



▶ ILO Brief

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Has youth employment recovered? *

Key points

- ▶ While the worst of the COVID-19 crisis has passed, there is not yet a full return to pre-crisis trends for labour market outcomes of young people.
- ▶ The global youth employment-to-population ratio in 2022 (at 34.5 per cent) remained 0.7 percentage points below the ratio in 2019 while the share of young NEETs (at 23.5 per cent) was still elevated by 0.6 percentage points. Greater resilience has been seen for adults, with their employment levels surpassing already the 2019 levels by 2021.
- ▶ Continuing stagnation in youth labour market prospects is most evident in low-income economies; the share of young NEETs in the low-income grouping was 1 percentage point higher (at 27.7 per cent) in 2022 over 2019. At the same time, the youth unemployment rate in low-income economies remained 1.1 points higher.
- ▶ By region, unemployment rates were still elevated over those of the pre-crisis period and employment rates remained subdued in the Arab States, East Asia, Sub-Saharan Africa and South Asia. In contrast, labour market indicators for Europe and North America showed a full recovery, reflecting the strength of the post-crisis demand for workers, including young workers.
- ▶ Primarily in developing regions, the crisis drove a deterioration of working conditions for young people, as an above-average number of youth took up work in the agricultural sector. Also, the crisis period brought an increase in the share of workers in vulnerable jobs.
- ▶ As youth labour markets recover in advanced economies faster than developing economies and decent work gaps widen, global inequalities continue to grow which could have spillover effects on labour migration, the well-being of young people and social cohesion.
- ▶ For a more robust and equal recovery in youth employment, a policy agenda targeted to youth must remain a priority. While focussing on pro-employment macroeconomic policies aimed to foster recovery in the economy while boosting job creation, targeting specific measures to the most vulnerable youth will also be key to ensuring “no one is left behind”.

* This brief was drafted by Sara Elder and Niall O'Higgins of the Employment Policy Department. It was widely reviewed and benefited from the constructive comments of a multitude of ILO colleagues in the Employment, Labour Markets and Youth Branch.

► Introduction

As in previous crises, the labour market transitions of young people aged 15 to 24 were disrupted during the COVID-19 period. Youth, being still the “last in, first out” in the face of economic shocks saw their labour market outcomes deteriorate to a greater extent than those of adults.² At the same time, lockdown-driven closures of education, training and work-based learning programmes have created setbacks in the accumulation of skills and job experiences and could bring scarring effects for youth in their future labour market transitions.

The longer-term impacts of the COVID-19 crisis on the generation of impacted young people will be the subject of studies in the years to come. Experience from past recessions suggest that lingering crisis impacts – also known as scarring – will be significant.³

This Brief looks at the current situation of youth employment with nearly two years of the crisis’ worst impacts now behind us. Drawing on ILO global and

regional modelled estimates and complimenting with recent labour force survey results, the Brief provides an update of latest trends for young people, in terms of employment, unemployment, NEET and inactivity. It identifies where youth labour market outcomes indicate recovery and where challenges remain.

The recent ILO *Monitor on the World of Work*⁴ reports on situations of multiple crises (“polycrisis”) that are holding back labour market recovery in low- and middle-income countries. As some developing countries struggle to “bounce back” in the context of macroeconomic fragility – with high inflation, high interest rates and growing risk of debt distress – prospects for youth employment and productive labour market transitions remain cloudy. In advanced economies, on the other hand, under conditions of labour shortages, labour markets have shown greater resilience.

► The crisis period has eased

Labour markets for youth have recovered, but not everywhere

At the global level, full recovery in youth labour markets from the turmoil of the COVID-19 crisis is not yet evident. The share of young people who were employed in 2022 was 34.5 per cent, 0.7 percentage points below the ratio in 2019 (Figure 1). Young persons who were neither employed nor in education or training (NEETs)⁵ was still elevated by 0.6 percentage points compared to the pre-crisis period.⁶

The recovery delays are concentrated in developing economies. In high-income economies, youth labour markets are back “on track”, with employment shares at 40.5 per cent in 2022, youth in education at 49.1 per cent and the share of young NEETs at only 10.4 per cent.⁷ In contrast, in the groupings of low-income and middle-income economies, the shares of young NEETs remained elevated over the pre-crisis shares while employment shares remained lower. The longer and more limited recovery for young people in the labour market is most evident for the low-income economies. For this income grouping, the share of young NEETs was 1 percentage point higher (at 27.7 per cent) in 2022 over 2019.

