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Global Employment Trends for Youth 2022

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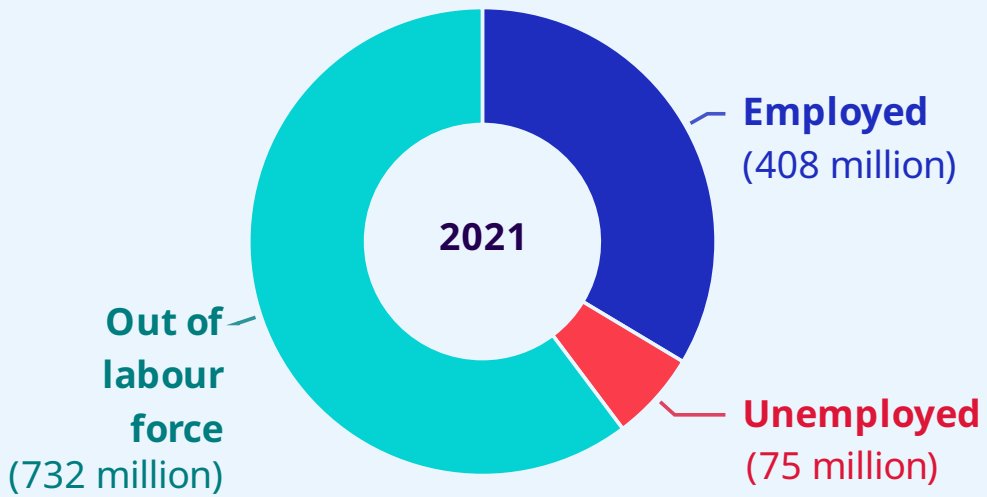
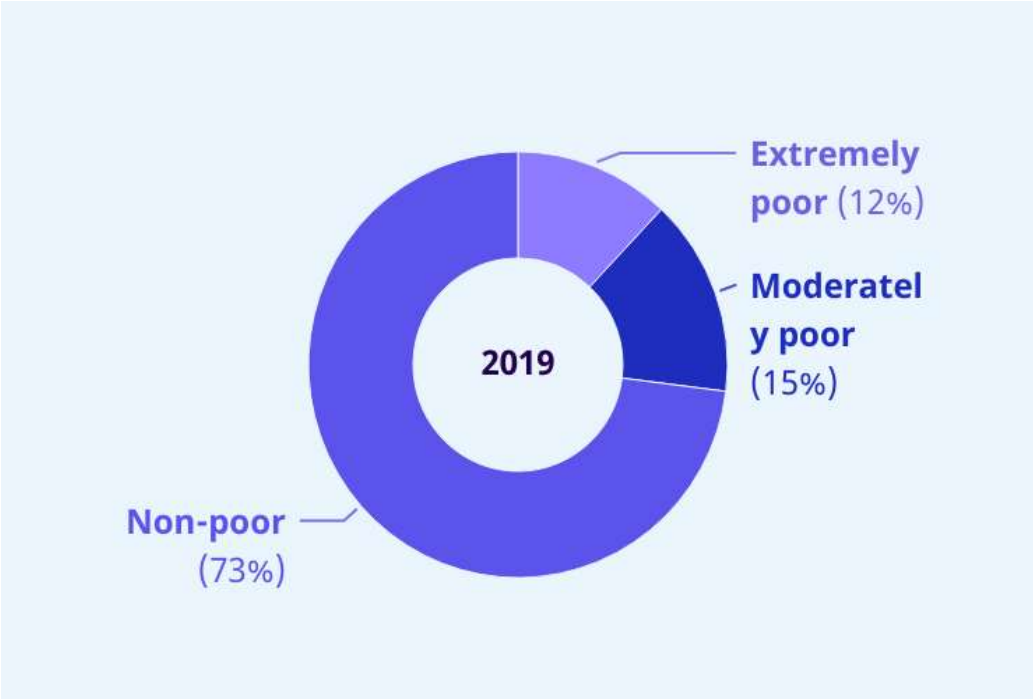
Global Trends

The scale of the issue (1.2+ billion youths) – where are we now?

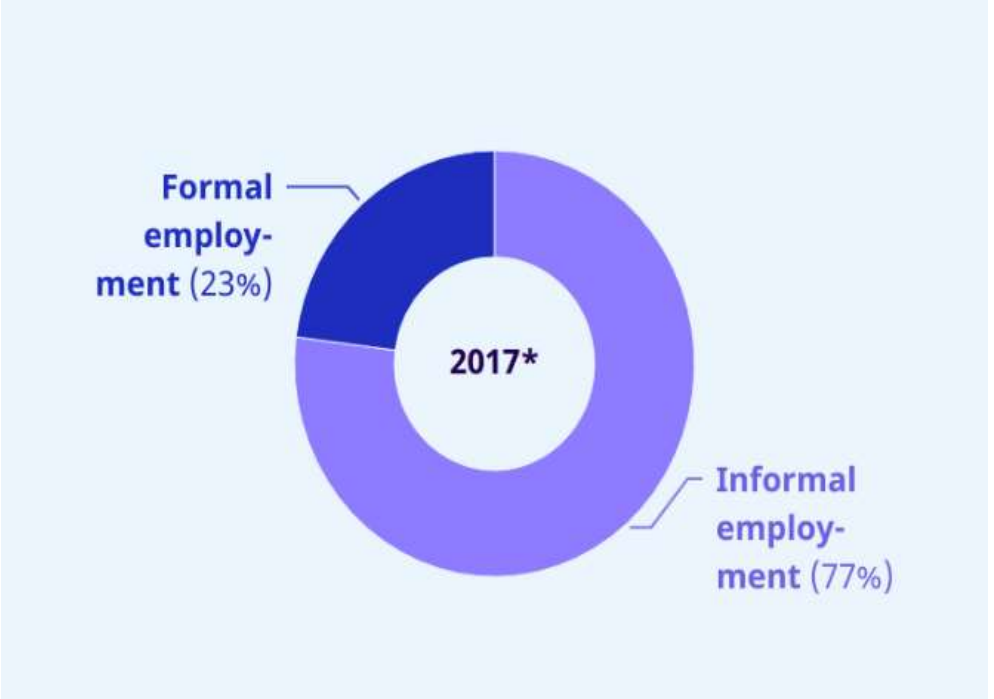


- Global youth unemployment is estimated to decline to 73 million in 2022 - still 6 million above the 2019 level. In 2023 a further slight increase in youth unemployment is expected.
- Young people were more affected than adults by impact of COVID-19 as new recruitment collapsed
- Young women affected on multiple fronts also due to unequal distribution of care responsibilities and pre-existing inequalities

