

# Statistical Brief

June 2021

# An update on the youth labour market impact of the COVID-19 crisis<sup>1</sup>

#### **Key points**

- ▶ The COVID-19 crisis has severely affected labour markets around the world, hurting young people more than other age groups. Globally, youth employment fell by 8.7 per cent in 2020 compared with 3.7 per cent for adults. Based on available country-level data, the fall in employment has been much more pronounced in middle-income countries.
- ▶ Employment losses among young people translated mostly into an increase in inactivity in 2020. Therefore, the unemployment rate provides only a partial insight into the impact of the COVID-19 crisis on young people confirming the need for broader monitoring of labour market outcomes for youth, including labour underutilization and quality of employment.
- ► The share of young people not in employment, education or training (the NEET rate) has risen in many countries and has not yet returned to pre-crisis levels in most cases. The rise in inactivity has not – in general – been offset by a return to education.

- Action is needed to prevent short-term exit turning into long-term exclusion for a generation of young people, who now face greater challenges in getting (back) into the labour market, with the attendant risks to achieving a substantial reduction in NEET rates (SDG target 8.6) by 2030; a goal already postponed from 2020.
- Recovery in youth employment started quickly in several countries in the third quarter of 2020 as lockdown measures were eased. However, available data suggest that the situation in the last quarter of 2020 deteriorated again in a number of countries.
- Given the fragility and uncertainty of the recovery, broader policy support continues to be needed, including measures that target the most vulnerable youth. In order to avoid long-term scarring effects, recovery strategies need to make youth employment a key objective, taking into account intersectionality with gender and other relevant dimensions.

<sup>&</sup>lt;sup>1</sup> This brief has been co-authored by Niall O'Higgins and Sher Verick (Employment Policy Department, ILO) with excellent editorial support from Mariela Dyrberg and very helpful comments from numerous ILO colleagues.

#### **▶** Introduction

Following the onset of the global pandemic, it became clear that young people were bearing the brunt of the effects of the massive economic consequences of the COVID-19 pandemic.<sup>2</sup> As we observed already in May 2020, the crisis has been particularly severe for youth across three dimensions: (1) disruptions to education, training and work-based learning; (2) increased difficulties for young jobseekers and new labour market entrants; and (3) job and income losses, along with deteriorating quality of employment. During the early phase of the crisis, limited labour force survey data (April 2020), suggested a sharp decrease in youth employment and a rise in youth unemployment, especially for young women. The overrepresentation of youth in certain sectors especially vulnerable to lock-down measures meant that youth were disproportionately vulnerable to declines in

working hours, incomes and jobs occasioned by the pandemic related economic crisis. In the light of the dire economic and labour market situation, young people's mental health and well-being have been severely affected.<sup>3</sup>

One year later, it is now possible to analyse labour market trends for youth based on a much larger sample of countries, which have made available labour force survey data for the second, third and, in some cases, fourth, quarters of 2020. Drawing on these comprehensive data, this brief provides updated analysis of latest trends for young people, aged 15 to 24, in terms of employment, unemployment, NEET and inactivity, highlighting the differences between youth and adults (aged 25 and above), along with gender disparities.

## ▶ A deeper and more widespread shock has hit economies around the world

The latest IMF World Economic Outlook Estimates (April 2021) confirm a severe contraction in global GDP in 2020 of -3.3 per cent, which is an improvement on the estimates released in October 2020 (-4.4 per cent) and January 2021 (-3.5 per cent).<sup>4</sup> Despite the revisions, the COVID-19 crisis remains a far deeper and more global downturn than witnessed in 2009 (figure 1). In the global financial and economic crisis, the world economy declined by 0.1 per cent, but this was mainly driven by a sharp fall in output in advanced economies, which shrunk by 3.3 per cent in 2009. In contrast, emerging markets and developing countries experienced a slowdown in that year but still managed to grow by 2.8 per cent.

In 2020, the pandemic devastated nearly all countries due to the economic and jobs crisis precipitated by the

lockdown and other containment measures, most notably in the second quarter of 2020. Consequently, output in emerging and developing economies is estimated to have declined by 2.2 per cent in 2020 compared with a fall of 4.7 per cent in advanced economies, representing a difference of just 2.5 percentage points compared with a difference of 6.1 points in 2009. While a strong recovery is expected in 2021 in many advanced economies, a recovery in low- and middle-income countries is much more uncertain and likely to be delayed due to the resumption of lockdown measures in some regions and a slow rollout of the vaccine, along with the lack of fiscal space, which constrains countries from maintaining policy support this year and beyond.

