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

- Young people’s employment prospects in Asia and the Pacific are severely challenged as a result of the COVID-19 pandemic. Youth will be hit harder than adults in the immediate crisis and also will bear higher longer-term economic and social costs. Before the pandemic, young people were already facing challenges in the labour market. These are worsened by the COVID-19 crisis, and its multiple effects threaten to create a “lockdown generation” that will feel the weight of this crisis for a long time.

- Nearly half of young workers in the region are employed in the four sectors hit hardest by the crisis. This is one of the reasons that young people face greater labour market disruption and job loss than adults due to COVID-19. And it is compounded by forced suspension of education and training, which will affect youth’s transitions to and within labour markets and could result in “scarring effects”, as seen in previous crises.

- Youth unemployment rates in the region are rising quickly. Projections through the end of 2020 in 13 countries show sizable jumps, with youth unemployment rates doubling the 2019 rate in some cases.

- To address the youth employment crisis, governments in the region urgently need to adopt large-scale and targeted responses, centered on (1) comprehensive labour market policies including wage subsidies and public employment programmes, and (2) minimizing the impacts on young students of disrupting their education and training. Effective COVID-19 mitigation measures will ensure that the poorest and most vulnerable youth are reached and that young people are meaningfully engaged in policy and social dialogue.

- Prioritizing youth employment and maximizing youth productivity in the COVID-19 recovery process will improve Asia and the Pacific’s future prospects for inclusive and sustainable growth, demographic transition and social stability. When young people feel empowered to earn a living through fulfilling work, and their energy, creativity and talents are nurtured, they can take up their roles as active, engaged citizens. This contributes to a positive cycle of economic growth, investment and social justice.
Overview

The coronavirus disease (COVID-19) pandemic has triggered a massive disruption of labour markets that has had disproportionate impacts on youth employment. Through lockdowns and travel restrictions, demand has slumped and many businesses have been forced to close or cut back operations, with serious impacts on workers. Nearly 220 million young workers (15–24 years) in the region are particularly vulnerable given their short tenure on the job, their employment in especially hard-hit sectors and their tendency to earn livelihoods in unsecure informal jobs.

The usual challenges of youth employment are heightened in economic crises. Given their relative lack of experience, young people face higher rates of unemployment than adults (25 and older) regardless of the business cycle. Young people are also more likely than adults to work in less-secure, lower-wage employment, frequently with limited legal rights, social protection, and representation. The current COVID-19 crisis brings the vulnerabilities of youth labour markets to the fore, but with the further complication of disrupted education and training pathways. Young people will be hit harder than adults in the immediate crisis and also bear higher longer-term economic and social costs. Pre-existing vulnerabilities of youth in the labour market will be exacerbated, with negative consequences for intergenerational poverty and inequality.

The crisis negatively impacts the prospects for youth through three channels. Young people are experiencing (1) job disruptions from reduced working hours and layoffs, (2) disruptions in education and training as they try to complete studies, and (3) difficulties transitioning from school to work and moving between jobs. The crisis will affect young people differently depending on their situation in the labour market. The scale of the impact will depend on the length of the crisis, the choices of governments in the socioeconomic recovery, and the capacity of institutions to implement effective measures.

Youth in Asia and the Pacific faced a challenging labour market situation before the crisis. Even before the COVID-19 pandemic, young people faced numerous constraints in their access to decent work. The regional youth unemployment rate was 13.8 per cent in 2019 compared with 3.0 per cent for adults and the global youth unemployment rate of 13.6 per cent. More than 160 million youth (24 per cent of the population) were not in employment, education or training in 2019, and the region's rates have been rising primarily as a result of the exclusion of young women who face an excessive burden of unpaid household and care work. Four in five young workers in the region were engaged in informal employment – a higher share than among adults – and one in four young workers was living in conditions of extreme or moderate poverty.

At the onset of the crisis, nearly half of young workers in the region were employed in the four sectors destined to be hardest hit by the recession. These sectors – wholesale and retail trade and repair, manufacturing, rental and business services, and accommodation and food services – employed nearly half of all young people (more than 100 million) working in Asia and the Pacific at the onset of the crisis. Young women are overrepresented in three of the four highly impacted sectors, particularly in accommodation and food services.

The vulnerabilities of youth in labour markets were already visible in the first half of 2020 as the COVID-19 crisis unfolded. Youth unemployment rates jumped in the first quarter of 2020 from the last quarter of 2019 in all economies for which data are available. Compared with the first quarter of 2019, the youth unemployment rate increased in six of nine economies that have quarterly data available: Australia, Indonesia, Japan, Malaysia, and Viet Nam, as well as in Hong Kong, China, which showed the largest increase of 3 percentage points. All economies that experienced increases showed sharper jumps in youth rates than in adult rates.

The reduction in working hours is unprecedented. Working hours across the region dropped 7.1 per cent in the first quarter of 2020 from the fourth quarter 2019. The loss of working hours increased to 13.5 per cent in the second quarter of 2020. While the regional figure is not disaggregated by age, evidence from two countries – the Republic of Korea and Thailand – showed young workers experienced a significantly larger loss of hours than adults.
Job loss among youth will continue throughout 2020 and could result in youth unemployment rates doubling. Between 10 and 15 million youth jobs (full-time equivalent) may be lost across 13 countries in Asia and the Pacific in 2020. These estimates are based on the expected fall in output and consequent decrease in labour demand for the year relative to a non-COVID-19 scenario. The estimates include large countries, such as India and Indonesia, as well as small ones such as Fiji and Nepal.

The projected rise in youth unemployment rates varies considerably across the 13 countries, but increases are expected for all countries. In Cambodia, Fiji, Nepal, Pakistan, the Philippines and Thailand, youth unemployment rates are expected to reach at least double the 2019 estimates even in a scenario of short COVID-19 containment.

Policy measures are urgently required to tackle the youth employment crisis in Asia and the Pacific and recover lost ground on inclusive growth and sustainable development. Experience from past crises suggests that young people who attempt to enter the world of work during a slowdown face long-term impacts on employment pathways, wages and productivity. To minimize future “scarring” of the current generation of youth governments are called upon to urgently adopt and implement large-scale and targeted measures to stimulate the economy and youth employment, balancing (1) the inclusion of youth in wider labour market and economic recovery measures, with (2) youth-targeted interventions to maximize efficiency in the allocation of resources.

Support measures, many of which should be directed at enterprises in the hardest hit sectors where youth job losses are concentrated, to be prioritized in response to the youth employment crisis include:

- providing youth-targeted wage subsidies and public employment programmes;
- expanding job information and employment services targeted to young jobseekers;
- supporting apprenticeship programmes and focusing on demand-driven skills development;
- increasing funds for upskilling and reskilling, especially in growth sectors;
- investing in digital inclusion for equitable access to education, training and entrepreneurship; and
- supporting young entrepreneurs through access to capital combined with non-financial services.

Three cross-cutting considerations should underpin an effective policy response: reaching the most vulnerable youth including the poorest and marginalized young women, meaningfully engaging young people in policy development and social dialogue, and facilitating disaggregation of crisis impact data by age and enhanced youth labour market information.
Introduction

The coronavirus disease (COVID-19) pandemic has brought severe disruptions to economies and labour markets worldwide, with disproportionate impacts on youth employment. In Asia and the Pacific, strict lockdown and related measures resulted in a combination of shocks to both business activity (the demand side) and education and training (the supply side). The combined effects threaten to create a “lockdown generation” that will feel the weight of this crisis for a long time (ILO 2020a).

The crisis will affect young people differently depending on their situation in the labour market. Some youth will face difficulties balancing education and training with the need to complement family income. Others will face the challenge of searching for their first job in a labour market of severely constrained demand. Many more young people will face difficulty transitioning from irregular and informal work to decent employment. And a growing number of youth not in employment or in education or training (NEET) may become increasingly detached from the labour market. The scale of the impact will depend on the length of the crisis, the choices of governments for the socioeconomic recovery, and the capacity of institutions to implement effective measures to protect enterprises and workers and promote productive employment in dialogue with employers’ and workers’ organizations.