Pre-existing decent work deficits among youth, aggravated by pandemic



Working poverty



Informality

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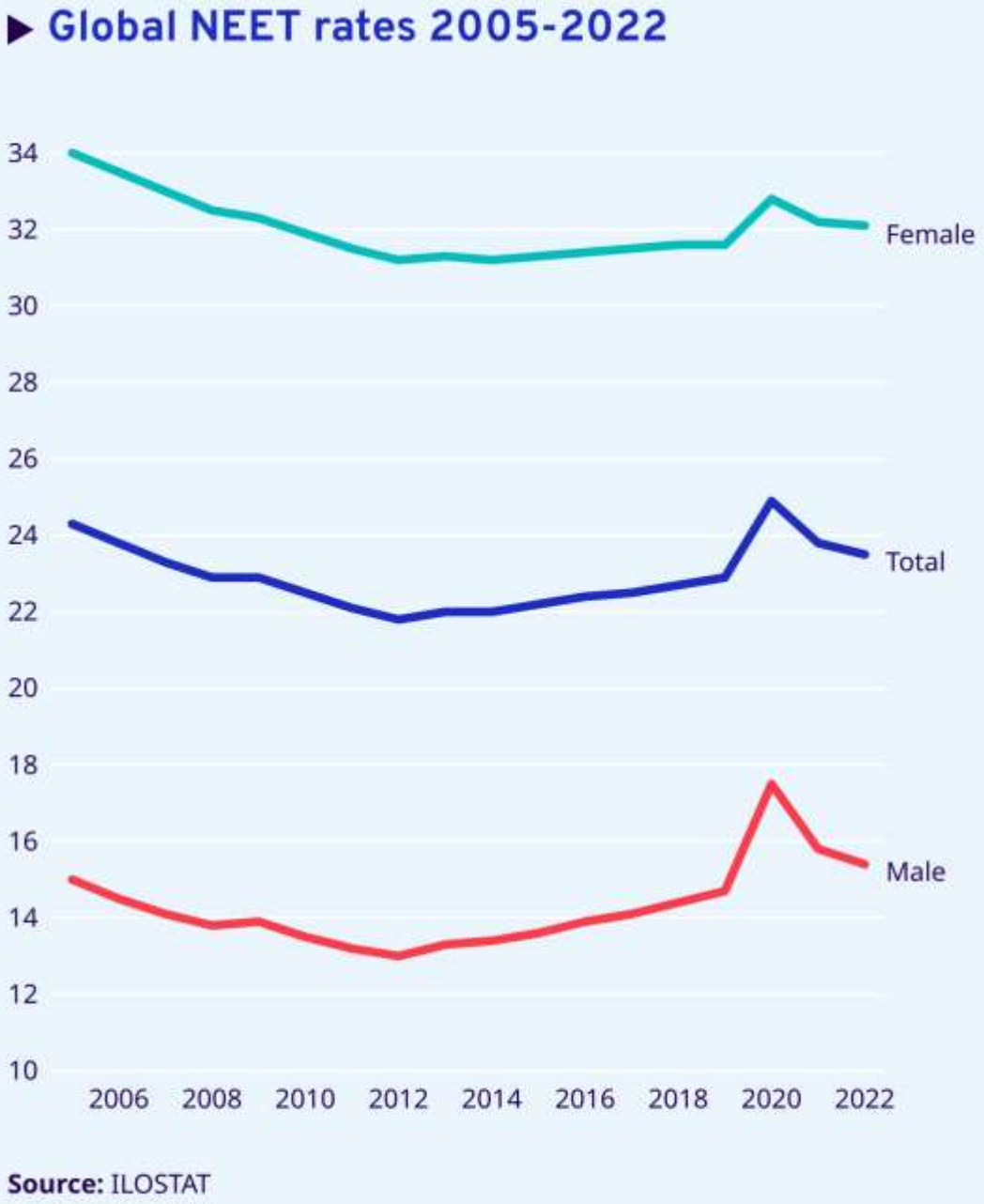
Over 280 million young people are in NEET status; in 2020 NEET rates rose to their highest levels since records began in 2005

- Large but falling gender gap
- Men most affected by the negative economic shock (>2pp, versus <1pp for women) – but also recovered more quickly



NEET rates across regions

- For young men, being NEET is generally driven by the (un)availability of job opportunities
- Female NEET rates are largely due to structural barriers to entering advanced education or the labour market

Youth unemployment rates around 3 times adult rate

Figure 1.10: Change in unemployment rate 2019-2020, by age (percentage points)