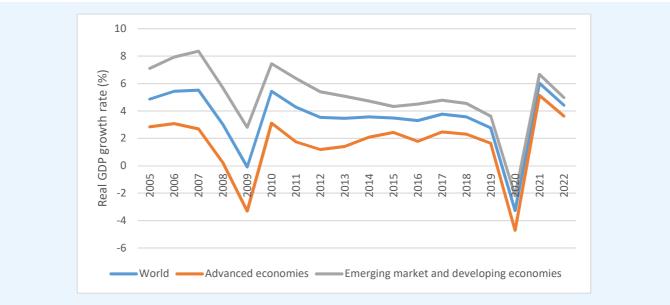
<sup>&</sup>lt;sup>2</sup> ILO. 2020a. *Preventing exclusion from the labour market: Tackling the COVID-19 youth employment crisis*. ILO Policy Brief.

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<sup>&</sup>lt;sup>3</sup> https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\_753060/lang--en/index.htm

 $<sup>^{4}\,\</sup>underline{\text{https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update}}\\$ 

#### ▶ Figure 1. A truly global crisis in 2020, real GDP growth rates from 2005 to 2022 (%)



Source: International Monetary Fund, World Economic Outlook Database, April 2021 update, accessed 12 April 2021.

The economic shock has had a major impact on labour markets throughout the world, particularly in middle-income countries. Although GDP losses were greater in high-income countries, the lower capacity of middle-income countries to respond with fiscal stimulus packages and other policy measures, including subsidies to keep workers in jobs, is reflected in the much greater employment losses in these economies.

Overall, global working hours declined by 8.8 per cent in 2020, equivalent to 255 million full-time jobs (assuming a 48-hour working week).<sup>5</sup> The disruption to the labour market in 2020, as measured in terms of working-hour losses, was four times greater than that witnessed during

the global economic and financial crisis in 2009. In line with the period of the strictest lockdowns, working-hour losses peaked in the second quarter of 2020, especially in lower-middle income countries where the decline was 29 per cent. Losses abated in the third and fourth quarters but this still meant that the vast majority of countries finished 2020 with a working-hour deficit compared to 2019. These working-hour losses were generated through two channels: job losses and a reduction in working hours for those who remained in employment. Disaggregating employment by age and gender reveals the extent to which young people have been affected in the labour market in comparison with other age groups.

### ▶ Impact of the crisis on youth employment

The latest ILO global estimates confirm that young workers were particularly hard hit by the crisis in 2020 across all regions and country income groups. The global employment loss between 2019 and 2020 is estimated at 8.7 per cent for young people, compared with 3.7 per cent for adults.<sup>6</sup> This aggregate figure masks considerable

variation in employment losses by gender and country income level.

As a result of lockdown and containment measures, the impact of the crisis on the labour market peaked in the second quarter of last year. Working-hour losses peaked in this quarter, reaching 18.5 per cent or 525 million full-time equivalent jobs. Given the loosening of the lockdown

<sup>&</sup>lt;sup>5</sup> ILO. 2021. World Employment and Social Outlook - Trends 2021; ILO. 2020. ILO Monitor: COVID-19 and the world of work. Seventh Edition.

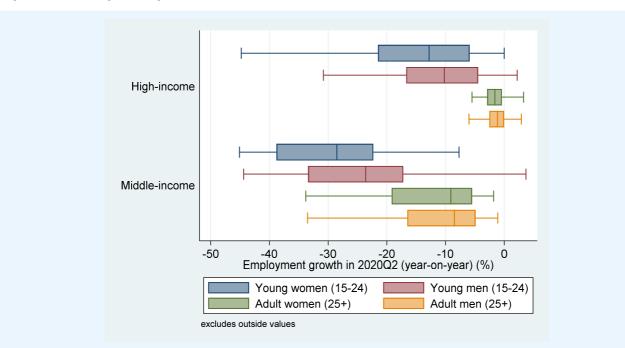
<sup>&</sup>lt;sup>6</sup> ILO. 2021. World Employment and Social Outlook – Trends 2021; ILO. 2020. ILO Monitor: COVID-19 and the world of work. Seventh Edition.

measures and improvement in economic activity in the second half of 2020 (though, with a continuing deficit), the annual losses in working hours averaged out at 8.8 per cent.