Prioritizing youth employment and maximizing youth productivity in the COVID-19 recovery process will improve Asia and the Pacific’s future prospects for inclusive and sustainable growth, demographic transition and social stability. When young people feel empowered to earn a living through fulfilling work, and their energy, creativity and talents are nurtured, they can take up their roles as active, engaged citizens, contributing to a positive cycle of economic growth, investment and social justice.

This report explores the challenges and prospects for young women and men in the world of work in Asia and the Pacific as a result of COVID-19. It first provides an overview of the labour market situation of young people prior to the onset of COVID-19 (Section 2). Section 3 assesses the impact of the crisis on youth in the first and second quarters of 2020 and Section 4 provides estimates of employment losses for 2020. Finally, Section 5 offers policy recommendations for governments to consider in addressing the youth employment crisis through the outbreak and recovery phases (Section 5).
Youth and the labour market in Asia and the Pacific before the COVID-19 pandemic

This section provides an overview of the youth labour market situation in Asia and the Pacific prior to COVID-19 and therefore serves as a baseline across key labour market indicators to contextualize and better understand the impact of the COVID-19 crisis on youth employment (Section 3).

The Asia and the Pacific region is home to the majority of the world’s young people and their contribution is key to the region’s productivity and inclusive development. In 2019, there were 663 million young people in Asia and the Pacific,\(^1\) representing 55 per cent of this age cohort globally and 20 per cent of the total working-age (15+) population in the region.\(^2\) About 220 million – approximately one in three young people – were employed (Figure 1). The employment-to-population ratio ranged from 26 per cent in Southern Asia to approximately 41 per cent in Eastern Asia and 42 per cent in South-Eastern Asia and the Pacific. Of the remaining youth, 35 million were unemployed and 408 million were outside of the labour force, including 17 million in the potential labour force (youth who were available to work but not seeking it and those who were seeking work but not available to start immediately). The majority of inactive young people were engaged in education or in household work, the latter category being female dominated.

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\(^2\) Unless stated otherwise, all data are taken from ILOSTAT: https://ilostat.ilo.org/.
Prior to the COVID-19 crisis, labour force participation of young people in most countries in Asia and the Pacific was higher than the global average. In Eastern Asia, 45 per cent of youth were economically active, compared to the global rate of 41 per cent (Figure 2). The share in South-Eastern Asia and the Pacific was even higher at 47 per cent. Only in Southern Asia was the participation rate below the global average, at 32 per cent, driven entirely by the extremely low participation rate of young women at 14 per cent.
Economic activity does not always equate to productive work. In the Asia and Pacific region, young workers are increasingly educated, yet the lack of decent work opportunities for young people in the pre-COVID-19 period is evident in the following statistics:

- Eighty-four per cent of young people in the region were in informal employment, working under precarious terms and without access to social protection, versus 69 per cent of adults (ILO 2020a).
- One in four young workers was living in conditions of extreme or moderate poverty (below US$3.20 a day), versus 18 per cent of adults. Working poverty was particularly high among youth in Southern Asia (45 per cent) and was lowest in Eastern Asia (7 per cent).

When paid jobs are difficult to get, young workers in the region turn to self-employment as a positive means to earn a livelihood. Among working youth, the share in self-employment ranged from 64 per cent in Southern Asia to 35 per cent in South-Eastern Asia and the Pacific. Self-employment can be taken up voluntarily (for example, to earn a higher income or to gain independence) or involuntarily (due to the inability to find paid work or the requirements set by the family). According to Elder (2014), which analyzed youth surveys in five Asian countries, voluntary reasons for turning to self-employment outnumbered involuntary reasons. Self-employment is usually seen as a means of gaining independence and of earning a higher income than in other options (including paid employment).

Youth entrepreneurship has been shown to have multiplier effects for youth employment, as younger entrepreneurs are more likely to hire other young people and pay them higher wages (DJY n.d.). According to Bosma et al. (2020), the most active age cohort of entrepreneurs in the region is 18–34,3 reflecting youth’s dynamism and innovation. Guelich et al. (2018) report that about 8 per cent of the same age cohort in the region qualify as social entrepreneurs, aligning business objectives with their motivation to contribute to the Sustainable Development Goals.4 On the less positive side, self-employed jobs among youth are frequently underfinanced (Elder 2014) and are not well protected from demand shocks, such as that posed by the current COVID-19 crisis. Economic crises can swell the ranks of youth who turn to self-employment for involuntary reasons – because paid work is not available to them.

The factors that determine who is more likely to gain access to secure, modern sector jobs in the formal economy are the common drivers in generating inequality of opportunity – gender, household wealth, and education. Gender disparities that limit young women’s access to education and employment in Asia and the Pacific often reflect cultural and social norms. Based on an assessment of pre-COVID-19 data from 39 countries, the International Labour Organization (ILO) found a large gender gap, with young women spending almost triple the amount of time on unpaid care and domestic work than young men (ILO 2020b).

Many young people are excluded from the labour market, especially women in Southern Asia. More than 160 million youth (24 per cent of the population) were NEET in 2019 (Figure 3), and rates in Asia and the Pacific have increased since 2012. This includes 35 million youth who were unemployed and actively trying to gain a foothold in the labour market. It also includes 125 million young workers who were not building skills through education or looking for work, thus reducing their likelihood of accessing decent employment in the future (“inactive nonstudents”). Globally, the subregion with the highest NEET rate in 2019 was Southern Asia, where 30 per cent of young people were NEETs. Nearly three quarters of NEETs in Asia and the Pacific are young women, many of whom engage in care and own-production work in the home. The share of NEETs among young women in Southern Asia was as high as 49 per cent, with already significant implications for the subregion’s future productivity and inclusive growth prospects prior to COVID-19.

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3 Based on analysis from eight countries in Asia and the Pacific of the total early stage entrepreneurial activity rate – the percentage of the 18–34 and 35–64 population that is either nascent entrepreneurs or owner-managers of a new business.

4 The Global Entrepreneurship Monitor uses the broad definition of social entrepreneurship as “starting or currently leading any kind of activity, organization or initiative that has a particularly social, environmental or community objective” (Guelich and Bosma 2018, 9).
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Declining youth labour force participation reflects a positive trend in increased secondary and tertiary education, although the return to tertiary education is falling. Secondary enrolment rates expanded by more than 20 percentage points between 2000 and 2018, on average, in all subregions, though large differences remain.\(^5\) Tertiary enrolment has also increased significantly across the region. The increase was largest in Eastern Asia, where tertiary enrolment rose from 13 to 51 per cent between 2000 and 2018. Increases in education participation suggest that the future adult labour force in Asia and the Pacific could be better skilled and more able to adapt to new technologies and ways of working, making a vital contribution to “building back better”. Yet there is also evidence that the private returns to tertiary education have decreased in many countries since the global financial crisis of the late 2000s, not least through a mismatch with available quality jobs (ILO 2020b).

Young people are much more likely to be unemployed than adults. The regional youth unemployment rate in 2019 was 13.8 per cent compared with 3.0 per cent for adults. By subregion, the youth unemployment rate was lowest in Eastern Asia (9.8 per cent), slightly higher in South-Eastern Asia and the Pacific (10.5 per cent), and significantly higher (18.7 per cent) in Southern Asia. Unemployment rates were higher among young men than young women, with the exception of South-Eastern Asia and the Pacific, partly due to differences in labour market participation (Figure 4). The ratios of youth-to-adult unemployment rates ranged from 3 in Eastern Asia to more than 6 in South-Eastern Asia and the Pacific, and in Southern Asia. In the latter two regions, young people comprised more than half of the unemployed population, greatly overrepresented relative to their share of the labour force (approximately 16 per cent).