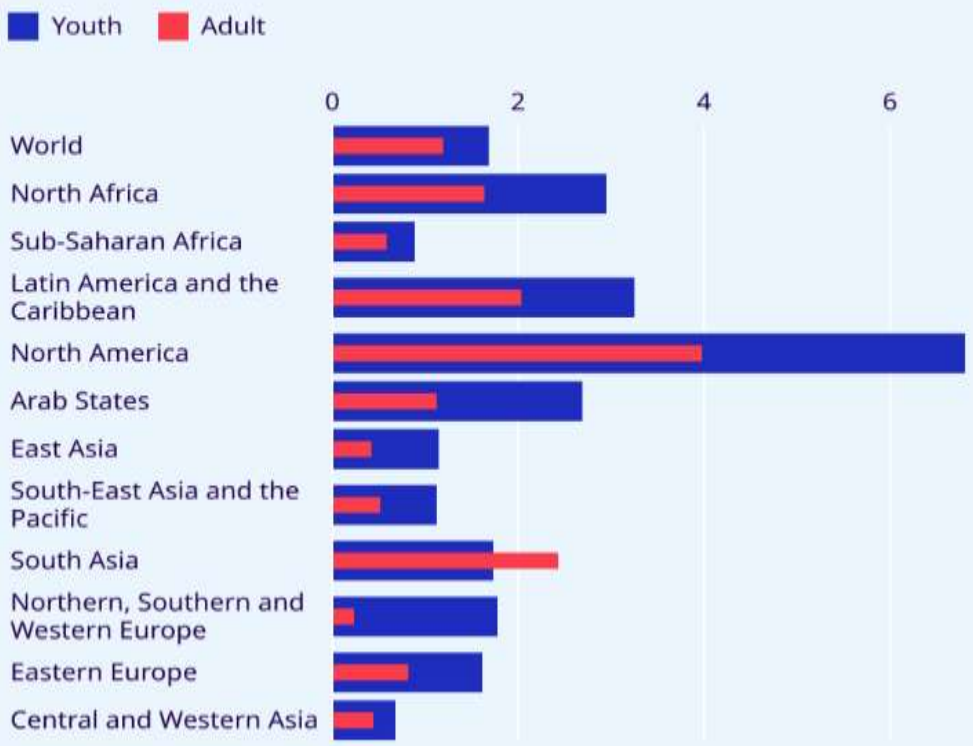


Figure 1.11: Youth-adult ratio of unemployment rates, 2019-2020, world and by region

Key messages (Part I)

Young people were hit particularly hard by the COVID-19 crisis in multiple dimensions.

Young people who lose their job or fail to obtain one are particularly vulnerable to "scarring" (long-term employment prospects)

Disrupted education can cause significant learning losses, creating both intergenerational and intragenerational inequalities.

Global inequalities - within and across countries – due to heterogenous direct and long-term effects of the COVID-19 crisis on different "types" of young people in different countries.

COVID-19 crisis has made the prospect of achieving many targets of the Sustainable Development Goals (SDGs) harder

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Opportunities for youth in Digital and Green Economies

Photo by Bella The Brave on Unsplash

What would be the youth employment impacts of undertaking a number of green, digital and care policy measures?

Green

Improving energy efficiency in buildings and appliances, decarbonizing electrical power generation through a shift to renewable energy, and expanding electric vehicles usage and associated infrastructure
→ **additional net 8.4 million jobs**

Digital

Reaching universal (90 per cent) internet broadband coverage (SDG9c)
→ **additional net 6.4 million jobs**

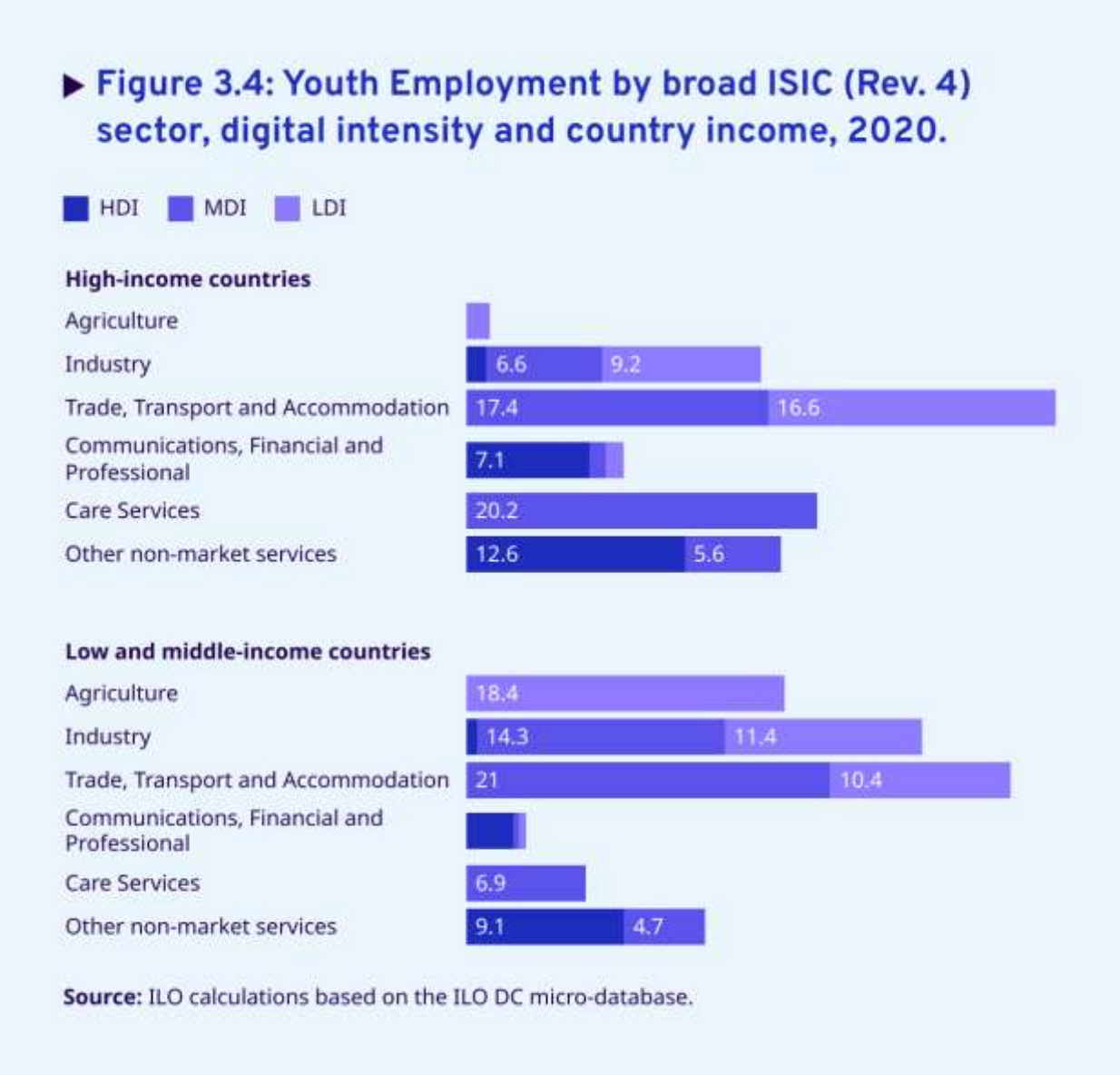
Care

Investments in health and social care provision and in education coverage with a view to meeting the relevant targets of SDG 3 (on health) and SDG 4 (on education)
→ **additional net 17.9 million jobs**

What is the Digital Economy?