Turning to a sample of 58 countries with data for 2020Q2 reveals that youth, particularly young women, have truly borne the brunt of the COVID-19 crisis. Between 2019Q2 and 2020Q2, employment fell in this sample by, on average, 11.2 per cent for young men and by 13.9 per cent for young women in high-income countries, but by around double that – 23.7 per cent and 29.0 per cent, respectively – in middle-income economies. While there is considerable variation across countries, the decline in employment among youth, especially young women, was far greater than among adults in the majority of countries (figure 2).<sup>7</sup>

Although job losses were more contained in high-income countries, the divergence between youths and adults was more pronounced. In high-income economies, employment levels amongst young women and men fell by more than five times as much as they did amongst their adult counterparts. In middle-income countries, the employment losses amongst the young were around double those of adults. It is evident that the substantial income support and job retention measures put in place in most high-income countries tended to favour primeage workers. All too often, young people did not qualify for such support being concentrated in less secure temporary and informal employment. As observed at the outset, gender gaps in youth labour markets have also become more pronounced.

# ► Figure 2. Change in employment in middle- and high-income countries for youth and adults in the second quarter of 2020 (year-on-year) (%)



Source: authors' calculations, ILOSTAT, accessed 15 March 2021. The box chart are based on the sample of countries with available data and are unweighted. The graph should be read as follows: (a) the vertical line in the middle of the box represents the median value (50th percentile); (b) the left-hand side of the box (whisker) represents the 25th percentile; (c) the right-hand side of the box (whisker) represents the 75th percentile; (d) the adjacent lines to the left and right of the box represent the lowest and highest values, respectively

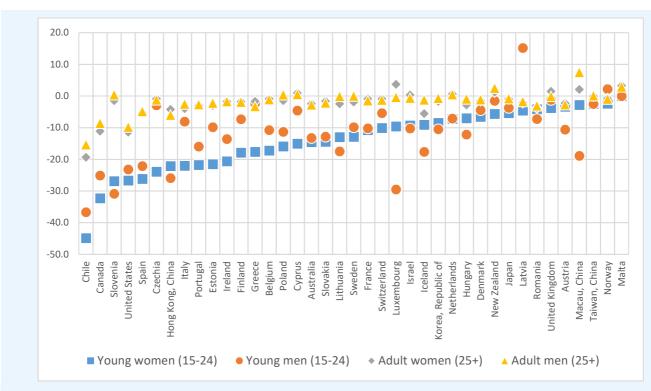
<sup>&</sup>lt;sup>7</sup> These are based on the simple unweighted country averages for which data is available. As of 6 December 2020, the list included the following countries: Argentina (urban and metropolitan areas only), Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Greece, Hong Kong, China, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Rep., Latvia, Lithuania, Luxembourg, Macau, China, Malta, Moldova, Rep., Montenegro, Netherlands, New Zealand, North Macedonia, Norway, Occupied Palestinian Territory, Peru, Philippines, Poland, Portugal, Romania, Saint Lucia, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, China, Thailand, Turkey, Ukraine, United Kingdom, United States and Viet Nam.

Indeed, young women experienced greater employment losses in the vast majority of countries for which data is available. This was particularly true in Latin America where employment of young women fell by between 25 and 45 per cent in the second quarter of 2020 (Chile in figure 3 and Argentina, Brazil, Colombia, Costa Rica and Peru in figure 4). Young women's employment declined by a greater percentage in that quarter than young men in 26 (or 66.7 per cent of) high-income countries and 15 (or 83.3 per cent of) middle-income countries in the sample.

As evident also from previous crises, youth employment is more sensitive than adult employment to economic

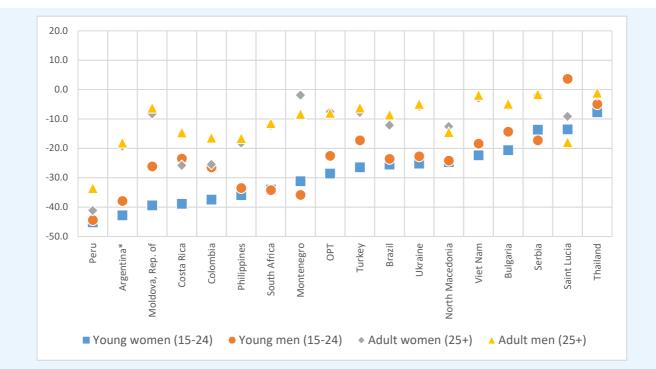
downturns. In this context, a scatterplot of percentage changes in youth and adult employment on the one hand to variations in real GDP on the other clearly illustrates the greater vulnerability of young people to the current crisis (figure 5). A given negative impact of the pandemic on real GDP in a country translates into a much larger reduction in employment for young people than adults. For young people, on average, a 10 percentage point decline in GDP translates into an 8.1 percentage point decline in youth employment compared to 6.3 percentage points for adults.