² See previous COVID-19 impact assessments such as ILO, *An update on the youth labour market impact of the COVID-19 crisis*, June 2021, and ILO, *Global Employment Trends for Youth 2022*, 2022, Chapter 1.

³ See, for instance, ILO, *Preventing exclusion from the labour market: Tackling the COVID-19 youth employment crisis*, 2020.

⁴ ILO, *Monitor on the world of work, Eleventh edition*, 2023.

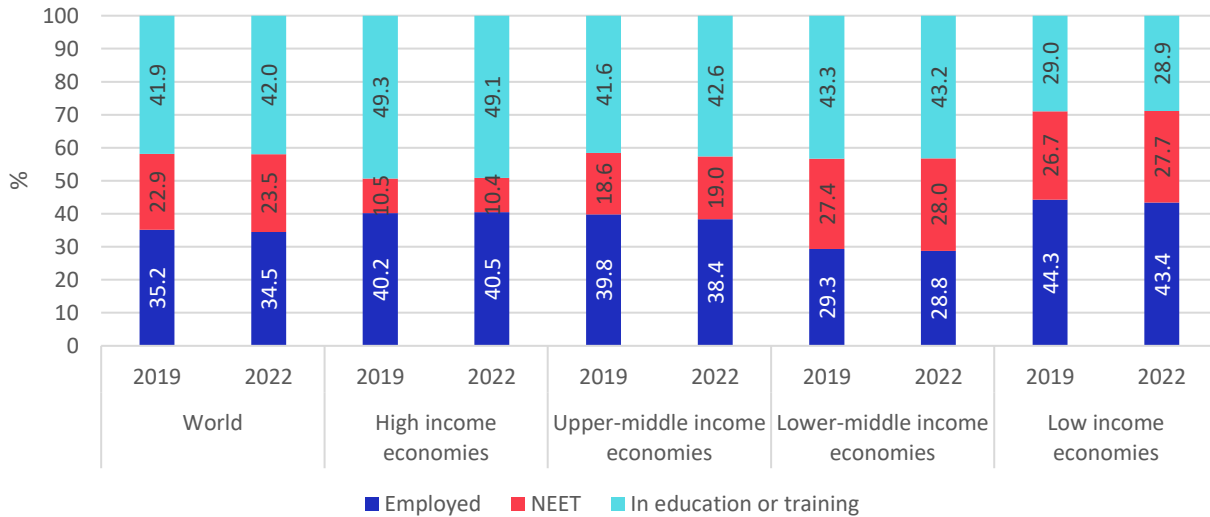
⁵ The share of young NEETs includes persons who are unemployed and those who are inactive (and out of school).

⁶ The post-crisis change in employment shares was the same for both young men and women, at 0.7 percentage points. For youth NEET rates, however, the male rate increased by 0.7 percentage points from 2019 to 2022, compared to 0.5 points for female youth. Regardless of the higher

gain in the youth NEET rate, at the global level, the female youth NEET rate remained more than double that of the male youth NEET rate (at 32.1 per cent and 15.4 per cent, respectively, in 2022).

⁷ One challenge of assessing recovery in youth labour markets is in determining the direction of positive trends. While for adults, the hope is to see increasing shares of employment and decreasing inactivity, the same is not true for youth labour markets because participation in schooling changes the motivation for labour attachment. Progress in education enrolment has been evident around the world at least for the last few decades and with improved educational access comes declining youth employment ratios; the global youth employment-to-population ratio has dropped by more than 3 percentage points between 2013 and 2023.

► **Figure 1. Youth population by main economic activity status and income level, global, 2019 and 2022**



Note: The three categories are exclusive, so that a young person “in education or training” is not combining the activity with employment.
Source: ILO modelled estimates, Nov. 2022; available in ILOSTAT.

Another means to assess recovery is to look at core labour market indicators across two periods: a longer-term period of 2013–19 (pre-crisis) and 2022–23 (post-crisis).⁸ By this metrics, visualized in Figure 2, the regions that stand out as not yet projected to show an easing of difficulties for young people in the labour market are: Arab States, East Asia, Sub-Saharan Africa and, to a lesser extent, South Asia (and Central and West Asia for young women only).