- **Economic activities using digital information and knowledge and the internet as key inputs to production, marketing and distribution of goods and services**
  - Not just the platform/gig economy…
  - Best seen as a continuum:
    - High (HDI), Medium (MDI) and Low Digital Intensity (LDI)

Digitalization is affecting many industries…differently by Age, sex and Country Income



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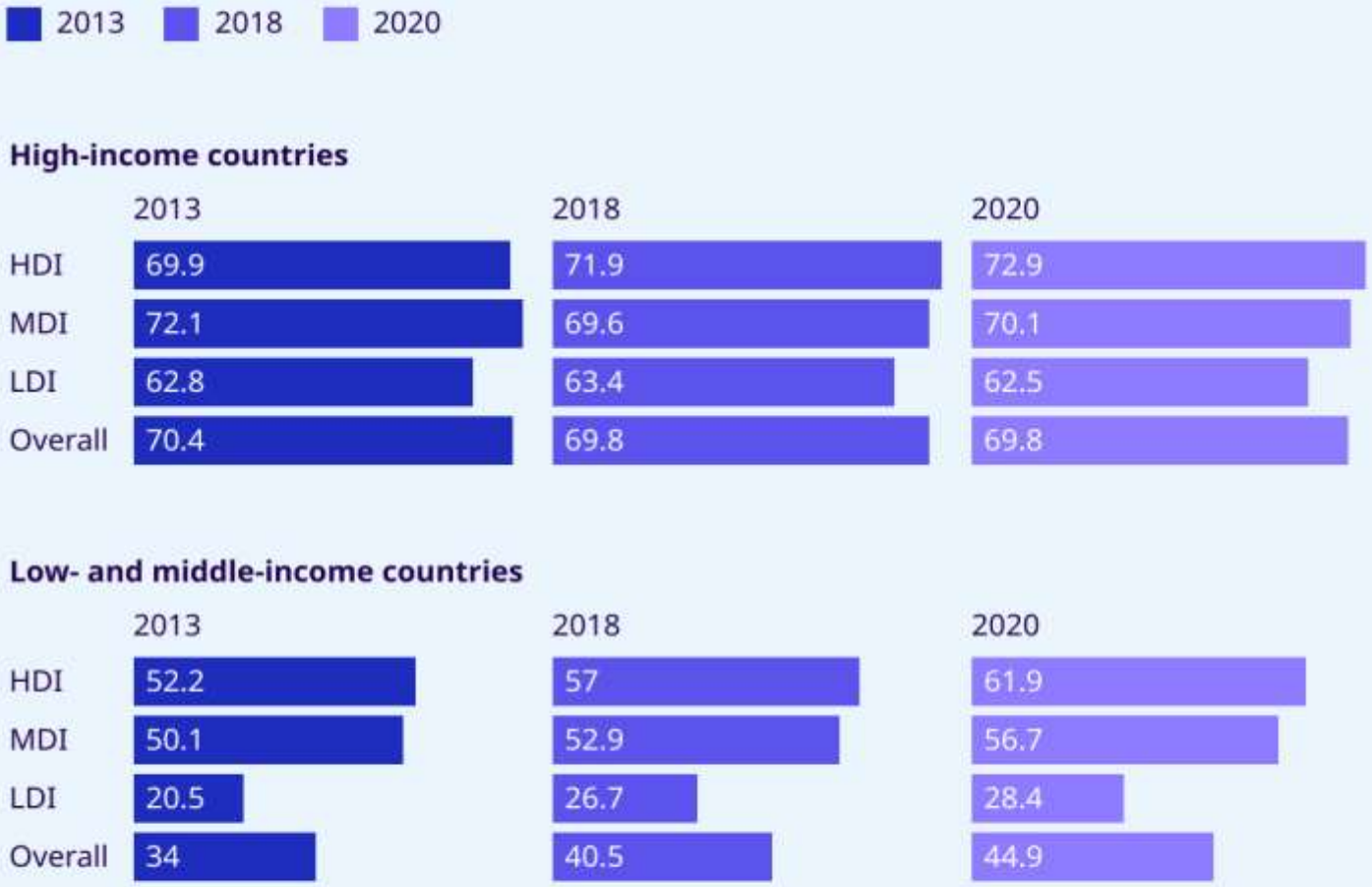
Job quality is on average relatively high (and high skilled)

Advancing social justice, promoting decent work

Figure 3.7: Percentage of young workers with permanent contracts, by digital intensity and country income group, 2013, 2018 and 2020.



Source: ILO calculations based on the ILO DC micro-database.

But so too are inequalities in the benefits of educational attainment, especially in low and middle income countries

Intragroup differences in the prevalence of permanent contracts by education and country income level; HDI employment vs LDI employment, 2020.

Source: ILO calculations based on the ILO DC micro-database.

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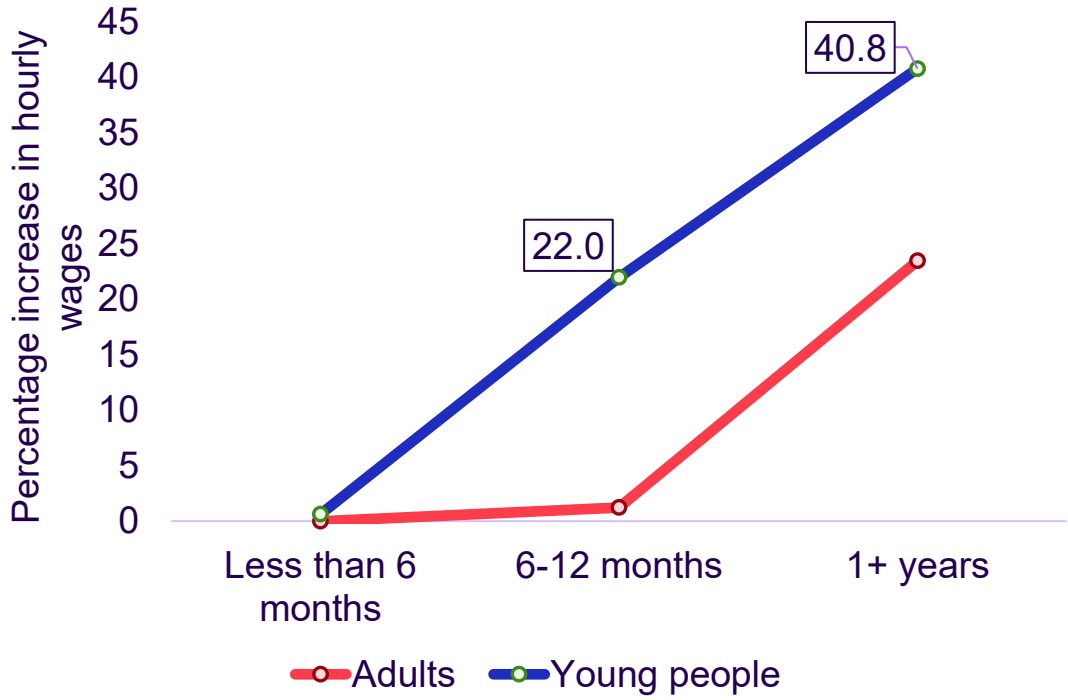
And then there’s the platform economy