► Figure 3. Change in youth and adult employment in the second quarter of 2020 (year-on-year) (%), high-income countries



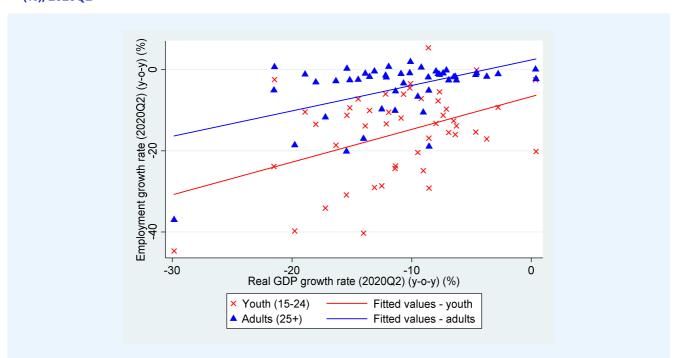
Source: authors' calculations, ILOSTAT, accessed 15 March 2021.

## ► Figure 4. Change in youth and adult employment in the second quarter of 2020 (year-on-year) (%), middle-income countries



Source: authors' calculations, ILOSTAT, accessed 15 March 2021. \* - Geographical coverage for Argentina: Main cities or metropolitan areas. OPT = Occupied Palestinian Territory.

# ► Figure 5. Year-on-year change in employment of youth (15-24) and adults (25+) (%) versus change in real GDP (%), 2020Q2



Source: Real GDP growth rate (%): The Economist Intelligence Unit, accessed 13 December 2020; authors' calculations of employment growth rate for youth (15-24) and adults (25+), ILOSTAT, accessed 6 December 2020.

The reasons for this situation are threefold:8

- a. Young people constitute a large share of all new job seekers. The first reaction of firms subject to a precipitous decline in demand for its products or services is to reduce or interrupt the hiring of job seekers – and young people are, in general, disproportionately to be found in the pool of those seeking work. In the COVID-19 crisis, job seekers have been more likely to become inactive due to the restrictions on job search and availability for work, which are unique to this crisis. At the same time, young people are concentrated in sectors, which have been particularly hard hit, such as accommodation and food services.
- b. Young people are easier and cheaper to fire and are to be found in less protected forms of employment. The COVID-19 pandemic has brought with it extensive job loss and temporary furloughs.
   Young people are typically easier and 'cheaper' to fire or more expensive to retain because:
  - i) Protective labour market institutions, such as employment protection legislation, typically prescribe an increasing cost of firing workers with tenure. In the current crisis this has taken on even greater importance in that many countries have adopted job retention and/or income support measures to protect workers support which typically requires a qualifying employment period to be applied;

- ii) Young people are also more likely to work in less protected jobs such as temporary and informal employment, and are much less likely to be members of trade unions.<sup>9</sup>
- iii) Workers continue to acquire work related (and above-all firm specific) competencies for a considerable period after they are hired so their productivity within the firm tends to increase with experience. This means that firing workers with more experience is also more expensive for firms because it entails a greater loss of productivity.
- c. Self-employed youth are vulnerable to the cessation of economic activity (due to the lockdowns and other containment measures) because they lack financial resources to weather such a downturn. They are also likely to have weaker access to information and support schemes available for businesses.

## ▶ Where have the young workers gone?

An important issue concerns where the young people who have lost their jobs are going. In the current crisis, much of the reduction in youth employment has been accounted for by increased inactivity rather than increased unemployment. 10 Global estimates reveal that the employment loss for young people in 2020 (-8.7 per

cent) translated into a similar increase in inactivity and very little change in global unemployment. This indicates that the unemployment rate provides only a very partial insight on the impact of the COVID-19 crisis on young

<sup>8</sup> See also ILO. 2020a. Preventing exclusion from the labour market: Tackling the COVID-19 youth employment crisis. ILO Policy Brief. https://www.ilo.org/wcmsp5/groups/public/---ed\_emp/documents/publication/wcms\_746031.pdf.