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\(^5\) Gross enrolment ratios by level of education are from the UNESCO Institute for Statistics.
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Trends since the global financial crisis suggest that youth across the region were in an already vulnerable situation. The regional youth unemployment rate has been hovering at 13 per cent or more since 2013, indicating that in Asia and the Pacific, as in much of the world (ILO 2020c), youth unemployment rates never recovered to pre-global financial crisis levels. In Eastern Asia, the youth unemployment rate rose during and immediately after the 2008–09 crisis. Although it has been declining since 2015, the rate in 2019 was similar to that in 2010 (Figure 5). In South-Eastern Asia and the Pacific, the rate declined until 2014, when it started to rise again. In 2019, the youth unemployment rate in South-Eastern Asia and the Pacific was nearly at par with that in 2008–09. In turn, the unemployment rate among youth in Southern Asia has consistently increased since 2007. In 2019, the estimated youth unemployment rate in Asia and the Pacific (13.8 per cent) surpassed the global rate (13.6 per cent) for the first time in the time series of available data in 1991.

Asia and the Pacific’s regional unemployment rate in 2007 was 11.9 per cent.
Impact of the COVID-19 crisis on youth employment – Preliminary evidence

Despite the scope and scale of national policy responses, young people’s jobs, education and labour market transitions in Asia and the Pacific are expected to be severely disrupted by the COVID-19 crisis. For young people, the crisis impacts prospects through three shock transmission channels: (1) job disruptions in the form of reduced working hours, reduced earnings and job losses for both paid workers and the self-employed; (2) disruptions in education and training; and (3) difficulties in transitioning from school to work and moving between jobs in a recession (ILO 2020c). At this stage, more information is available on the first channel than on the other two, but all three are assessed in this report.

3.1 Job disruptions

3.1.1 Evidence of working hour losses

Lockdown measures in response to COVID-19 have resulted in unprecedented reductions in hours worked in the region, affecting workers of all ages. As shown in Table 1, the ILO estimated that 7.1 per cent of working hours were lost in Asia and the Pacific during the first quarter of 2020, equivalent to 125 million full-time equivalent jobs (based on a 48-hour work week), relative to the fourth quarter of 2019 (ILO 2020d). Prospects for the second quarter are significantly worse, with working hours in Asia and the Pacific expected to have decreased by 13.5 per cent from the fourth quarter 2019, which translates to a loss of 235 million full-time equivalent jobs in total. The greatest reduction in working hours across the world is estimated to have occurred in Southern Asia (with a decline of 17.9 per cent in the second quarter).
In the current crisis, youth experience the loss of working hours in a different way than adults: youth are more likely to experience outright job loss than temporary job suspension. Given young workers’ lower job tenure, enterprises are likely to make less of an effort to retain them on the payroll during lockdown periods. This is seen in part with the larger reduction in working hours among young workers in both the Republic of Korea and Thailand between the first quarter 2019 and first quarter 2020. In the Republic of Korea, the decrease in total working time for young workers was 10 per cent compared to 2 per cent for adults. In Thailand, the loss in working hours was on the scale of 8 per cent for youth and 5 per cent for adults.

The “first out” assumption can be further tested by examining working-hour losses by its four components: (1) shorter hours: a drop in average weekly hours worked compared to the pre-crisis situation; (2) employed but not working: workers who remain attached to their existing jobs but do not engage in any work at all: they are employed but not at work or are temporarily absent from work (e.g. furloughed workers and workers on sick leave); (3) unemployment: being available for and seeking employment; and (4) inactivity: withdrawal from the labour force (ILO 2020d). At the time of writing, data allowing for the decomposition were available only for the Republic of Korea (comparing working hours in April 2020 to April 2019). Figure 6 shows that, in April 2020, working-hour losses for youth in the country were much more likely to result in outright job loss8 than was the case for adult workers. In contrast, among adult workers, the working hours losses were more likely (than for youth) to result from working shorter hours or from being furloughed (on temporary job suspension). Countries with different labour market institutions show diverse results on how working hour losses are distributed during the COVID-19 crisis.9

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7 Authors’ calculations based on microdata files of labour force surveys, not otherwise published. Working hour losses are significantly higher going into the second quarter of 2020. Between April 2019 and April 2020, total working hours of youth in the Republic of Korea decreased by an astounding 31 per cent. The decline among adult workers was 15 per cent.

8 Because the disaggregation of job loss into unemployment or inactivity (items [3] and [4] in the decomposition of working-hours list) for the youth cohort did not produce reliable results, the two subcategories are combined into one of “job loss”.

9 See the six-country comparison in ILO (2020d).
FIGURE 6.

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

<table>
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<td>66</td>
</tr>
<tr>
<td>Adult</td>
<td>32</td>
<td>59</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: “Job loss” combines the share of job loss leading to unemployment and the share of job loss leading to inactivity. See ILO (2020d) for further details about the methodology.

BOX 1. Why are young people disproportionately affected by recessions?

Young people constitute a large share of all new job seekers. Most people enter the labour market for the first time when they are 15 to 24 years of age. The immediate reaction of a firm facing a precipitous decline in the demand for its products or services is to reduce or interrupt the hiring of job seekers in this age group, and, with more jobseekers competing for a limited number of jobs, young people are at a disadvantage compared with experienced workers.

Young people are cheaper to fire. Recessions mean an increase in retrenchment, and young people, on average, have spent less time on the job than older workers. Thus, young people are “cheaper” to fire for the following reasons:

- Protective labour market institutions, such as employment protection legislation, typically prescribe an increasing cost of firing workers with tenure.
- Young people are more likely to work in less-protected jobs such as temporary and informal employment, and are much less likely to be members of a trade union.
- Workers acquire work-related and firm-specific competencies the longer they are employed so their productivity within a firm increases with tenure. Therefore, firing more experienced workers is more expensive for firms because it entails a greater loss of productivity.

Source: ILO (2020c), 3.
Rapid assessment surveys provide further insights about the impacts of the COVID-19 crisis on youth labour markets. For example, results of the Global Survey on Youth and COVID-19 revealed that 42 per cent of young workers (aged 18–29) in Asia had experienced a fall in income since the onset of the pandemic. A higher share of self-employed young workers reported an income loss (68 per cent) compared with youth in paid work (38 per cent). On average, 12 per cent of surveyed respondents reported having stopped working since the onset of the crisis. The share of young men who stopped working (14 per cent) was higher than that of young women (10 per cent), and was higher for the group aged 18–24 (17 per cent) than for the group aged 25–29 (9 per cent). The survey also found that young respondents experienced an average reduction in working time of 1.5 hours per day.

### 3.1.2 Evidence of youth unemployment

Early data indicate that COVID-19 has a greater impact on unemployment of young people than of adults. The youth unemployment rate increased in eight of the nine Asian economies (for which quarterly data are available) from the fourth quarter of 2019 to the first quarter of 2020. These include five high-income economies along with Malaysia, Thailand, and Viet Nam (Table 2). Only Indonesia showed a decline in the youth unemployment rate between the two quarters. Most of the economies have also shown a jump in the youth rates between the first quarters of 2019 and 2020, a comparison that should better control for seasonal effects. The youth unemployment rate increased in Australia, Indonesia, Japan, Malaysia, and Viet Nam, as well as in Hong Kong, China, which had the largest jump – 3 percentage points. In the Republic of Korea and New Zealand, the rate decreased slightly, while in Thailand there was no change. In all of the economies that experienced increases, the youth unemployment rate rose more than the adult rate.

<table>
<thead>
<tr>
<th>Economy</th>
<th>Youth</th>
<th>Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 Q1</td>
<td>2019 Q4</td>
</tr>
<tr>
<td>Australia</td>
<td>12.5</td>
<td>11.3</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>7.1</td>
<td>9.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15.4</td>
<td>18.6</td>
</tr>
<tr>
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<td>3.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>11.0</td>
<td>8.3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>10.3</td>
<td>9.9</td>
</tr>
<tr>
<td>New Zealand</td>
<td>12.5</td>
<td>11.3</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>6.9</td>
<td>6.9</td>
</tr>
</tbody>
</table>

Note: “Youth” refers to ages 15–24 and “adults” to ages 25 and over, except for Indonesia (where adults refers to 25–59) and Malaysia (where adults refer to working age population 15–64). Indonesia data references are February for Q1 and August for Q4.