Young people are particularly suited to online (and other forms of gig) work and have some relative advantages, for example:

- **young crowd-workers earn higher wages than older crowd-workers**; due to higher/faster returns on experience
- Particularly attractive to young people in lower income countries (given their alternatives)
- **However**, the hourly earnings of young (and adult) women are around 20% lower than for men
- & Returns to formal education are zero (although most crowd-workers are relatively well educated)
- & (typically) No job security (& OSH)



Overall…

Covid-19 has reinforced the trend towards digitalization

Digital economy offers significant opportunities for young people

- On average, relatively good job conditions

But, not open to all – Conditions for access

- mainly high skilled employment;
- need internet access

Digital employment often means less secure jobs – also accentuated during the pandemic

Action is needed to ensure the benefits are not just reaped by a lucky few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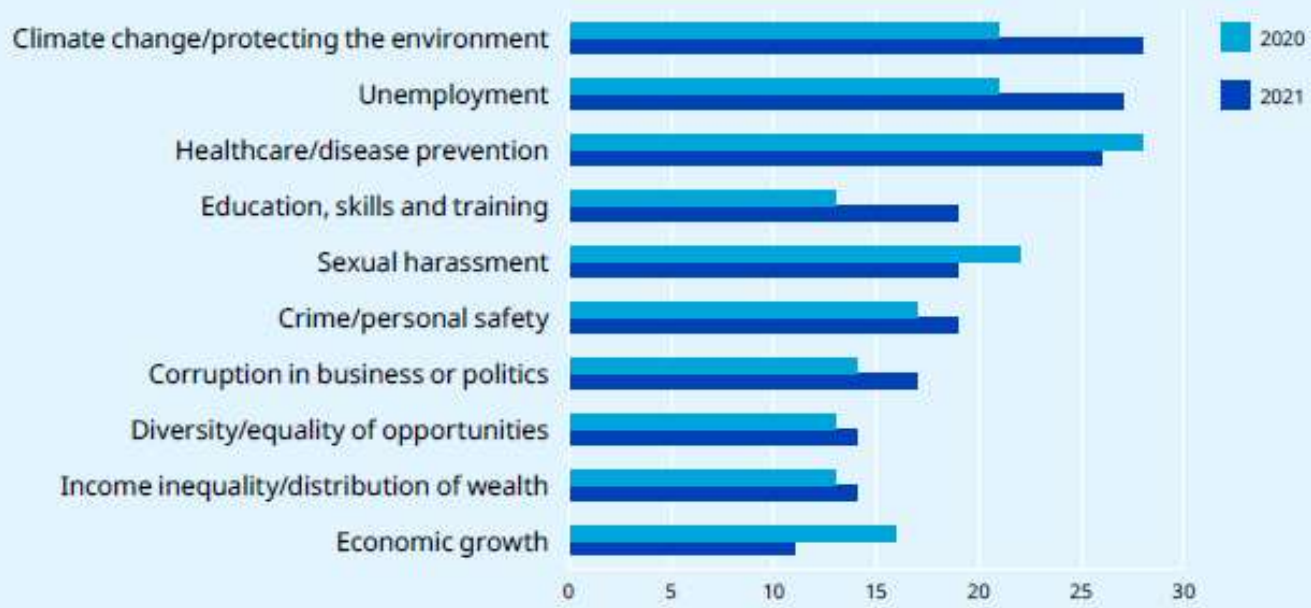
YOUTH EMPLOYMENT IN THE GREEN ECONOMY
Advancing social justice, promoting decent work

Climate change and youth employment crises closely linked and must be tackled together

▶ Figure 2.1, panel A. Top personal concerns of "Generation Z", 2021 (percentage)



Note: "Generation Z" is defined as those born between January 1995 and December 2003 (thus aged around 17 to 25 at the time of the survey). The survey featured 8,273 respondents from 45 countries across Northern America, Latin America, Western Europe, Eastern Europe, the Middle East, Africa, and Asia and the Pacific.

Young people particularly vulnerable to climate change and biodiversity loss

Transition to green and blue economies opens up opportunities for young people

Source: ILO, Global Employment Trends for Youth 2022, based on Deloitte (2021)

Addressing conceptual/meassurement challenges critical in raising awareness among young people on green/blue opportunities