<sup>&</sup>lt;sup>9</sup> In all the countries for which data is available in the ICTWSS Data base, young people aged 15-24 are less likely to be members of trade unions than prime age adults (aged 25-54). On average, the trade union density amongst young people (13.1 per cent) is less than half the corresponding figure for primeage adults (27.3 per cent). Based on the latest year available for the 35 countries with data. See, Jelle Visser, ICTWSS Data base. version 6.1. Amsterdam: Amsterdam Institute for Advanced Labour Studies AIAS. October 2019.

<sup>10</sup> See ILO. 2021. World Employment and Social Outlook - Trends 2021; ILO. 2020. ILO Monitor: COVID-19 and the world of work. Seventh Edition.

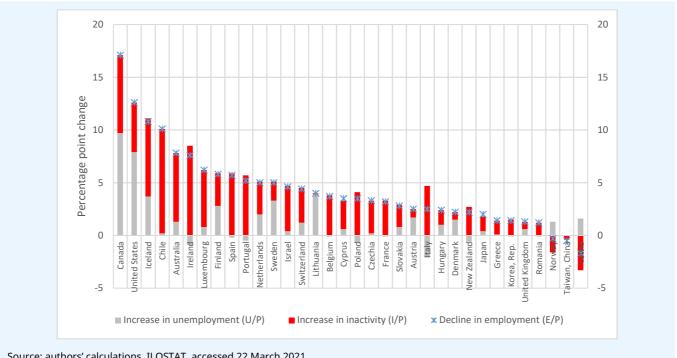
people and the need for broader monitoring of labour market outcomes.

This shift to inactivity in 2020, especially in the second quarter, is evident in most countries but more pronounced in middle-income economies (figures 6, 7). There is, however, much variation across countries - with some notable exceptions, but in general, young people can either be employed, unemployed or outside the labour force (i.e. economically inactive). Thus, if the share of young people who are employed falls in a country, then either the share of young people who are unemployed or the share of young people who are inactive, or both, must necessarily increase. For example, in the USA, the employment-to-population ratio for young people fell by 12.6 percentage points between the second quarter of 2019 and the same period in the following year. A little under two-thirds of this fall in employment (7.9 points) was accounted for by an increase in unemployment, the remaining one-third or a little over (4.7 points), was accounted for by young people withdrawing from the

labour force. Nonetheless, in most countries, the employment losses translated into an increase in inactivity. For example, in Ukraine, more than 84 per cent of the reduction in the youth employment-to-population ratio (7 percentage points) in 2020Q2 was accounted for by a withdrawal from the labour force, whilst less than 16 per cent of the employment loss manifested itself in terms of increased unemployment.

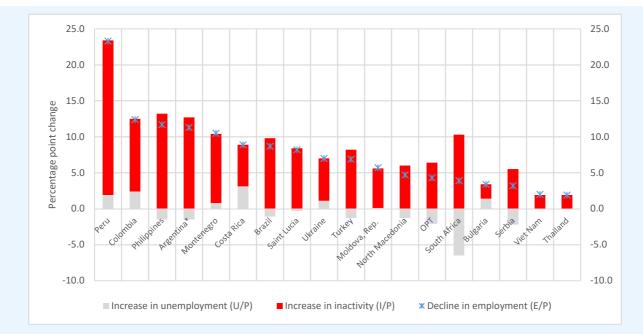
In some countries, the employment losses for young people during the crisis resulted in diverging trends in unemployment and inactivity. For example, in Italy, the employment-to-population ratio for young people fell by 2.5 percentage points in 2020Q2, which was, in turn, associated with an actual decline in youth unemployment and a steep rise in inactivity (figure 6). In the case of South Africa, the divergence in unemployment, which declined sharply in the second quarter of 2020, and inactivity was even stronger during this phase last year (though unemployment in South Africa did increase starting in the third quarter) (figure 7).

#### ▶ Figure 6. Decomposition of the decline in youth employment-to-population ratio (2019Q2 to 2020Q2) (percentage points), high-income countries



Source: authors' calculations, ILOSTAT, accessed 22 March 2021.

## ► Figure 7. Decomposition of the decline in youth employment-to-population ratio (2019Q2 to 2020Q2) (percentage points), middle-income countries



Source: authors' calculations, ILOSTAT, accessed 22 March 2021. \* - Geographical coverage for Argentina: Main cities or metropolitan areas. OPT = Occupied Palestinian Territory.

