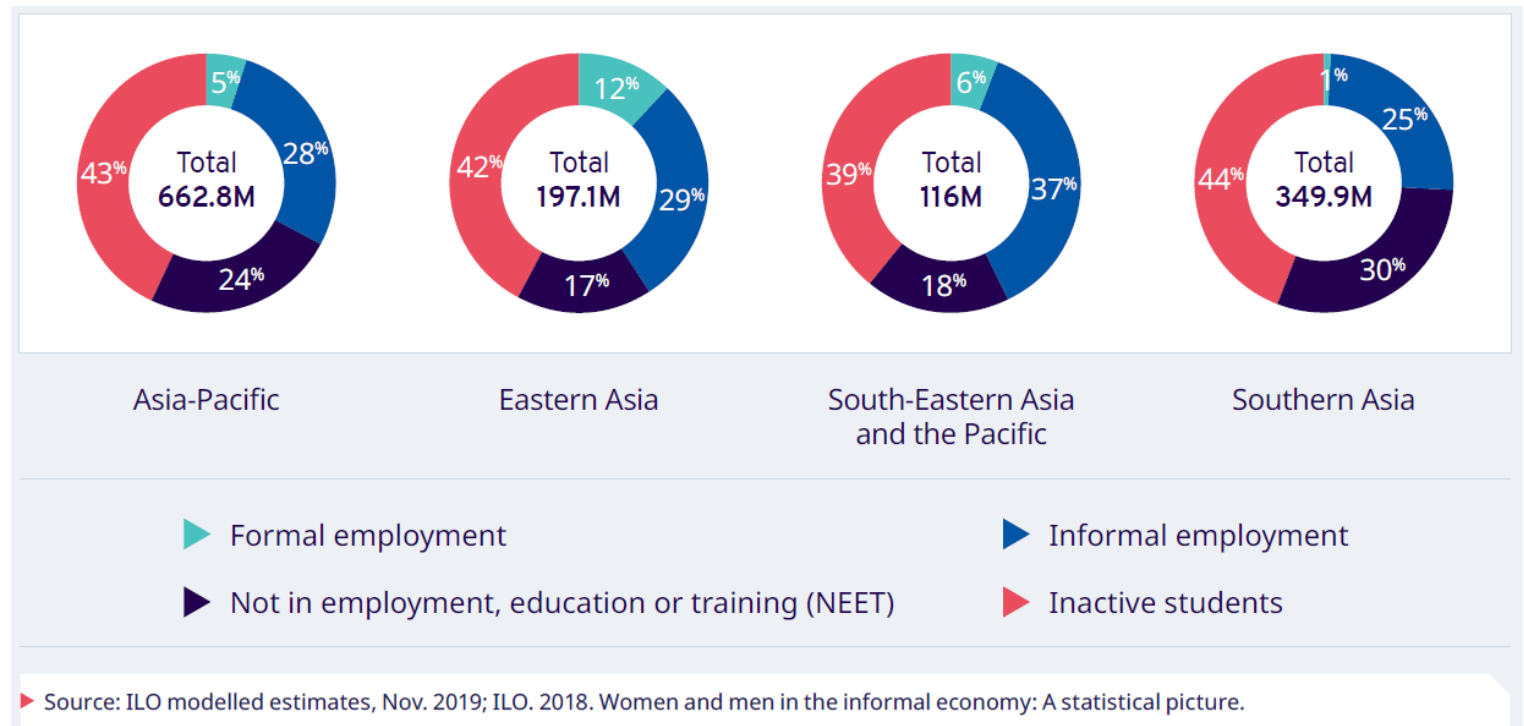


- ▶ **Youth (15-24) are more likely to be unemployed than adults:** from 3 times in Eastern Asia to more than 6 times in South-Eastern Asia and the Pacific, and in Southern Asia in 2019.
- ▶ **Inequalities and gender disparities persist** that limit youth's access to education and employment.