In these regions, youth unemployment rates have remained elevated over the post-crisis period 2022–23, especially for young women (Figure 2, panels B and C). Employment-to-population ratios remained below the pre-crisis average. The record high youth unemployment rates in China – reported at 20.4 per cent in April 2023 – are an important factor behind the trends in East Asia.⁹ In South-East Asia and the Pacific and North Africa, youth inactivity rates also remain unusually high compared to the pre-

crisis period (not shown), although unemployment rates have recovered.

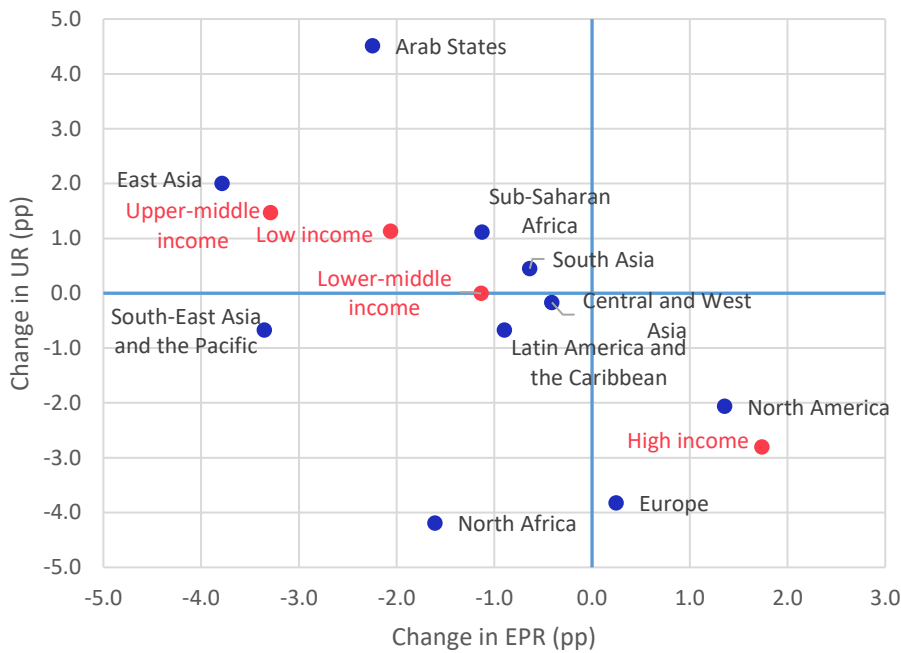
The only regions to show increases (projected) in the youth employment-to-population ratio and decreases in youth unemployment rates (for both sexes) are Europe and North America, regions consisting of advanced economies. Such results thus portend a growing gap in outcomes by income levels. The youth unemployment rate in high-income economies was already 2.8 percentage points below that of the pre-crisis period in 2022–23 (at 10.8 per cent) (Figure 2). This contrasts sharply to the increases in the youth unemployment rates in upper middle-income economies (+1.5 percentage points to 15 per cent) and low-income economies (+1.1 percentage points to 9.2 per cent). At the same time, it is only in the high-income economies that inactivity among youth (a portion of which are in school) fell below the pre-crisis period by 2022–23.

⁸ Data for 2022 and 2023 are ILO projections.

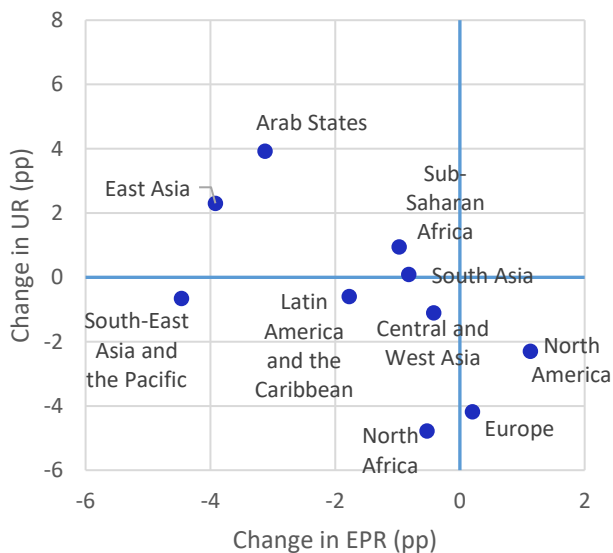
⁹ Government of China, National Bureau of Statistics, “The Urban Surveyed Unemployment Rate of the Population Aged from 16 to 24(%)”, accessed 9 June 2023.