Several questions immediately suggest themselves; first and foremost of course, is why? Why did young people losing their jobs not enter the ranks of jobseekers? One possible and rather obvious explanation is that, in the face of lock-down measures and the suspension of hiring by firms, there were no – or very few - jobs to be looked for, and young people were aware of this. The resulting withdrawal from job search implied that these young people were classified as inactive (since they were either

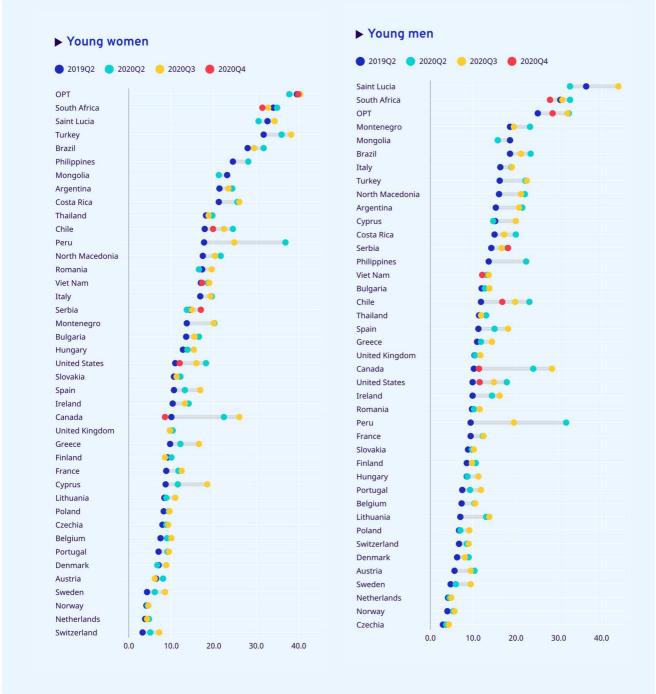
not searching for a job and/or not available for work). Another possible explanation is that, in the face of an extensive reduction in the availability of job vacancies, more young people decided to remain in, or re-enter, education than would otherwise be the case. A key concern is that once lockdown measures have been eased, some young people will remain discouraged even when jobs do become available. This situation will require careful monitoring over 2021 and beyond.

## ► The number of young people who are in neither employment, nor education and training has risen sharply in many countries

An examination of the share of young people who are neither in employment nor education and training (NEET) allows us to look at the extent to which young people losing or not finding employment (re-)entered education. Simply stated, another way of subdividing the youth population is to classify them according to whether they are in employment, education or neither of the two. Again, this is a comprehensive and mutually exclusive

classification, so that if employment rate goes down, either the NEET rate or the educational participation rate (or both) must increase.<sup>11</sup>

# ► Figure 8. Share of youth not in employment, education or training (NEET) (%) in 2019Q2 and 202Q2-Q4, young women and men (15-24)



Source: authors' calculations, ILOSTAT, accessed 10 March 2021. Geographical coverage for Argentina: Main cities or metropolitan areas. OPT = Occupied Palestine Territory.

<sup>&</sup>lt;sup>11</sup> Of course, some young people may be in both education and employment simultaneously. Following standard international procedures, young people who are in both employment and education are defined as being in employment.

Observing the changes over 2020 relative to 2019Q2, one can see that the NEET rate increased in 2020Q2 in the majority of countries for which data is available (figure 8). For example, in Canada, the share of young women in employment fell by 32.3 per cent (figure 3 above) whilst the share of young women neither in employment education or training increased by 12.3 percentage points in 2020Q2 (year-on-year). Looking at changes in overall labour market status, 12 around 63 per cent of the fall in young female employment in Canada can be attributed to an increase in the number of young women classified as NEET. The residual is made up of young women who entered in education or training in the second quarter of last year, which is classified as out of the labour force.

Overall, NEET rates remained above the pre-crisis level in the third and fourth quarters of 2020 (in the sample of countries with available data), though they have declined in a number of cases from their peak in 2020Q2. For example, in North Macedonia, the NEET rate for young women increased from 17.6 per cent in 2019Q2 to 21.8 per cent in 2020Q2, before falling back to (a still elevated level) of 20.4 per cent in 2020Q3.