Definition of green

Narrow

Sectors

Waste collection, treatment and disposal activities; materials recovery

Renewable energy

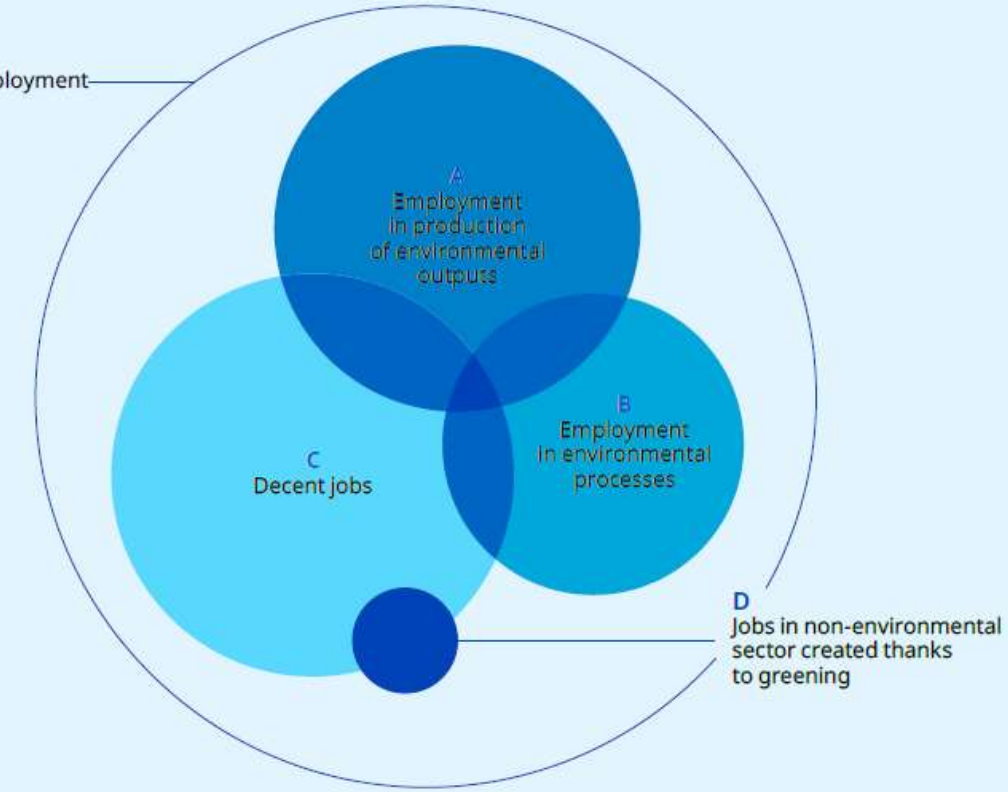
Energy efficiency (construction, transport)

Sustainability of production

Broad

Processes ("greening")

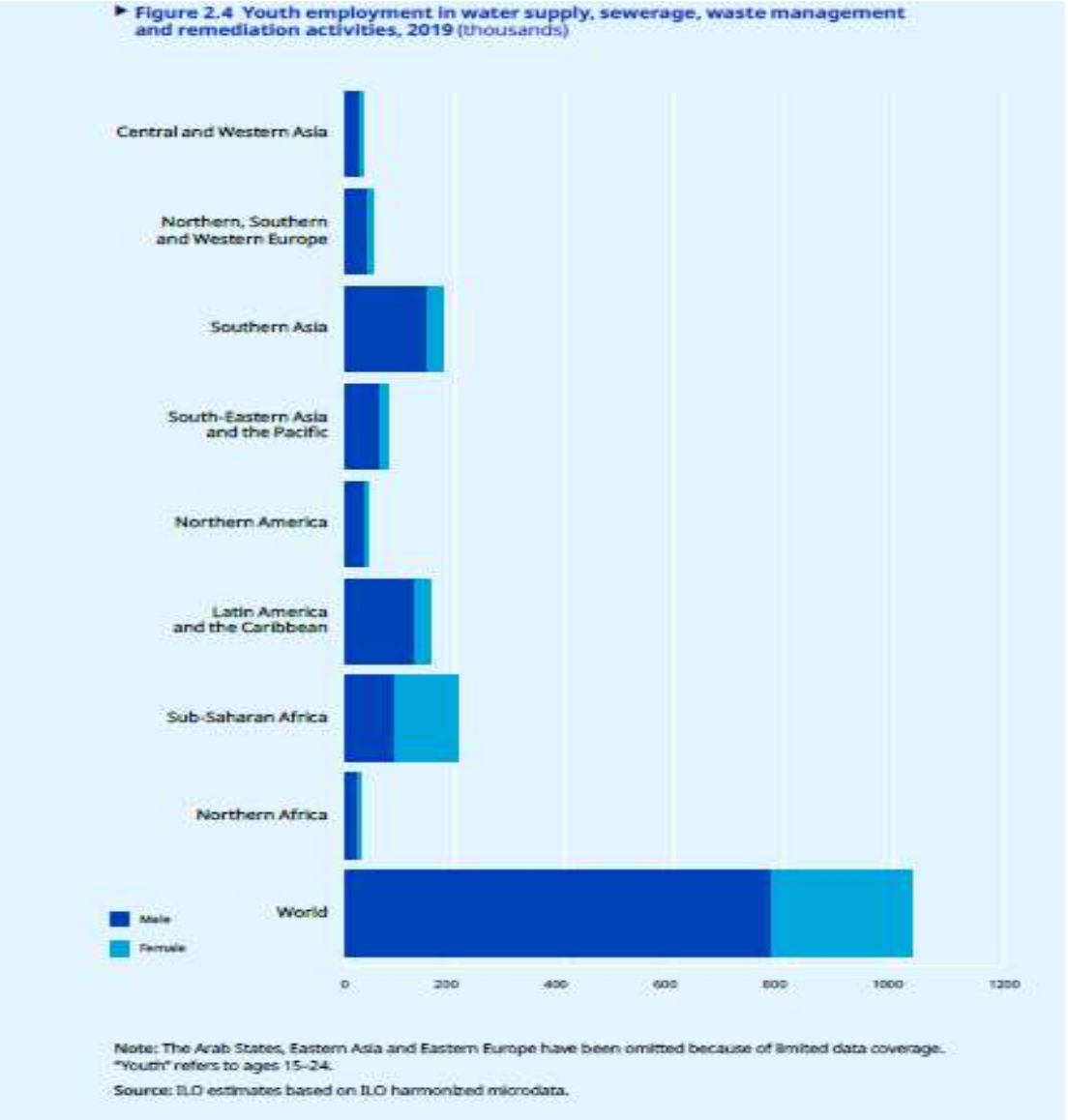
▶ **Figure 2.3 Relationship between total employment, employment in the environmental sector and decent jobs**