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10 The Global Survey on Youth and COVID-19 was conducted by the ILO and partners of the Global Initiative on Decent Jobs for Youth from 21 April to 21 May 2020. Further information is available at https://www.ilo.org/employment/areas/youth-employment/WCMS_740745/lang--en/index.htm. Initial results and methodology were discussed in ILO (2020b). The regional analysis for Asia was based on responses from seven countries, which have more than 100 responses, in the region – the People’s Republic of China, India, Indonesia, Japan, the Philippines, the Republic of Korea and Sri Lanka – resulting in a final regional sample of 2,164 observations.

11 The estimates should be treated with caution as young self-employed people made up only 13 per cent of all those employed in the regional sample.

12 “Stopped working” is defined as people who either declared they lost their job since the onset of the COVID-19 pandemic or have reported at least 1 hour worked daily before the outbreak and 0 hours worked daily during the outbreak. “Average” refers to the weighted average of seven countries.
Among the countries with available data, results are mixed regarding whether the early COVID-19 impacts, measurable in unemployment rates in the first quarter 2020, were felt more by young women or young men. In four of seven economies, the unemployment rate of young women increased more than that of young men, with the largest gap seen in Hong Kong, China (Figure 7). Yet among Japan, the Republic of Korea and Thailand, the first quarter loss was concentrated more in jobs held by young men. In numerous countries that lack official unemployment statistics, jobs for young women are considered to be especially vulnerable in the current crisis. During the last few decades, many young women in the region have been able to find formal jobs in the manufacturing sector, giving them a rare opportunity to earn a steady income outside of the home. The textiles and garments sector is especially important as an employer of young women in Southern Asian countries. The dramatic collapse in consumer demand, including for garments, is therefore especially devastating for young women in this subregion as it threatens to narrow the already limited window of opportunity to leave the NEET status through manufacturing jobs.

The results from the few countries with available data after March 2020 confirm that the COVID-19 impact on jobs intensified at the beginning of the second quarter. Between March and April 2020, the youth unemployment rate increased by 1 percentage point or more in Australia, Japan and the Republic of Korea (Figure 8). In contrast, the adult rate increased only in Australia during that period. However, in May, the youth unemployment rate in the Republic of Korea (the only country with data) showed a slight recovery, while the adult rate increased slightly. The final panel in Figure 8 shows the year-on-year change in unemployment in April.
FIGURE 8.

Youth and adult unemployment rates (monthly, %) and change in rates from April 2019 to April 2020 (percentage point): Australia, Japan and the Republic of Korea

Australia

Japan

Republic of Korea
The lower tenure of youth and comparative ease of pushing young employees out in comparison to adult workers is at play behind the higher youth unemployment rates as mentioned above (and in Box 1). But the situation also reflects the extent to which young people work in the hardest-hit sectors of the labour market. The ILO identified four sectors expected to be most adversely affected by the pandemic-induced collapse in economic activities – wholesale and retail trade, manufacturing, real estate and business activities, and accommodation and food services (ILO 2020a). Youth employed in the high-impact sectors (as a share of total youth employment) is much higher than the corresponding figure for adults – 47 per cent compared with 39 per cent (Figure 9). Preliminary estimates for 2020 suggest that more than 100 million young workers in Asia and the Pacific – nearly one in two young workers in the region – are employed in the sectors experiencing high impact on their economic output (Table 3). The share of working youth in high-risk sectors was 47 per cent in South-Eastern Asia and the Pacific, and 36 per cent in Southern Asia.13

Because data are not available for the People’s Republic of China, there is insufficient country coverage to allow for estimation of the Eastern Asia subregion.
### TABLE 3. Asia and the Pacific youth employed in hard-hit sectors, 2020 estimates

<table>
<thead>
<tr>
<th>Economic sector</th>
<th>Immediate impact of crisis on economic output</th>
<th>Level of employment (million)</th>
<th>Youth share in total sector employment (%)</th>
<th>Sector share in youth employment (%)</th>
<th>Share of young women in youth employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (15+)</td>
<td>Youth (15–24)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>High</td>
<td>261</td>
<td>34</td>
<td>13.1</td>
<td>15.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>High</td>
<td>281</td>
<td>35</td>
<td>12.6</td>
<td>16.3</td>
</tr>
<tr>
<td>Real estate; business and administrative activities</td>
<td>High</td>
<td>119</td>
<td>8</td>
<td>6.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>High</td>
<td>103</td>
<td>25</td>
<td>24.1</td>
<td>11.5</td>
</tr>
<tr>
<td>Transport; storage and communication</td>
<td>Medium-high</td>
<td>137</td>
<td>12</td>
<td>8.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Arts, entertainment and recreation, and other services</td>
<td>Medium-high</td>
<td>100</td>
<td>13</td>
<td>12.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>Medium</td>
<td>8</td>
<td>1</td>
<td>14.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Financial and insurance services</td>
<td>Medium</td>
<td>37</td>
<td>3</td>
<td>7.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Construction</td>
<td>Medium</td>
<td>164</td>
<td>18</td>
<td>11.2</td>
<td>8.4</td>
</tr>
<tr>
<td>Agriculture; forestry and fishing</td>
<td>Medium-low</td>
<td>439</td>
<td>46</td>
<td>10.5</td>
<td>21.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>Low</td>
<td>13</td>
<td>1</td>
<td>4.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Public administration and defense; compulsory social security</td>
<td>Low</td>
<td>64</td>
<td>3</td>
<td>5.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Human health and social work activities</td>
<td>Low</td>
<td>85</td>
<td>8</td>
<td>9.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Education</td>
<td>Low</td>
<td>103</td>
<td>10</td>
<td>9.4</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Note: Impact ratings are based on the sectoral assessment first presented in ILO (2020e).

Young women are overrepresented in three of the four high-impact sectors, particularly in accommodation and food service activities (Figure 9). Overall, young women represent 35 per cent of total youth employment in Asia and the Pacific. In South-Eastern Asia and the Pacific, the share of young women employed in the high-impact sectors surpasses their share in total youth employment. Young women in Southern Asia are overrepresented in manufacturing, a sector that, prior to COVID-19, provided a pathway and opportunity for young women in the subregion to move out of NEET status and into employment. These vulnerabilities are exacerbated by the uneven distribution of unpaid household and care work, which have increased as a result of business and school closures and caring for family members affected by COVID-19, hindering young women’s availability for market activities (ILO 2020f). Young women are also vastly overrepresented in education and in human health and social work. While the two sectors are considered to experience low immediate impact on their economic output, it highlights the important role of young female workers in two sectors that are critical in healthcare and the socio-economic recovery from COVID-19.

14 The three sectors are (1) accommodation and food service activities; (2) real estate, business, and administrative activities; and (3) wholesale and retail trade, and repair of motor vehicles and motorbikes.
More detailed data for Thailand enable analysis of a wider range of indicators. First, more young people were temporarily absent from work in the first quarter of 2020 than adults (ILO 2020g). The industries showing the largest increase in the number of young workers temporarily absent from work were manufacturing, construction, transport and storage, and other service activities. Second, more young women than young men moved to part-time work. Third, young workers were more severely impacted by cuts in working hours than were adults.

BOX 2. Lessons from past crises: how do recessions affect long-term job prospects of young people?

Several studies demonstrate that young people experience long-lasting labour market impacts due to economic crises. A study of financial crises in Europe during 1980–2005 found a lasting impact on youth unemployment rates up to five years after the onset of the crisis, with the second and third years being the worst. The following are areas of impact on youth studied in the literature:

- **Youth unemployment.** The youth unemployment rate following recessions increases more and faster than the adult rate. Studies on Canada, the Republic of Korea and the United States identified a range of effects that were more negative for young than for adult workers, including being the first to lose jobs, working fewer hours and taking more time to secure quality income-generating opportunities.

- **Wage scarring.** Young workers who successfully find income opportunities following recessions must contend with a lasting negative impact on their productivity and wages. Studies done around the world show that earning losses are recovered slowly and may span a decade. This outlook is worse for young people who are entering the labour market without a college education.

- **Delayed asset holding.** An area not prominently covered, but with research from Asia and the Pacific, concerns asset holding and how fewer job opportunities and lower income generation lead to delayed accumulation of productive assets such as property. Vulnerable groups sell assets, utilize “common” assets, and take out loans to bridge periods of economic difficulty.