► **Figure 2. Change in youth employment-to-population ratio and youth unemployment rate by region and income level, 2013–19 (pre-crisis) to 2022–23 (post-crisis) (percentage point change in average rates across the two periods)**

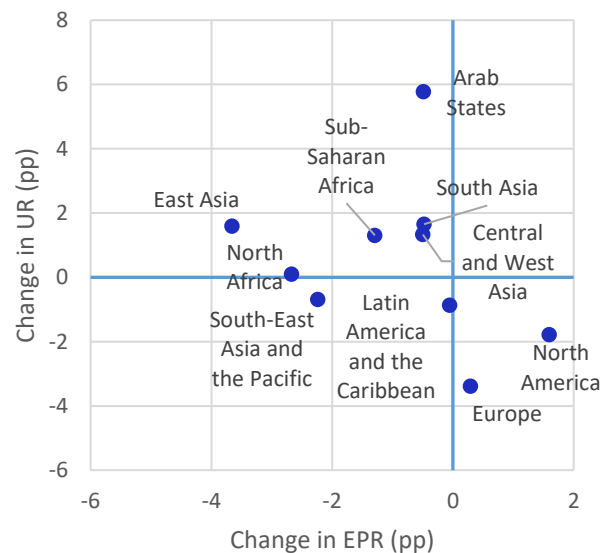
Panel A. Total



Panel B. Male



Panel C. Female



Notes: The pre-crisis indicator is the average of rates/ratio for the period 2013 to 2019. The post-crisis indicator is calculated as the average of the projected results in 2022 and 2023. EPR = employment-to-population ratio; UR = unemployment rate; pp = percentage point.

Source: ILO modelled estimates, Nov. 2022; available in ILOSTAT.

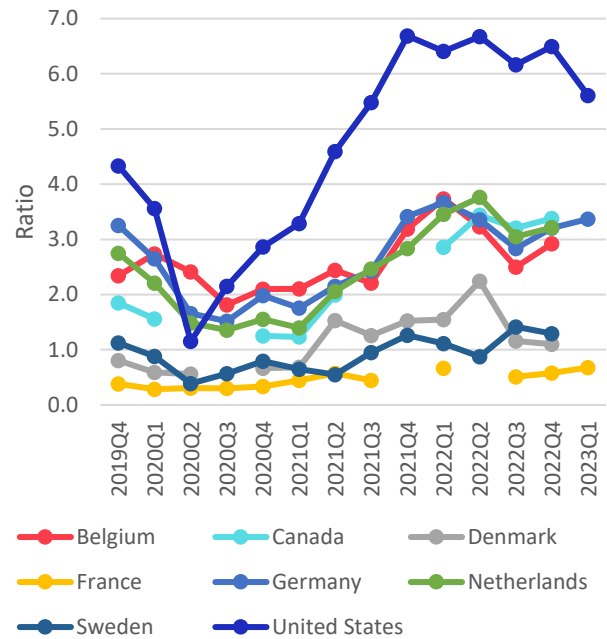
What are the factors behind the faster recovery in advanced economies?

The current circumstances of youth labour markets seem to be especially positive in advanced regions like Europe and North America. In both regions, youth unemployment rates have fallen below their pre-crisis average, youth employment rates are up, and youth inactivity remains where it was before the crisis.

The recovery of youth labour markets outcomes in these regions has been driven in part by the fast fiscal response implemented during the crisis period. The discretionary fiscal response measures were typically above 10 per cent of GDP in 2020 in multiple high-income economies and at least 7.5 per cent in the vast majority of advanced economies.¹⁰ Although at first the direct measures tended to benefit primarily prime age workers rather than young people,¹¹ the stimulus to economic recovery as a whole also meant that youth employment subsequently recovered relatively quickly too. European Union countries further benefitted from the reinforced European Youth Guarantee which acted as an automatic stabiliser supporting youth employment and provided a significant fiscal contribution to job creation for the young.¹²

Labour shortages – where the demand for labour exceeds the supply of workers in particular occupations – are also likely to have played an important role in the youth employment growth in these regions. Figure 3 shows an increasing trend in the ratio of job vacancies to young jobseekers over the 2020 to mid-2022 period among the available European and North American countries. Occupational shortages among European countries in the post-COVID crisis period were primarily in craft/production fields like construction and engineering, but also in the professional and technical levels.¹³ In Canada and the United States, labour shortages in the hospitality and leisure sectors have brought a boon in demand for young workers willing to take up part-time and seasonal work.