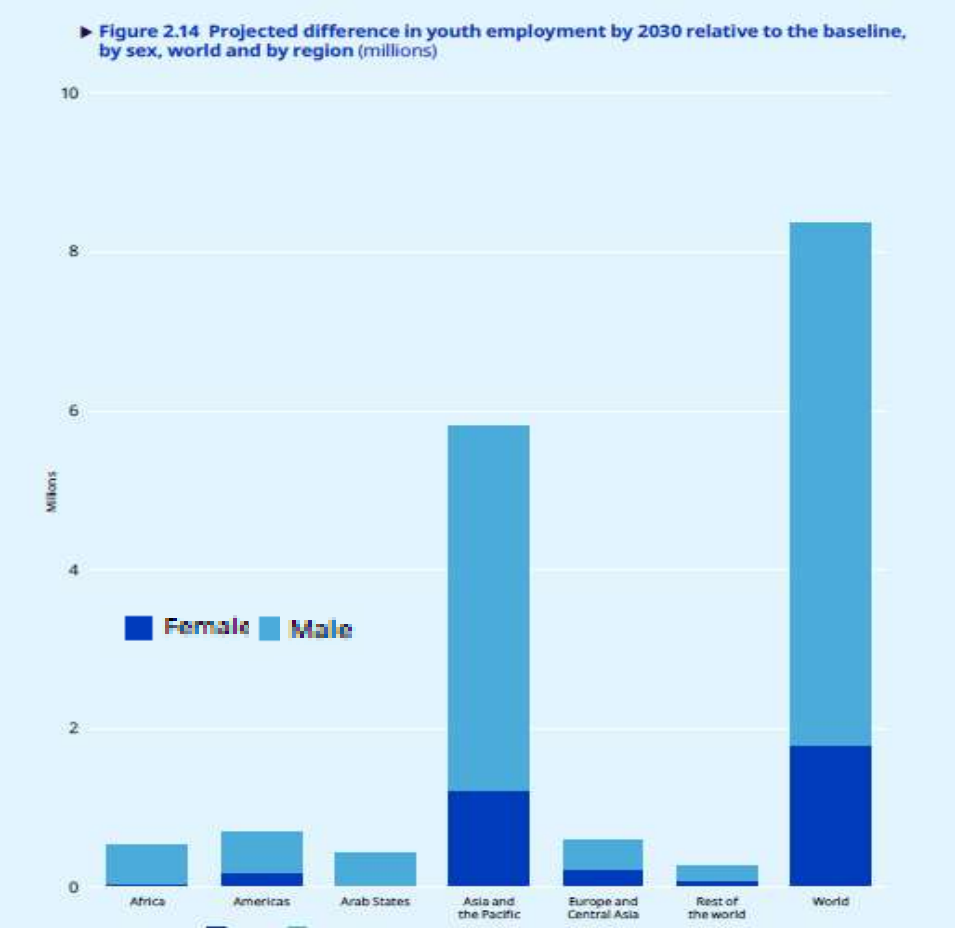
Note: Employment in environmental sector = A ∪ B; employment created thanks to greening = A ∪ B ∪ D; Green jobs (employment in environmental sector that is decent) = (A ∪ B) ∩ C

Source: ICLS (2013).

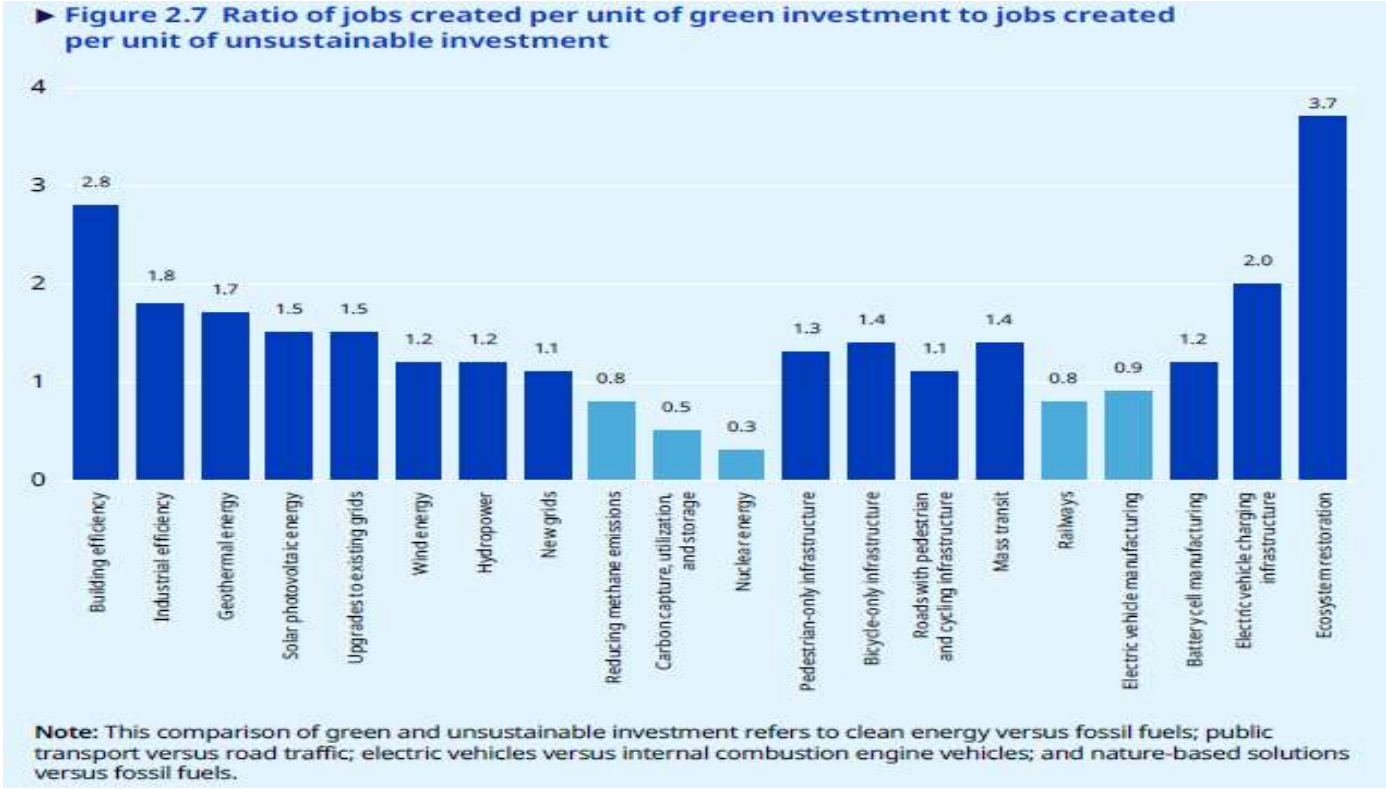
Around 10 per cent of young people employed in (narrow) environmental services sector, often with large gender disparities