Economic activity of youth in Asia and the Pacific does not always equate to productive employment and decent work

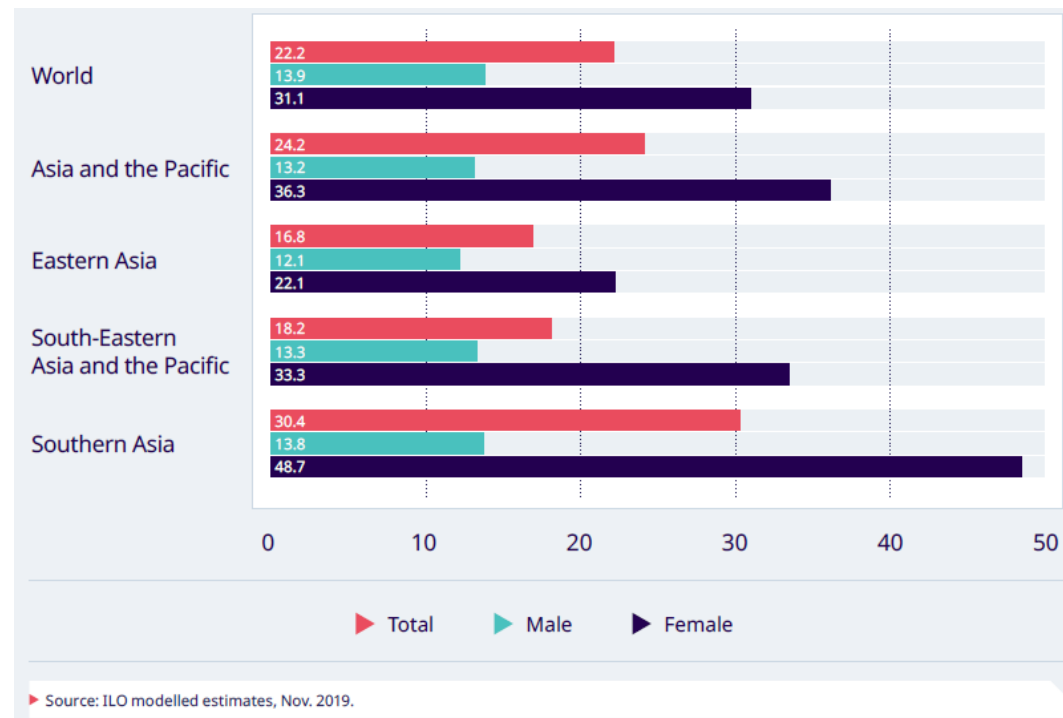
- ▶ More than 8 out of 10 young workers in Asia-Pacific were in informal employment prior to the crisis, versus 69 per cent of adults.
- ▶ One in four young workers in Asia-Pacific was living in conditions of extreme or moderate poverty (below US\$3.20 a day), versus 18 per cent of adults.

Labour market overview for youth (15-24) in Asia-Pacific, 2019



▶ 160 million youth in Asia-Pacific were excluded from labour market opportunities in 2019.

Youth not in employment, education, or training (NEET) rate in Asia-Pacific, by sex, 2019 (%)



Young people not in employment, education, or training (NEET) in Asia-Pacific comprised:

- ▶ 35 million unemployed youth and
- ▶ 125 million young workers who were not building skills through education or looking for work (“inactive nonstudents”).
- ▶ Nearly three quarters of NEETs in Asia and the Pacific are young women, with NEET rates for young women as high as 48.7 per cent in Southern Asia.

▶ COVID-19 triggered a massive disruption of labour markets with disproportionate impacts for youth

The COVID-19 crisis negatively impacts the prospects for youth in Asia and the Pacific mainly through three channels:

- ▶ **Job disruptions** in the form of reduced working hours, reduced earnings and job losses for both paid workers and the self-employed
- ▶ **Disruptions in education and training**
- ▶ **Difficulties in transitioning from school to work** and moving between jobs in a recession