► Figure 3. Ratio of job vacancies to youth unemployment, selected economies in Europe and North America, Q4 2019 to Q1 2023



Source: ILO estimates based on administrative records (vacancies) and labour force surveys (unemployment).

The crisis brought shifts in where and how young people work

Coping mechanisms of young workers over the course of the crisis is visible in the shifts in the distribution of employment by sector. In the Arab States, Central and Western Asia, Latin America and the Caribbean, and South-East Asia and the Pacific, young people who might have otherwise taken up work in urban areas chose to remain (or return) in rural areas and engaged in agricultural work on family farms or larger farming enterprises (Annex table 2).

The shift, which is most likely temporary, is visible on the aggregate in Figure 4, panel A that shows the sectoral distribution of youth employment over time at the global level. Agricultural employment among youth surpassed the linear trendline during the crisis period. At the same

¹⁰ A. Barford, A. Coutts and G. Sahai, *Youth employment in times of COVID: A global review of COVID-19 policy responses to tackle (un)employment and disadvantage among young people*, 2021.

¹¹ N. O'Higgins, S. Verick and A. Elsheikhi, "On the nature of the impact of the COVID-19 pandemic on youth labour markets: A cross-country

analysis". *Seventh ILO Regulating for Decent Work Conference, Geneva, 6-9 July 2021*.

¹² U. Rinne, W. Eichhorst, P. Marx and J. Brunner, *Promoting youth employment during COVID-19: A review of policy responses*, 2022.

¹³ European Labour Authority, *EURES Report on labour shortages and surpluses*, 2022.

time, the crisis slowed the trend of increasing shares of youth employment in the services sector. Little change was evident in manufacturing employment shares among youth during the crisis period. By region, the direction of growth in employment shares of youth in manufacturing changed during the crisis in the Arab States, Central and Western Asia, East Asia, Latin America and the Caribbean, North America and the Pacific (Annex table 2).

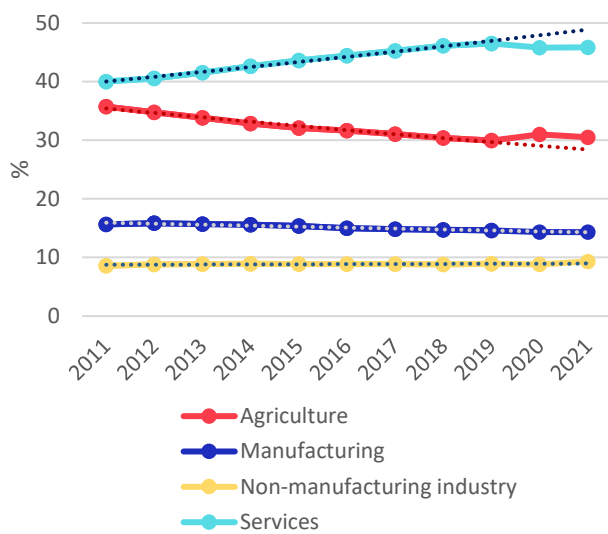
Regarding the status of employment, as a signal of the institutional arrangement of work, the crisis led to a below-trend share of young workers (at the global level) in paid employment and an above-trend share of workers in own-account work (Figure 4, panel B). With own-account work viewed as more vulnerable and largely informal

compared to paid work, when shares in own-account work grow, the quality of work is said to deteriorate. The results thus confirm that the crisis period 2019–21 saw a deterioration in the quality of youth employment.