Transition to green economy can lead to creation of some 8.4 million additional jobs for young people

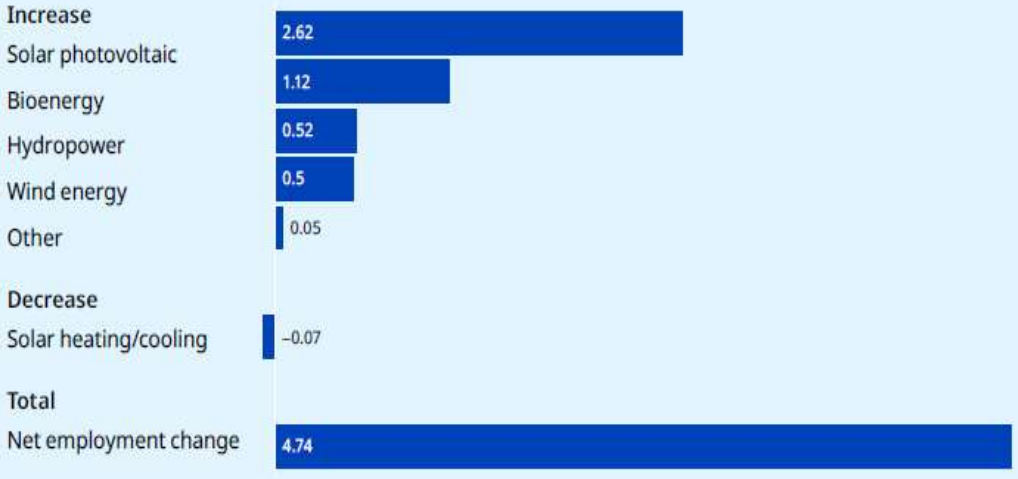


..as a result of strengthened regulations, "greening" and as green investments can often be more labour intensive than "unsustainable" investments



Employment in renewable energy has been expanding rapidly while future technological adoption will drive future employment opportunities

▶ Figure 2.5 Change in global employment in the renewable energy sector between 2012 and 2020, by technology (millions)



Source: ILO calculations based on International Renewable Energy Agency (IRENA) jobs database.

…share of women in renewable energy higher than in the overall energy sector, suggesting transition to renewables could advance gender equality

Technology group	Technology	Illustrative jobs/occupations
Mitigation		
Energy storage	Compressed air energy storage	Installers; multiple machine-tool setters
	Phase change materials for the storage of thermal energy	Materials engineers; resource analysts
	Capacitors	Electrical and electronic equipment assemblers; electrical engineers
	Batteries	Inspectors; testers
	Pumped-storage hydroelectricity	Pump operators; hydrologic technicians
	Flywheels	Product designers; sales managers
	Superconducting magnetic energy storage	Environmental science and protection technicians; power distributors and dispatchers
	Underground thermal energy storage	Underground mining machine operators; geoscientists
Adaptation		
Fisheries management	Protection of breeding areas	Conservation officers; fish and wildlife administrators
	Sustainable fishing	Fisheries scientists, economists
	Artisanal fishing	Fishers; fish-processing workers
	Fish farming	Fish farm workers; hatchery technicians
	Discharge reduction	Environmental scientists; engineers
	Regulations for abandoned fishing equipment	Compliance officers; legislators

Transition to green economy requires both technical and core (soft) skills, which are in shortage in many countires

Core skills required across the economy	Core skills required in medium- to high-skilled occupations
▶ Environmental awareness and protection; willingness and capability to learn about sustainable development ▶ Adaptability and transferability skills to enable workers to learn and apply the new technologies and processes required to green their jobs ▶ Teamwork skills reflecting the need for organizations to work collectively on tackling their environmental footprint ▶ Resilience to see through the changes required ▶ Communication and negotiation skills to promote required change to colleagues and customers ▶ Entrepreneurial skills to seize the opportunities of low-carbon technologies and environmental mitigation and adaptation ▶ Occupational safety and health	▶ Analytical thinking (including risk and systems analysis) to interpret and understand the need for change and the measures required ▶ Coordination, management and business skills that can encompass holistic and interdisciplinary approaches incorporating economic, social and ecological objectives ▶ Innovation skills to identify opportunities and create new strategies to respond to green challenges ▶ Marketing skills to promote greener products and services ▶ Consulting skills to advise consumers about green solutions and to spread the use of green technologies ▶ Networking, information technology and language skills to perform in global markets ▶ Strategic and leadership skills to enable policymakers and business executives to set the right incentives and create conditions conducive to cleaner production and transport

Key messages

Better measurement and data required to inform young people, for policy design and implementation (including just transition policies) and for skills anticipation systems

Simulating impact of green policies aimed at achieving climate neutrality points to welfare, economic and employment gains relative to business-as-usual scenario

Aggregate masks job creation and destruction by regions, countries, sectors and demographic groups; those who will access green jobs not necessarily those who lose their jobs: so skills and social protection matter

Better skilled workforce, including in the appropriate technologies, required for transition to green economy

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Policy Recommendations

A package for the promotion of youth employment

The destination

- Countercyclical fiscal policies
- Economic and employment policies
- Investment in sectors that can create jobs (**digital, green, care economies**)
  *** Data

The path

- Investment in education and training (core skills, including basic digital and green skills)
- Youth guarantees (quality apprenticeships)
- Social protection
- Subsidised employment
- Entrepreneurial skills & SME support

Inclusiveness
Most disadvantaged youth

- Public employment services
- Occupational health and safety (OSH)
- Psychosocial support measures
- **Youth rights & voices**

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https://www.ilo.org/global/publications/books/WCMS_853321/lang--en/index.htm