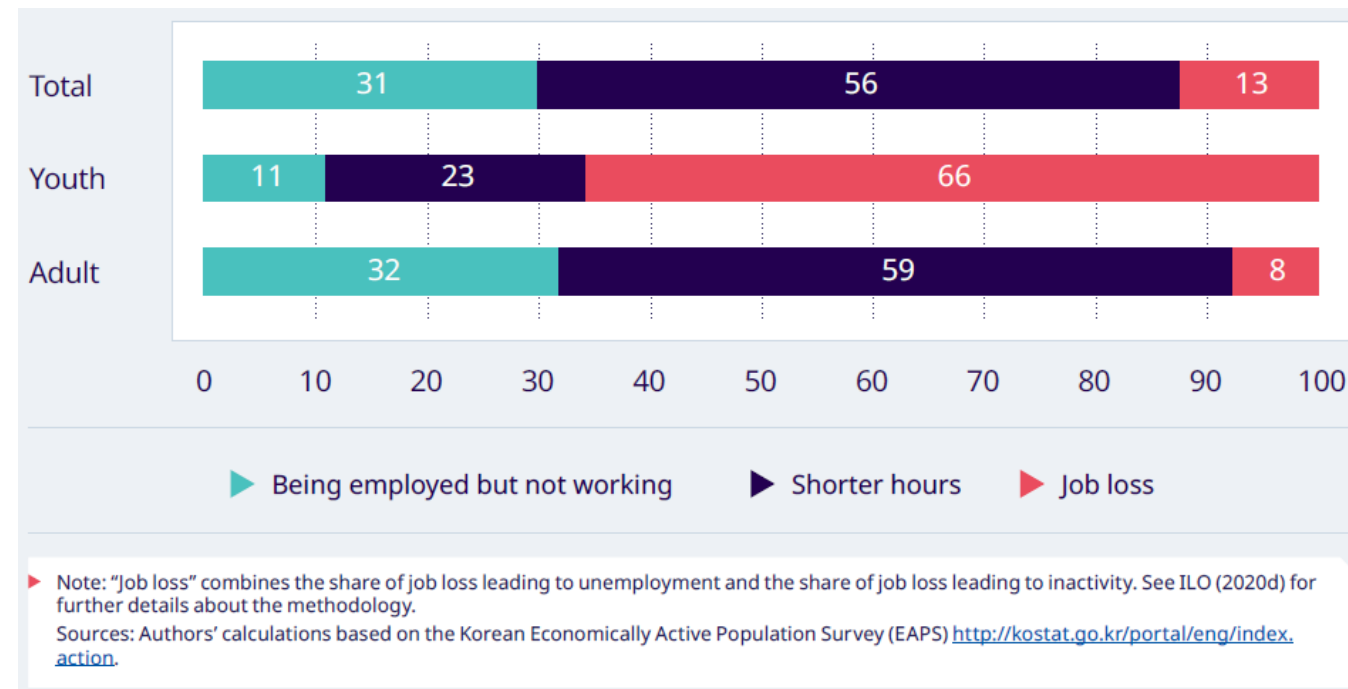


► Job disruptions: Impact on working hours and unemployment of youth

The COVID-19 crisis impacts working hours and unemployment of youth disproportionately:

- Youth in Asia-Pacific experience larger reductions of working hours than adults.
- Youth are disproportionately affected and more likely than adults to experience outright job loss (“first out”) compared to temporary job suspension.

Decomposition of working-hour losses for youth (15–24) and adults (25+), Republic of Korea, April 2020 (%)



Job disruptions: More than 100 million youth in Asia-Pacific are in hardest hit sectors by COVID-19. Young workers more likely employed in at-risk sectors.

Youth employment in sectors disrupted by COVID-19, Asia and the Pacific, 2020 estimates

Economic sector	Immediate impact of crisis on economic output	Level of employment (million)		Youth share in total sector employment (%)	Sector share in youth employment (%)	Share of young women in youth employment (%)
		Total (15+)	Youth (15-24)			
Wholesale and retail trade; repair of motor vehicles and motorcycles	High	261	34	13.1	15.7	35.8
Manufacturing	High	281	35	12.6	16.3	32.7
Real estate; business and administrative activities	High	119	8	6.8	3.7	39.2
Accommodation and food service activities	High	103	25	24.1	11.5	45.5
Transport; storage and communication	Medium-high	137	12	8.6	5.4	17.8
Arts, entertainment and recreation, and other services	Medium-high	100	13	12.7	5.8	45.7

Economic sector	Immediate impact of crisis on economic output	Level of employment (million)		Youth share in total sector employment (%)	Sector share in youth employment (%)	Share of young women in youth employment (%)
		Total (15+)	Youth (15-24)			
Mining and quarrying	Medium	8	1	14.3	0.5	15.0
Financial and insurance services	Medium	37	3	7.7	1.3	56.6
Construction	Medium	164	18	11.2	8.4	5.1
Agriculture; forestry and fishing	Medium-low	439	46	10.5	21.2	29.4
Utilities	Low	13	1	4.6	0.3	13.4
Public administration and defense; compulsory social security	Low	64	3	5.3	1.6	29.8
Human health and social work activities	Low	85	8	9.7	3.8	68.5
Education	Low	103	10	9.4	4.5	64.1