Clearly, a reduction of employment compensated by an increase in education is, in principle, more desirable than

an increase in NEET rates. Young people remaining in education longer may gain useful knowledge and competencies to help them later in life. However, in the current circumstances, the situation is more complicated due to disruptions to the provision of education as these institutions have had to grapple with the complications of providing online learning. Moreover, increased educational participation by itself will not create employment; without a recovery in job creation, there will be few options for these young people to go once they do enter the labour market. At the same time, many young people cannot afford to remain in education. According to UNESCO's estimates, 24 million children and young people are at risk of dropping out of school.<sup>13</sup>

In any event, it is important to understand better what is happening to the young people who cannot find a placement in the labour market. Above all, it will be important to try and avoid the creation of a lockdown generation with large swathes of young people excluded long-term from education and employment, with the accompanying penalties to their long-term earnings and welfare.

### ► Latest news: Any sign of a recovery in employment?

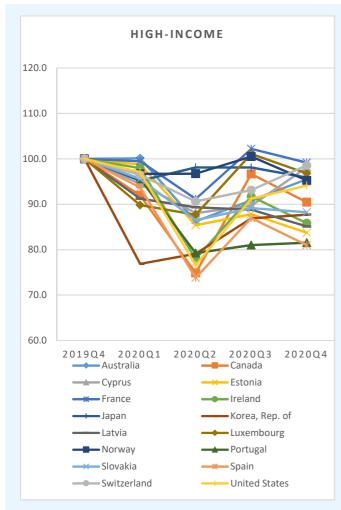
But, are things getting worse or better? Looking at trends in a sample of 27 countries with data for 2020Q2-Q4 (at the time of analysis), there was a clear improvement in the third quarter in most economies with employment levels increasing from the lows witnessed in the second quarter, which was the period when economies were most affected by lockdown and other containment measures (figure 9). In some cases, including Canada, Colombia, Peru and the United States, the recovery in 2020Q3 was sharp. However, in the fourth quarter of 2020, the rebound either slowed down or actually reversed in many economies. For example, employment levels fell again

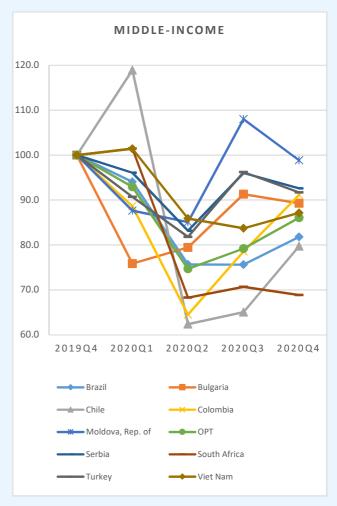
quite significantly at the end of 2020 in Canada, Ireland, Republic of Moldova, and Spain. In others, including Chile, Cyprus and the Occupied Palestinian Territory, the recovery accelerated in 2020Q4. There is no reason to anticipate any significant improvement since then, and indeed, the economic situation has worsened in a number of countries. Overall, therefore, although some recovery is discernible in a number of economies, most youth labour markets have not yet come close to recovering to their pre-COVID youth employment levels, apart from France and Switzerland where youth employment hovers at or close to the pre-crisis level.

<sup>&</sup>lt;sup>12</sup> These contributions can be identified using the simple identity: working-age population = employment + unemployment + inactivity, while the residual from the working-age population – employment – NEET represents the inactive who are in education or training.

<sup>&</sup>lt;sup>13</sup> One year into COVID-19 education disruption: Where do we stand? (unesco.org)

# ► Figure 9. Any sign of recovery? Youth employment trends in selected middle- and high-income countries over 2020 compared with pre-crisis baseline (100=2019q4)



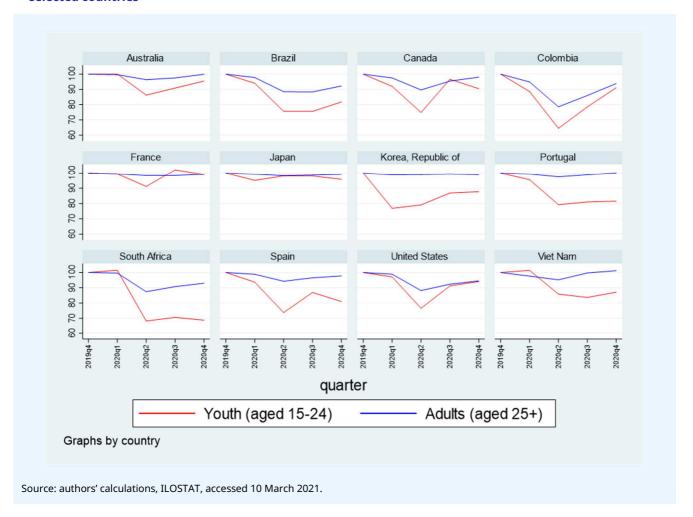


Source: authors' calculations, ILOSTAT, accessed 10 March 2021. Employment level is converted into an index set at 100.0 in 2019Q4. Subsequent quarters reflect the percentage deviation from this base. OPT = Occupied Palestinian Territory.