Sources: Choi, Choi and Son (2020); Choudhry, Marelli and Signorelli (2012); Genda, Kondo and Ohta (2010); Heltberg, Hossain and Reva (2012); Kahn (2010); O’Higgins (2011); Oreopoulos, von Wachter and Heisz (2012); Schwandt and von Wachter (2019); Sironi (2018); Vandenberghe (2010).

3.1.3 Impact on youth entrepreneurship

For young entrepreneurs, the additional constraints faced in comparison with adult business owners risk being compounded by the COVID-19 crisis. A rapid assessment of young entrepreneurs in the region found that the vast majority (86 per cent) reported a negative impact to their business caused by the crisis (UNDP and Citi Foundation 2020). One in three of those negatively impacted reported a major slowdown, while one in four was forced to stop entirely. In Cambodia, according to a survey by the Young Entrepreneurs Association with the business community, more than 85 per cent of respondents were expecting a decline in revenue and profit due to COVID-19, with 58 per cent expecting both revenue and profit to halve (YEAC 2020). The survey found that 92 per cent of firms encountered lower productivity and 91 per cent experienced deteriorating finances, including cash flow problems and an inability to repay or renegotiate loans. Micro, small and medium-sized enterprises (MSMEs) in the hospitality, travel and tourism sectors were those most affected in Cambodia.

Borino, Cordobes and Mohan (2020) analyze another global survey to draw out valuable youth-specific impacts on entrepreneurship. The report finds:

- Many youth-led firms are at risk of shutting down permanently: 42 per cent of companies led by managers or owners under the age of 35 reported being at risk of permanently shutting down, compared with 35 per cent for firms not led by youth.

- Encouragingly, youth-led MSMEs seem to be more receptive to agile business strategies than adult MSMEs in responding to the crisis. They are more likely to turn to strategies such as online sales, creating new or customized products, or temporarily lending their employees to other enterprises.
BOX 3. Lessons from past crises: impacts on youth self-employment

During the Asian Financial Crisis in 1997, self-employment tended to increase among youth and adults, and young people were on average more likely to become self-employed than adults among the countries with available data. As firms are forced to lay off employees during a recession, both youth and adults are more likely to engage in self-employment. In the most affected countries – the Republic of Korea, Indonesia, Malaysia, the Philippines and Thailand – there was a spike in self-employment from 1997 to 1998. For four of the countries (except the Philippines), the self-employment rate was higher in 1998 than any year since. The increase (by 1.3 percentage points) translated into more than 1.1 million young people becoming self-employed during the crisis. On average, the youth self-employment rate in the five countries increased slightly more (by 1.3 percentage points) than that of adults (by 1.2 percentage points).


Sources: ADB (1998); ILOSTAT.

3.1.4 Impact on the quality of jobs and well-being of youth

The forms of work that many young people engage in make them more vulnerable than adults to income and job loss in economic crises. The incidence of informality is much higher among young workers than among adults (Section 2), and for many youth, wage employment takes the form of hourly and daily work, with precarious income and job security. The cumulative effect of lockdown measures, workplace closures and limited job opportunities during the crisis and early recovery phase is likely to mean young people will increasingly seek income through informal employment and/or non-standard forms of work, including gig work. Data from a gig economy jobs portal, QWork, showed volatility in demand for unskilled gig workers in Malaysia was more than five times higher than for skilled gig workers from December 2019 to May 2020. Skilled workers were more likely to be able to transition to remote work through technology, while unskilled workers faced increased challenges due to movement restriction orders as most tasks require physical presence. However, as lockdown measures were gradually lifted from May, demand for unskilled workers accelerated more quickly due to an increased need for manual warehouse and delivery workers in e-commerce and logistics. In Indonesia, demand for skilled gig workers at QWork from January to May 2020 was three times more volatile than demand in the same period in 2019, reflecting economic uncertainty as a result of the crisis.

Young people's well-being is also being negatively affected by the pandemic. According to the Global Survey on Youth and COVID-19, young people (aged 18–29) are also suffering effects on their mental health and well-being (ILO 2020b). More than 40 per cent of young people in Asian countries in the survey sample were possibly affected by anxiety or depression. Young women were found to be more likely affected by mental stress than young men. The effects on mental health were found to be strongest among young people whose education or work had been disrupted. Young workers who had lost their jobs were much more likely to be affected by anxiety or depression than those who continued to be employed.

3.2 Disruptions to education and training

Disruptions to education and training caused by COVID-19 will have profound additional impacts on young people’s employability and employment. At the peak in April 2020, school closures affected more than 90 per cent of students worldwide (UNESCO n.d.). Technical and vocational education and training (TVET) has also been severely disrupted by the crisis. In Malaysia, more than nine of ten respondents to a survey reported a complete closure of TVET schools and training centres as a measure to counter the COVID-19 pandemic, with
additional partial closures for specific regions and activities. More than three of four respondents reported the cancellation or postponement of certifying exams and assessments for TVET trainees. Most respondents reported that the delivery of work-based learning and apprenticeships had been affected by the closure of workplaces. In addition, more than eight of ten respondents continued training fully remotely (online and/or offline distance learning) or partly remotely (a mixture of face-to-face, online and/or offline distance learning), whereas before the pandemic, more than one of four respondents did not use online and/or distance learning at all.

Disruptions of work-based learning have also been significant, with impacts on the provision of apprenticeships and internships. Responses to a survey on the COVID-19 impact on staff development and training with public and private enterprises and other organizations indicate that, in India, two thirds of firm-level apprenticeships and three quarters of internships were completely interrupted. In the Philippines, three quarters of both firm-level apprenticeships and internships were completely interrupted as a result of the pandemic. Despite this, six of ten companies in India continued to provide wages or stipends to apprentices and interns, whereas in the Philippines the economic slowdown caused the majority of responding companies to discontinue providing wages or stipends to apprentices and interns. The biggest challenges that firms cited as preventing continued apprenticeships and internships were (1) difficulties in delivering hands-on training, (2) infrastructure issues (in both countries), (3) limited digital literacy of users (in India), and (4) cost (in the Philippines).

Disruptions of education and learning risk exacerbating pre-existing inequalities, especially related to gender. Given that women bear a disproportionate share of household and unpaid care work, and that care and household work burdens increased due to school closures, young women may have less time for learning. Social and cultural norms might also consider women's education less important than men's, resulting in greater withdrawal of women than of men from education, in the context of limited family resources during and after the crisis. Another consequence of reduced household income combined with the disruption to education and training of youth could be an increase in exploitative work of young children in the household, and even child labour (see Box 4).

Unequal access to digital technologies contribute to gaps in education and training prospects during the COVID-19 crisis. Virtual education and training have been a critical offering during the closure of institutions, with many institutions quick to adopt distance learning. The shift towards digitalization in the delivery of education and training, including TVET programmes, has been accelerated due to COVID-19. The ultimate success or failure of online learning depends on the availability of infrastructure and resources of institutions and students. Young students with limited infrastructure and skills to access the internet will be left behind as schools and training institutions shift to distance learning. The International Telecommunication Union (ITU) estimates that less than half (48 per cent) of the population in Asia and the Pacific were using the internet in 2019 (ITU 2019). The region had only 14 fixed-broadband subscriptions per 100 inhabitants and only 43 per cent of households had a computer. Furthermore, not everyone has the information and communication technology (ICT) skills required to fully benefit from distance, digital-based, learning. There is a large gap in the share of youth and adults with various ICT skills for Sustainable Development Goal 4.4.1 in Asia and the Pacific. For example, only 5 per cent of youth and adults in Pakistan (2016) and 28 per cent in Cambodia (2017) had copied or moved a file or folder.

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18 The Global survey on staff development and training in the context of COVID-19 pandemic for public and private enterprises and other organizations was launched by ten international and regional development partners, including ADB and the ILO. Responses cited in this report are based on a sample of 71 firms operating in India and 183 firms operating in the Philippines – noting that a different number of respondents answered each question. At the time of writing, survey results were not yet published.