▶ **Job disruptions: Impact on young women, quality of jobs and youth entrepreneurship**

- ▶ **Young women in Asia-Pacific** are overrepresented in 3 of 4 high-impact sectors, particularly in accommodation and food services. Vulnerabilities are exacerbated by the uneven distribution of unpaid household and care work.
- ▶ **Quality of jobs** for youth affected as crisis may increase informal employment and/or non-standard forms of work. Young people's mental health and well-being is negatively affected by the pandemic according to the Global Survey on Youth and COVID-19.
- ▶ **Constraints faced by young entrepreneurs** compared to adult business owners risk being compounded by the COVID-19 crisis. 86 per cent of young entrepreneurs reported a negative impact to their business (UNDP and Citi Foundation – Asia-Pacific regional survey).



▶ **Disruptions to education and training: Impact on youth employability and employment**

Impact due to closure of schools, training centres and workplaces, as well as cancellation or postponement of exams.

- ▶ **School closures** affected more than 90 per cent of students worldwide in April 2020 (UNESCO).
- ▶ **Technical and vocational education and training (TVET)** in Asia-Pacific has been severely disrupted, including exam cancellation/postponement.
- ▶ **Disruptions of work-based learning** affected the provision of apprenticeships and internships.
- ▶ **Unequal access to digital technologies** contributes to gaps in education and training prospects.



► **School-to-work transition: Increased difficulties during the crisis and recovery**

As a result of the crisis, young people likely face more challenges in finding and changing jobs.

- **Labour market with fewer vacancies** and increased competition with more experienced workers.
- **Disrupted pathways into employment** as many first job-opportunities prior to the crisis were in sectors now most impacted, such as manufacturing, wholesale and retail trade.
- **Long-lasting impacts** on the labour market outcomes of youth in Asia and the Pacific, including on earnings.



▶ COVID-19, jobs and technological advancement

Job disruption due to COVID-19 and technological advancement

- ▶ Technological advancements, including artificial intelligence and robotics, transform labour market opportunities and skill requirements for youth.
- ▶ Nuanced impact of technology on jobs through disruption, transformation and re-profiling of jobs.
- ▶ Young workers and automation: Entry-level jobs by young people have a greater proportion of automatable tasks.
- ▶ Increased demand for high-skilled workers. Technological advancement can contribute to reinforce inequality.
- ▶ Need for re-skilling and up-skilling through lifelong learning and skills development to facilitate access and transitions to productive employment and decent work towards an inclusive socio-economic recovery from COVID-19.



COVID-19 impact on youth employment will depend on the effectiveness and appropriateness of national policy responses

Pillar 1

Stimulating the economy and employment

- ▶ Active fiscal policy
- ▶ Accommodative monetary policy
- ▶ Lending and financial support to specific sectors, including the health sector

Pillar 2

Supporting enterprises, jobs and incomes

- ▶ Extend social protection for all
- ▶ Implement employment retention measures
- ▶ Provide financial/tax and other relief for enterprises