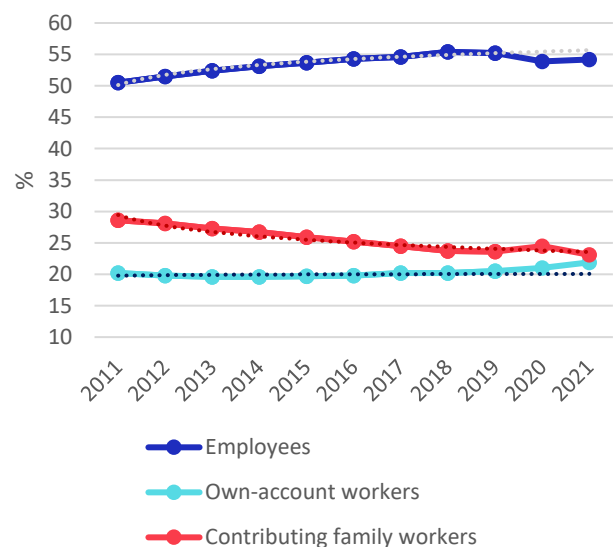
At the same time, the increase in vulnerable employment rates for youth in developing regions adds further to the storyline of the substantial gaps in youth decent work opportunities across the globe. For instance, the probability of a young person to work in a vulnerable status in Sub-Saharan Africa was 17 times more than a young person in Europe in 2021, up from 16 times ten years prior (Annex table 3).

► **Figure 4. Youth employment by broad sector and status in employment, global, 2011–21 (% in total youth employment)**

Panel A. By broad sector



Panel B. By status in employment



Note: The dotted lines show the linear forecasted trendline based on 2011–19 data points.

Source: ILO modelled estimates, Nov. 2022 (status in employment) and ILO modelled sectoral estimates, Nov. 2022, unpublished (sector).

► Danger signs ahead?

There is some room for enthusiasm in recent days as labour markets show increasingly positive signs of recovery from the COVID-19 crisis. Many economies have shown a return to growth, albeit slow growth and still muted from the pre-crisis period. Still, while the worst of the COVID-19 crisis has passed, there is not yet a full

return to pre-crisis trends for outcomes for youth in labour markets.

Economies with deeper fiscal pockets and tight labour markets (compared to circumstances of surplus labour) are now showing recovery in youth employment, to answer the question posed in the Brief title. What remains disturbing is that the economies in recovery are exactly

those where the prospects for young people to attain decent work were already comparatively high – the high-income economies. This positive picture contrasts that found for low-income economies, where youth NEET rates and youth unemployment rates remain elevated compared to the pre-crisis period despite the high levels of informality that have traditionally acted as labour market “outlets” for many young people.

As youth labour markets recover in advanced economies faster than developing economies, global inequalities continue to grow. The most recent ILO Monitor warns of a global employment divide unless action in support of decent jobs and social protection are accelerated in low-income economies. In mobilizing support to developing economies for counteracting the growing divergence in the labour market and promoting social justice, policies and programmes in support of young people merit a heightened focus. Recent data show that most countries that implemented measures to support youth employment during the pandemic were countries that already had a national youth employment strategy.¹⁴

It is vital that in the coming years, countries prioritize initiatives towards building the human capital of young women and men through education and training in growing sectors of the economy. This is especially true for vulnerable youth such as young migrants, young refugees, and youth with disabilities. Equally important, particular in the developing countries that struggle with

creating sufficient decent jobs for youth, is for governments to direct public and private investments toward potential job-rich sectors and industries. Targeting sectoral development in the green, digital and care sectors, for instance, could not only expand decent job opportunities for youth, but also help promote greater sustainability, inclusiveness and resilience.

Strengthening labour market institutions for the delivery of support policies and programmes that ease youth transitions into and within the labour market (including active labour market policies, career guidance and apprenticeships, and orderly labour migration policies) remains of vital importance to all socio-economic contexts. Both passive and active labour market policies can ease pressure from labour markets in advanced economies while providing decent job opportunities and improved livelihoods for young people in middle- and low-income economies.

¹⁴ Country data reported by governments to the ILO in 2022 for monitoring the progress of SDG Target 8.b “by 2020 develop and operationalize a

global strategy for youth employment and implement the ILO Global Jobs Pact”.