**BOX 4. Lessons from past crises: impacts on human development**

Various studies have shown that economic shocks have a negative impact on human development, especially among individuals below the age of 30, and can have permanent consequences.

Particularly in lower and middle-income countries, economic crisis and financial distress can push children and youth into work to complement family income. In the context of greater adult unemployment and lower family income, coupled with limited social protection, families reconsider the opportunity cost of sending their children to school. Research from Indonesia showed gender disparities, with girls more likely to be withdrawn from school than boys. Lessons from Indonesia also show that the increased cost of school materials affects the quality of education.

The COVID-19 economic contraction reduces employment opportunities and wages for parents and increases the risk of informal or exploitative work, which in turn can contribute to child labour. Furthermore, the loss of weeks or months of learning and training can result in reduced motivation, with greater dropout rates and changes in career plans, which can permanently impact labour market outcomes. By contrast, in middle- and upper-income economies, education and training participation can increase. In times of economic contraction and reduced labour demand, youth may refrain from transitioning into the labour market, and remain in education. In the context of COVID-19, however, this option is currently limited because educational institutions are closed and in-person learning opportunities are fully or partly suspended.

Sources: Heltberg, Hossain and Reva (2012); Ferreira and Schady (2009); Fuentes-Nieva and Seck (2016); ILO and UNICEF (2020); Lundberg and Wuermli (2012); Marcus and Gavrilovic (2010); Roxby (2015); UNESCO (2020a, 2020b, 2020c).

### 3.3 School-to-work transition

As a result of the crisis, young people will likely face more difficult labour market transitions. Given the severe recession in almost all countries, today’s young labour market entrants will likely encounter a market with fewer vacancies. They may also find themselves competing for jobs with adults who are more experienced workers and may have lost their jobs during the crisis. Youth who had made the school-to-work transition but were already without work prior to the crisis and those working but aspiring to transition to better employment opportunities are also likely to face increased obstacles.

Many young workers in the region were new to their jobs and thus more vulnerable to disruption. In Indonesia, Lao People’s Democratic Republic and Nepal, between 31 and 40 per cent of employed youth were in their current job for less than one year in 2017. In the Philippines, data from the last quarter of 2019 indicate that 9 per cent of working youth were in their first job. The lack of job tenure is a well-known cause of higher youth than adult unemployment rates during times of economic contraction (Box 1).

The pathways of a large share of young workers in Indonesia, Lao People’s Democratic Republic, Nepal and the Philippines into the world of work was through a first job in sectors now most impacted in the current crisis (Table 3). Data on youth who were in their current job for less than one year (as a proxy for the school-to-work transition) shed light on the sectors and occupations that provide new employment opportunities. In Indonesia, 20 per cent of young people’s new jobs were in manufacturing and 43 per cent were in market services. In Lao People’s Democratic Republic, although a large share of new jobs were in agriculture (30 per cent), which is considered medium–low impact, a significant proportion of new jobs for youth were in wholesale and retail trade (19 per cent) and manufacturing (11 per cent), which are among sectors with the greatest risk of disruption. These sectors were also among the main providers of new employment for young workers in Nepal: manufacturing accounted for 15 per cent of new youth jobs in the country, while wholesale and retail trade accounted for 13 per cent. Agriculture and construction were also large providers of new jobs for youth, at 16 and 20 per cent respectively. In the Philippines, three of the four main sectors where youth found work were in the high-impact category: wholesale and retail trade (23 per cent), accommodation and food services (11 per cent) and manufacturing (10 per cent). Generally, manufacturing and wholesale and retail trade accounted for larger shares of new opportunities for young women than for young men.

Transiting from school to work during an economic crisis will have long-lasting impacts on the labour market outcomes of youth in Asia and the Pacific, as shown in previous crises (Box 5).
BOX 5. Lessons from past crises: impacts on school-to-work transitions

Young workers who enter the labour market during a recession experience earnings and wage reductions. They are forced to compete with more job seekers (the majority of whom are more experienced) for fewer jobs. University graduates earn less for a decade or longer. In general the losses are more pronounced for disadvantaged entrants. Lesser-educated individuals entering a labour market that exhibits “duality” (as in the case of Japan) during recessions experience the strongest and most persistent income losses compared with their more-educated peers who exhibit substantial yet weaker income losses. Workers who graduate in a weak economy are less able to fully shift into better jobs once the economy recovers. Early employment experiences are critical and school-to-work transitions that start with low-quality, low-paid employment may persistently hinder access to better-quality and better-paid employment. Recession costs may be disproportionately borne by young people transitioning from school to work because it is easier to halt hiring than to layoff incumbent workers. This was the case for young people who entered the Japanese labour market during the prolonged recession of the mid-1990s and early 2000s. The already precarious reality of young people is further complicated by the increase in part-time and temporary jobs following shocks.

1 “Duality” refers to labour markets where provisional/temporary contracts exist and create distinct types of employment: (1) regular, well-paying jobs in the primary market; and (2) temporary, low-paying jobs in the secondary market.

Sources: Genda, Kondo and Ohta (2010); Kahn (2010); Oreopoulos, von Wachter and Heisz (2012); Schwandt and von Wachter (2019).
Estimated youth job losses and youth unemployment for the year 2020

The fall in economic activity will impact youth employment throughout 2020. How significant that impact will be is not yet known, although figures for the first and second quarters, presented above, provide some indication. This section estimates job losses for all of 2020 for 13 countries in the region, based on expected output losses. Projected youth unemployment rates are also provided, showing cases of up to a doubling of the 2019 rate.

Economic output will fall in most parts of the region in 2020. The temporary closure of businesses and restrictions on the movement of customers, workers and travelers (which are needed to contain the virus) have precipitated a dramatic fall in demand and output. Gross domestic product across 45 economies in developing Asia is expected to increase by only 0.1 per cent in 2020, down from 5.1 per cent the previous year (ADB 2020). These revised mid-2020 estimates are considerably lower than the ones that the Asian Development Bank produced as the crisis was just beginning to unfold. Furthermore, the estimated outcome would represent the region’s lowest growth since 1961. Overall growth is likely to be positive because growth in the People’s Republic of China, the region’s largest economy, is likely to remain positive in 2020. However, growth may be negative in 33 of 45 economies. All subregions, except for East Asia, are expected to experience contraction on aggregate in 2020.

Lower product-market demand and restrictions on mobility have reduced labour demand and supply. Employment losses are taking a variety of forms: layoffs and reductions in hours for hired workers and reduced work time and the cessation of work for own-account workers and those heading enterprises, notably informal microenterprises (section 3.1.1). Workers may also be shifting from formal to informal work. As a result, quantifying youth employment loss is difficult; however, this section will attempt to do so by using estimates of output declines to calculate full-time job loss equivalents based on a 48-hour work week.

Table 4 presents estimates of job losses for 13 countries. The results are based on the estimated impact of the pandemic on sector output for each country and the resulting decline in the demand for labour. The methodology is provided in the Annex. There are two scenarios: one in which the spread of the virus is contained within three months and the other within six months. Containment began at different times in each country, which is incorporated into the estimates. The jobs losses are for the whole of 2020 and are full-time equivalents.
Youth are expected to lose employment at a faster rate than adults. The fall in youth employment will be affected by the last-in-first-out process, in which young workers (hired more recently and with less job protection) are likely to lose work at a faster rate than adults. The ratio of youth-to-adult employment losses for the bulk of countries in the region in the current downturn is not known. The average rate from the experiences of 167 countries between 2000 and 2018 is that an increase of 2 percentage points in the youth unemployment rate paralleled a 1 percentage point increase for adults (ILO 2020c). The ratio for several countries included in the estimates below was near or below 2:1 for the Asian and global financial crises in 1997–98 and 2007–08. The job loss estimates presented here use a conservative ratio of 1.5:1, as explained in the Annex.