Pillar 3

Protecting workers in the workplace

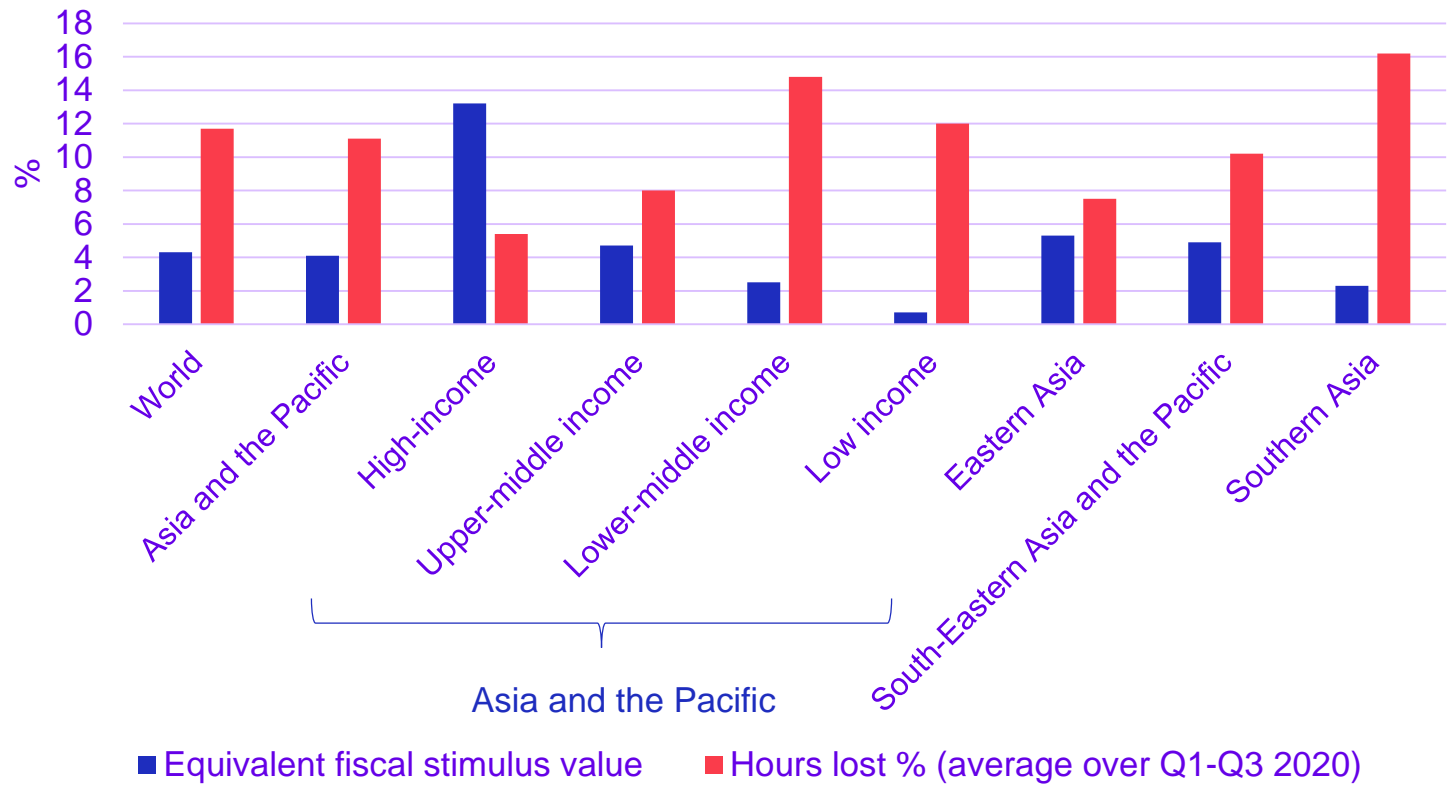
- ▶ Strengthen OSH measures
- ▶ Adapt work arrangements (e.g. teleworking)
- ▶ Prevent discrimination and exclusion
- ▶ Provide health access for all
- ▶ Expand access to paid leave

Pillar 4

Relying on social dialogue for solutions

- ▶ Strengthen the capacity and resilience of employers' and workers' organizations
- ▶ Strengthen the capacity of governments
- ▶ Strengthen social dialogue, collective bargaining and labour relations institutions and processes

Fiscal stimulus packages are small relative to the labour market damage



► Policy measures to tackle COVID-19 youth employment crisis in Asia-Pacific

Building a better normal in the labour market

Adopting and implementing large-scale and targeted measures to stimulate the economy and youth employment for a job-rich recovery.

Balancing (1) the inclusion of youth in wider labour market and economic recovery measures, with (2) youth-targeted gender-sensitive interventions.

Cross-cutting policy considerations: reaching the most vulnerable youth; meaningfully engaging young people through social dialogue; and facilitating enhanced, disaggregated youth labour market information.

Prioritized support measures, many of which may be directed at young people in hardest hit sectors, include well-designed active labour market programmes.

- Youth-targeted wage subsidies and public employment programmes;
- Job information and employment services targeted to young jobseekers;
- Apprenticeship programmes and demand-driven skills development, especially in growth sectors;
- Digital inclusion for equitable access to education, training and employment; and
- Access to capital combined with non-financial services for young entrepreneurs.

 **Thank you**