In a number of these countries with data for 2020Q4 the recovery of youth employment is either lagging behind the trends for adults (aged 25+) or even further diverging. A significant youth-adult recovery gap, driven by the relatively quick recuperation of adult employment and its absence or weaker progress in youth labour markets, is

emerging in a number of countries, including Brazil, Republic of Korea, Portugal, South Africa, Spain and Viet Nam (figure 10). In other countries, youth employment trends over 2020 have either mirrored that of older adults or converged to their trend (e.g. Australia, Colombia, France, Japan, and the United States).

## ► Figure 10. Comparison of employment trends for young people (15-24) and adults (25+) in 2020 (100=2019q4), selected countries



# ▶ So, what can be done about it? What should be the policy priorities?

The COVID-19 pandemic has rapidly evolved beyond the initial indications visible in May 2020, becoming by far the most severe and widespread jobs crisis faced by young people during the new millennium, particularly in developing and emerging economies. The crisis has been multidimensional in its impacts on young people, leading to severe disruptions in education and training in addition to the impacts of layoffs and business failures. For young labour market entrants and those who are now inactive, unemployed, or underemployed, the crisis will have long-

term consequences unless policy interventions are immediate, substantial and targeted so as to reach young people around the world, particularly those who are most vulnerable during such severe economic downturns. Empirical evidence confirms that entering the labour market during a recession can impact young people's labour market outcomes for a decade or more. As a consequence of poor economic conditions, young people fail in their early attempts to find work or end up in a job that is not in line with educational background. 14 Given

<sup>&</sup>lt;sup>14</sup> Recent estimates for the United States indicate that for a moderate recession that raises unemployment rates by 3 points, the loss on cumulated earnings is predicted to be around 60 per cent of a year of earnings. See Schwandt, H. and T. von Wachter. 2019. "Unlucky Cohorts: Estimating the

that the recession precipitated by the COVID-19 crisis is more severe than previous episodes (including both the disruption in the labour market and to education/training), the loss in earnings for young people around the world over the coming years is likely to be much more damaging. Long-lasting wage losses are, therefore, likely to be experienced by entire cohorts who have the bad fortune of graduating from school or college during the 2020 recession and face the consequent greater competition for fewer jobs over the coming years.

Though recovery (partially) commenced in the second half of 2020, the situation remains highly uncertain and fragile, as reflected in the further deteriorations in the labour market in the fourth quarter of last year. For this reason, continued monitoring of the situation of young people is critical, particularly in terms of whether they are benefiting from the recovery. A key issue, as highlighted by the analysis, is the shift into inactivity, which requires specific focus in monitoring and policy responses to ensure that young people, especially the most vulnerable, do not become further discouraged and distanced from the labour market.

As outlined in the ILO's COVID-19 policy framework, this requires maintaining broader support to the economy and labour market, along with specific measures targeting the most vulnerable youth. The key dimensions of a youth employment policy response include:

 Promoting labour demand for young people with a shift in emphasis from remedial to reconstructive (from income support to stimulating new employment and

- entrepreneurship, including in new sectors) with actions focusing on the most vulnerable young people.
- Identifying opportunities for employment growth amongst the young, especially young women, particularly through sectoral development policies.
- Encouraging educational and training retention, which also requires dealing with the inequalities associated with the online delivery of programmes (and making up for the educational deficits created during the lockdowns).
- Focusing on policy support to young people who have withdrawn from the labour market, including employment services, active labour market programmes and entrepreneurship schemes that target their entry or re-entry and support transitions in the labour market, including the transition to the formal economy.
- Extending social protection coverage, including unemployment benefits, to ensure more young workers are eligible, which is key to ensuring that young workers are not dropping out of the formal economy.
- Tailoring policies and programmes towards safeguarding young workers' rights, including by encouraging their participation in collective bargaining and freedom of association. Indeed, social dialogue and social partnership – including the voice of young people – are essential so as to ensure the development of comprehensive employment policies which promote good quality jobs for youth.

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