Young people in the 13 countries may lose the equivalent of 9.9 million jobs in 2020 under the 3-month scenario. Naturally, the largest losses are expected in countries with the largest workforce, but the start date of serious containment measures and the severity of restrictions also have an important impact. In India, the equivalent of 4.1 million youth jobs may be lost, followed by Pakistan with 1.5 million. These countries not only have a larger population and workforce, but they also imposed stringent containment measures and did so early, in the latter half of March. As containment measures have continued to be in force after three months in many countries, despite some relaxation, the short containment results are best viewed as a lower bound of job losses. They may be most realistic for countries that have avoided a serious outbreak such as Cambodia, Thailand and Viet Nam.

Job losses among youth may reach 14.8 million in 2020 in the 13 countries under the 6-month containment scenario. A longer containment period will naturally result in higher job losses. For most countries, a 6-month period would reach into September because containment started near the beginning of April. This is likely the case for the Philippines. In other countries many restrictions will be lifted, and businesses will have resumed full operations before September. In the 6-month scenario, job losses for youth may equal 6.1 million in India, followed by Pakistan with 2.3 million. Indonesia may see lower job losses (1.9 million) than Pakistan, despite the former having a larger youth workforce. This is likely the result of higher concentrations of youth in badly hit sectors and lower labour productivity in Pakistan.

The youth unemployment rate may rise in all 13 countries—but less than double in most. An indicative youth unemployment rate for 2020 is estimated using the job loss data (Table 4). Under the short containment...
scenario, the youth unemployment rate will rise by less than double in eight of the 13 countries. In three others, the rise will be just over double. Among these countries, the rate will remain relatively low, below 5 per cent in Lao People’s Democratic Republic and Nepal. In Fiji, India and Mongolia, the rate may rise to near 30 per cent, and may be just over that level in Sri Lanka. In the two countries with the highest increases – Cambodia and Thailand – the rise will be more than threefold, albeit from a low base in each case. They have seen a low number of positive cases and deaths from the virus. However, their economies depend heavily on tourism (and associated transport) and on export-oriented manufacturing, which have experienced disrupted supply chains and a large falloff in orders. Where the containment extends for six months, rates will be higher, in many cases up to a tripling.

Aggregate job losses will concentrate in seven sectors (Table 5). Some of these sectors have been hard hit by the pandemic and employ many young people (as shown earlier in Table 3). These sectors – retail trade, textile manufacturing, and hotels and restaurants – will naturally experience large aggregate job losses. Other sectors may not be especially hit hard by the pandemic but will nonetheless incur large aggregate job losses because they employ many workers. These sectors include agriculture, and other community, social and personal services. Some sectors that may be hard hit by the pandemic and likely to experience a high rate of job loss may, however, have only modest aggregate job loss because they are relatively small and do not employ many young workers. An example is the rental and business services sector; it is listed among the high impact sectors in Table 3, but is not among the seven sectors identified in Table 5.21

The seven sectors, out of 35, may account for 70 per cent or more of total youth job losses in all but three countries (Table 5). In manufacturing, the largest losses are expected in textiles, although they are concentrated in the major exporters. Textiles may account for just over 10 per cent of losses in Bangladesh, Cambodia and Sri Lanka, and 15 per cent in Viet Nam, but will be lower in other countries. Agriculture will suffer the largest losses in four of the 13 countries. Tourism has been hit hard by the economic crisis and this is reflected in expected employment losses in hotels and restaurants. The sector may account for 10 per cent or more of employment losses in nine countries, with the highest losses in Cambodia, Mongolia and the Philippines. The inland transport sector will likely account for about a quarter of losses in Fiji and Lao People’s Democratic Republic.

<table>
<thead>
<tr>
<th>Country</th>
<th>Agriculture</th>
<th>Retail trade</th>
<th>Hotels and restaurants</th>
<th>Inland transport</th>
<th>Other services</th>
<th>Construction</th>
<th>Textiles and textile products</th>
<th>Total among 7 sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>22.9</td>
<td>12.1</td>
<td>2.6</td>
<td>7.4</td>
<td>4.5</td>
<td>12.8</td>
<td>13.6</td>
<td>75.9</td>
</tr>
<tr>
<td>Cambodia</td>
<td>12.5</td>
<td>6.3</td>
<td>26.8</td>
<td>12.6</td>
<td>19.1</td>
<td>2.0</td>
<td>11.3</td>
<td>90.6</td>
</tr>
<tr>
<td>Fiji</td>
<td>4.2</td>
<td>14.5</td>
<td>8.2</td>
<td>28.4</td>
<td>15.9</td>
<td>3.8</td>
<td>0.5</td>
<td>75.6</td>
</tr>
<tr>
<td>India</td>
<td>28.8</td>
<td>9.0</td>
<td>1.9</td>
<td>5.7</td>
<td>3.1</td>
<td>24.6</td>
<td>4.2</td>
<td>77.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>16.3</td>
<td>19.0</td>
<td>12.8</td>
<td>3.2</td>
<td>5.1</td>
<td>6.4</td>
<td>3.6</td>
<td>66.6</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>22.4</td>
<td>8.5</td>
<td>13.4</td>
<td>20.6</td>
<td>11.0</td>
<td>2.3</td>
<td>1.2</td>
<td>79.3</td>
</tr>
<tr>
<td>Mongolia</td>
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<td>9.2</td>
<td>41.0</td>
<td>0.0</td>
<td>10.9</td>
<td>1.6</td>
<td>0.7</td>
<td>72.2</td>
</tr>
<tr>
<td>Nepal</td>
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<td>13.5</td>
<td>12.8</td>
<td>0.0</td>
<td>7.9</td>
<td>21.7</td>
<td>4.5</td>
<td>73.1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>33.3</td>
<td>13.3</td>
<td>2.4</td>
<td>4.9</td>
<td>2.0</td>
<td>14.1</td>
<td>7.5</td>
<td>77.4</td>
</tr>
<tr>
<td>Philippines</td>
<td>15.2</td>
<td>16.2</td>
<td>19.8</td>
<td>3.6</td>
<td>8.1</td>
<td>12.9</td>
<td>0.6</td>
<td>76.4</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>9.4</td>
<td>13.7</td>
<td>11.2</td>
<td>4.5</td>
<td>3.7</td>
<td>11.1</td>
<td>10.1</td>
<td>63.9</td>
</tr>
<tr>
<td>Thailand</td>
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<td>11.1</td>
<td>10.5</td>
<td>6.1</td>
<td>22.6</td>
<td>5.1</td>
<td>1.4</td>
<td>73.6</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>10.6</td>
<td>6.9</td>
<td>13.6</td>
<td>7.8</td>
<td>3.5</td>
<td>0.3</td>
<td>15.0</td>
<td>57.8</td>
</tr>
</tbody>
</table>

Notes:
1 Including hunting, forestry and fishing
2 Except of motor vehicles and motorcycles; including repair of household goods
3 Other community, social and personal services
These seven sectors (of 35) have the most job losses on aggregate for the 13 countries combined, but may not be the top seven sectors for an individual country.
Sources: ADB estimates using data from ILOSTAT (http://ilostat.ilo.org) and ADB Multiregional Input–Output Tables.

21 Note that Table 3 is based on 14 sectors, whereas Table 5 uses 35 sectors, although only the top seven are shown.
Policy recommendations to tackle the regional youth employment crisis

The severe economic and labour market impact of the COVID-19 pandemic on young people’s employability and employment requires urgent, large-scale and targeted responses. The recommended measures include short-term actions for the outbreak phase and medium-term actions for the recovery phase. The need for informed sequencing of the policy response is a key lesson of past crises, especially those that are protracted and generate significant second-order impacts (Heltberg, Hossain and Reva 2012; Cruz et al. 2020). The sequencing needs to facilitate a transition from temporary crisis response measures to longer-term poverty reduction and labour market inclusion strategies.

5.1 Stimulating economy and youth employment – laying the foundations for inclusive recovery

Governments should adopt an integrated approach to employment and economic recovery measures to protect young people’s jobs. Ultimately the best way to stimulate youth employment is to raise aggregate demand. A comprehensive policy approach for the short- and medium-term will (1) stimulate the economy and employment, including through countercyclical policies, demand-side interventions and financial support to specific sectors such as health; (2) support enterprises and jobs; (3) assist vulnerable individuals; (4) protect workers in the workplace; and (5) incorporate social dialogue. In promoting recovery, well-designed and coordinated gender-responsive macroeconomic, employment and social policies can have mutually reinforcing effects (ILO 2020c).