► Annex: Additional tables

► **Table 1. Youth employment-to-population ratio, unemployment rate and inactivity rate by region, income level and sex, 2019–22 (percentage)**

	Employment-to-population ratio				Unemployment rate				Inactivity rate			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Total												
Arab States	20.9	19.2	19.5	20.0	25.1	28.5	27.6	26.8	72.1	73.2	73.1	72.8
Central and Western Asia	32.9	30.7	32.2	33.3	18.3	18.2	17.1	15.3	59.7	62.5	61.2	60.6
Eastern Asia	44.2	40.8	42.2	42.0	10.2	12.0	11.7	12.3	50.8	53.6	52.2	52.1
Europe (East, North, South, West)	34.3	32.1	32.3	33.7	14.5	16.4	16.1	13.9	59.9	61.6	61.4	60.9
Latin America and the Caribbean	40.2	34.9	38.0	40.3	17.9	21.2	19.2	15.4	51.0	55.8	52.9	52.4
Northern Africa	18.3	17.5	18.0	18.3	25.8	26.9	25.8	25.4	75.3	76.1	75.7	75.4
Northern America	47.6	42.4	46.5	47.6	8.7	15.5	10.1	8.1	47.9	49.8	48.3	48.2
South-Eastern Asia and the Pacific	42.4	39.8	38.8	39.4	8.9	10.3	9.8	9.2	53.4	55.6	56.9	56.6
Southern Asia	25.0	22.3	24.5	25.1	19.3	24.9	20.2	19.7	69.0	70.3	69.3	68.7
Sub-Saharan Africa	41.2	40.1	40.3	40.8	9.0	9.9	9.7	9.8	54.8	55.5	55.3	54.8
High income	40.2	37.2	39.1	40.5	10.9	14.7	12.2	10.3	54.8	56.3	55.5	54.9
Low income	44.3	43.0	43.2	43.4	8.5	9.7	9.3	9.3	51.6	52.3	52.4	52.1
Lower-middle income	29.3	26.9	28.2	28.8	15.4	19.0	16.3	15.9	65.4	66.7	66.3	65.8
Upper-middle income	39.8	35.9	37.8	38.4	14.8	16.8	16.1	15.1	53.3	56.8	55.0	54.8
World	35.2	32.5	33.8	34.5	13.7	16.4	14.7	14.0	59.2	61.2	60.4	59.9
Male												
Arab States	35.1	32.2	32.9	33.8	22.1	25.6	24.3	23.3	54.9	56.7	56.6	56.0
Central and Western Asia	40.0	38.0	39.6	41.0	17.3	16.5	15.5	13.5	51.6	54.5	53.2	52.6
Eastern Asia	45.6	42.3	43.5	43.3	11.0	12.9	12.7	13.5	48.7	51.4	50.2	50.0
Europe (East, North, South, West)	36.4	34.2	34.4	35.8	15.0	16.6	16.1	14.0	57.2	58.9	59.0	58.4
Latin America and the Caribbean	48.9	43.2	46.4	48.8	15.1	18.0	16.0	12.9	42.3	47.3	44.7	44.0
Northern Africa	29.1	28.2	28.7	29.3	20.4	21.9	21.4	20.8	63.5	63.9	63.4	63.1
Northern America	47.5	42.8	46.8	47.7	9.7	15.6	10.9	8.9	47.4	49.2	47.5	47.7
South-Eastern Asia and the Pacific	48.0	45.3	43.7	44.5	8.9	10.1	9.9	9.2	47.3	49.6	51.5	51.0
Southern Asia	37.0	33.1	36.4	37.4	19.2	24.9	19.9	19.4	54.2	55.9	54.6	53.6
Sub-Saharan Africa	43.0	42.1	42.2	42.8	8.6	9.3	9.1	9.2	53.0	53.6	53.6	52.9
World	41.6	38.5	40.1	40.9	14.0	16.9	14.9	14.2	51.6	53.6	52.9	52.3
Female												
Arab States	5.2	5.0	5.2	5.2	41.8	43.6	44.2	44.2	91.2	91.1	90.8	90.6
Central and Western Asia	25.5	23.0	24.3	25.3	19.9	21.0	19.9	18.1	68.1	70.8	69.6	69.0
Eastern Asia	42.5	39.1	40.7	40.6	9.2	10.7	10.5	10.8	53.3	56.2	54.5	54.5
Europe (East, North, South, West)	32.0	29.9	30.2	31.5	14.0	16.1	16.1	13.8	62.8	64.4	64.0	63.5
Latin America and the Caribbean	31.2	26.3	29.4	31.6	22.1	26.0	23.9	19.1	60.0	64.5	61.4	61.0
Northern Africa	7.1	6.3	6.9	7.0	42.4	43.5	40.5	40.4	87.6	88.8	88.5	88.2
Northern America	47.6	42.0	46.2	47.5	7.6	15.3	9.3	7.3	48.4	50.4	49.1	48.7
South-Eastern Asia and the Pacific	36.6	34.1	33.7	34.1	9.0	10.5	9.7	9.2	59.8	61.9	62.6	62.4
Southern Asia	12.0	10.6	11.6	11.8	19.7	24.9	21.1	21.0	85.0	85.9	85.3	85.1
Sub-Saharan Africa	39.4	38.0	38.4	38.7	9.4	10.7	10.4	10.4	56.6	57.5	57.2	56.8
World	28.3	26.0	27.1	27.6	13.2	15.8	14.5	13.6	67.4	69.2	68.3	68.1

Source: ILO modelled estimates, Nov. 2022; available in ILOSTAT.

► **Table 2. Change in share in youth employment by broad sectors, by region and global, 2009–19 and 2019–21 (percentage point)**

Region	2009–19				2019–21			
	Agriculture	Manufacturing	Non-manufacturing industry	Services	Agriculture	Manufacturing	Non-manufacturing industry	Services
Arab States	-0.2	-1.0	1.3	2.5	0.2	0.3	-1.0	0.6
Central and Western Asia	-6.7	0.2	0.2	6.3	0.6	-0.2	0.6	-1.0
Eastern Asia	-12.4	-3.2	1.5	14.1	-0.8	0.1	0.4	0.2
Europe	-1.6	-0.8	-1.9	4.4	-0.1	-0.2	0.0	0.3
Latin America and the Caribbean	-1.1	-1.9	-0.5	3.5	0.4	0.3	0.5	-1.2
Northern Africa	-7.0	0.5	1.4	5.0	-0.4	0.1	0.3	0.0
Northern America	-0.3	0.5	0.5	-0.6	0.0	-0.4	0.0	0.4
South-Eastern Asia and the Pacific	-14.7	3.6	3.3	7.8	1.3	-1.2	1.2	-1.2
Southern Asia	-13.4	2.3	1.5	9.6	-1.6	0.4	0.2	1.1
Sub-Saharan Africa	-5.0	0.0	1.1	3.8	-0.1	0.2	0.2	-0.3
World	-7.4	-0.9	1.0	7.4	0.6	-0.3	0.4	-0.7

Note: Shaded cells indicate a change in the trend in sectoral distribution in the crisis period 2019–21 compared to the longer-term period 2009–19 (a change in the direction of the sign).

Source: ILO modelled sectoral estimates, Nov. 2022; unpublished.

► **Table 3. Youth vulnerable employment rate by region, 2013–21 (percentage)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Arab States	20.7	20.7	21.8	22.2	23.6	24.1	24.8	25.9	26.0
Central and Western Asia	31.1	29.8	28.7	28.2	27.5	27.0	27.0	28.1	27.2
Eastern Asia	36.8	35.7	34.5	33.4	32.5	31.3	30.3	30.5	29.4
Eastern Europe	10.4	9.5	9.8	10.1	9.9	9.4	9.2	9.7	9.1
Latin America and the Caribbean	25.1	25.1	25.5	26.2	26.7	27.0	27.3	29.0	28.9
Northern Africa	40.8	42.4	44.4	33.7	34.3	34.9	35.3	34.2	32.8
Northern America	1.5	1.4	1.5	1.4	1.4	1.4	1.3	1.5	1.5
Northern, Southern and Western Europe	5.0	4.9	4.8	4.6	4.5	4.3	4.4	4.6	4.6
South-Eastern Asia and the Pacific	40.8	39.3	36.6	35.7	35.2	34.9	34.4	36.6	36.9
Southern Asia	70.8	69.5	68.0	66.5	65.1	62.2	62.4	62.3	61.5
Sub-Saharan Africa	80.5	80.0	79.8	79.7	79.6	79.6	79.5	80.1	79.5
World	46.9	46.3	45.6	45.0	44.7	43.9	44.1	45.5	45.0

Note: The vulnerable employment rate is calculated as the sum of persons in the employment statuses own-account work and contributing family work as a share of total employment.

Source: ILO modelled sectoral estimates, Nov. 2022; available in ILOSTAT.

Contact details

International Labour Organization

4 route des Morillons
CH-1211 Geneva
Switzerland

Employment, Labour Markets and Youth
Branch

E: emplab@ilo.org
W: www.ilo.org