To support young people specifically during periods of constrained fiscal resources, such as the COVID-19 pandemic, governments need to balance (1) the inclusion of youth in wider labour market and economic recovery measures with (2) youth-targeted interventions to maximize efficiency in the allocation of resources. The combination of measures should be specific to the unique socioeconomic context of the country, taking into account institutional capacity, social norms and the structure of the labour market, especially the youth labour market. In order to include youth in recovery measures, governments should assess the intended and actual impacts on youth. For example, it is important to understand to what extent measures such as providing credit to enterprises and directly assisting poor households will benefit the youth population. In the recovery phase, the combination of measures seen to be most effective in targeting youth can be transitioned to support longer-term sustainable economic and social development inclusive of youth.

22 The four pillars of the ILO COVID-19 policy framework based on International Labour Standards are (1) stimulate the economy and employment; (2) support enterprises, jobs and incomes; (3) protect workers in the workplace; and (4) rely on social dialogue for solutions. A comprehensive overview of policy response measures taken in response to COVID-19 is available on the ADB COVID-19 Policy Database at https://covid19policy.adb.org/. A comprehensive overview of policy recommendations for youth employment at global level is summarized in ILO (2020c).

23 Discussion of effective wider labour market and economic recovery measures is included in ADB (2009), ADB (2017) and Felipe and Fullwiler (Forthcoming).
Expanding existing youth employment support programmes can be another efficient way to provide support. Increasing the coverage, duration and type of assistance provided by youth programmes already in place can help to reach at-risk young people rapidly in the crisis situation. Just before the onset of the crisis, Indonesia’s Ministry of Manpower started to roll out a new training programme, the Pre-employment Card (Kartu Pra-Kerja) Programme (IDN Financials 2020). The programme’s targeting was adapted in response to the outbreak of COVID-19 in the country to prioritize laid-off workers, informal workers and micro and small business owners across heavily-impacted tourism-oriented regions. The programme includes a target of reaching 2 million youth. Financial incentives are provided for participation in pre-employment and on-the-job training in skills that are in high demand, such as foreign languages and data science. Indonesia also introduced new regulation stipulating conditions for the programme’s offline training courses in compliance with health protocols.

Target support to firms in the hardest hit sectors. A critical part of the youth employment response and recovery package is providing support to the sectors that are most adversely impacted by decreased economic activity, as well as sectors that account for large shares of young workers. With more than 100 million young workers in Asia and the Pacific engaged in the most severely affected sectors at the onset of the crisis, national strategies to support economic recovery and the capacity of enterprises within these sectors to retain workers is a priority. At the regional level, these sectors include hotels and restaurants (which are linked to tourism) and export-oriented and labour-intensive manufacturing, such as textiles.

In the medium-term, governments should, at a minimum, target support to sectors with the highest potential for a job-rich recovery for youth. Yet building back better through investment of public resources needs to go further, to also take into account the high level of potential for incorporating climate mitigation and adaptation – such as renewable energy, energy efficiency, green building and infrastructure, public and clean transport, sustainable agriculture – as well as low carbon intensity – such as the care economy and education (ILO 2020h). Future employment and skills development in the digital economy and the green economy can offer employment pathways for young people.

5.2 Designing well-targeted active labour market programmes

A comprehensive and targeted approach to active labour market programmes (ALMPs) must be at the centre of a youth employment response and recovery package. A range of youth-targeted and gender-responsive ALMPs is needed to ensure that recovery-oriented job creation and employment opportunities for workers have built-in, short-term measures to protect income and enterprises. Evidence examined in Kluve et al. (2017) has shown that investments in comprehensive ALMPs improve labour market outcomes of youth and play a key role in targeting support to at-risk young people in both crisis and recovery phases. The following recommendations set out specific ALMPs that should be prioritized:

▶ **Provide youth-targeted wage subsidy programmes.** Wage subsidies can help young people enter, re-enter or remain in the labour market by reducing the costs of recruitment, retention and training. Such subsidies have effectively increased long-term employment prospects for youth, including in leading to higher skills, productivity and employment retention (ILO 2020c). To enhance effectiveness, programmes should clearly communicate the subsidy scheme and type of conditionalities (Almeida et al. 2014). In Malaysia, the Government announced financial incentives for employers to hire and train 300,000 unemployed people. This included 600 Malaysian ringgit (MYR) per month for apprenticeships for school leavers and graduates for up to six months (Ministry of Finance, Malaysia 2020).

▶ **Mobilize public employment programmes for youth.** Job creation and placement schemes can offer immediate work opportunities to unemployed young women and men during the disease outbreak phase while also maintaining their work readiness through skills interventions (ILO 2020f). Rapid mobilization of community-based voluntary or subsidized placements can also help youth maintain attachment to productive activities, and support communities during the pandemic. Governments in the region are adapting their public employment programmes in response to COVID-19. The Republic of Korea aims to provide jobs to more than 550,000 young adults and low-income earners. Specific youth-targeted measures focus on creating 50,000 high tech jobs for young adults, such as content development and big data management, as well as 50,000 internships for young adults (MOEF 2020).

▶ **Support youth in employment planning and job search assistance.** Employment services to help young people access relevant information about labour market opportunities will be critical given limited labour demand and disrupted labour market transitions, including from school to work. This can be combined
with financial support during the job search period, through targeted and time-bound social assistance, especially in the crisis recovery phase. Mobilizing the private sector, civil society and other stakeholders to facilitate matching available employment opportunities with young jobseekers, including through digital innovations, can complement public employment services. The recovery phase provides an opportunity to upgrade and digitalize employment services. Australia has introduced targeted income support for young people looking for work. A time-limited supplement of 550 Australian dollars (AUD) per fortnight is paid for existing and new recipients of the job-seeker payment for those aged 22 and over, and the youth allowance is provided for job seekers aged 16–21.24

Expand youth access to training, reskilling and upskilling. A focus on training is particularly critical when education institutions and workplace learning have been so severely impacted by the COVID-19 pandemic. In the short term, training is a tool to strengthen labour market mobility and resilience. Focusing on developing demand-driven skills maximizes the chances of labour market reintegration. Investments in developing and implementing quality apprenticeship programmes can also provide an effective pathway for employers and young workers to match skills supply with fast-changing labour market needs and increase productivity in the recovery phase (ILO 2020i). Subsidies for training programmes are particularly effective in terms of employment outcomes for young workers in low-income countries, who often lack skills (Bordos, Csallig and Scharle 2016). Complementing training programmes with income stipends can help youth in poor households who cannot afford not to make a living. In Malaysia, the Government created an MYR2 billion fund dedicated to reskilling and upskilling for 200,000 youth and unemployed workers to enhance employability. The relief package also supports student loan deferments and provides a one-off MYR200 payment to post-secondary students (Ministry of Finance, Malaysia 2020).

Medium-term investments in training can increase the productivity of youth to help “build back better”. Education and training policies play a crucial role in equipping young jobseekers with the skills needed in growing occupations and in sectors with employment potential. A key enabler of future recovery will be thus be ensuring that education and training policies and systems respond well to labour market demand in growth sectors and occupations.

With the use of online learning set to increase, expanding digital infrastructure and access will further transform labour market prospects. Broadband connectivity, ICT equipment, quality curricula and digital skills for learners and instructors are all required to enhance the delivery of education and training, and to provide avenues for increased resilience in future crises. An inclusive approach to digitalization is required to address the underlying inequalities in access to digital infrastructure and technologies. Policies will also need to ensure that the digitalization in the delivery of education and training, including TVET programmes, is accompanied by appropriate certification of participation in online and blended learning so that accreditation can help to facilitate transitions of young participants to work.

Invest in youth entrepreneurship. Self-employment is an important platform for young people to gain independence and earn a livelihood. More young people may be forced into self-employment as a result of COVID-19 through necessity, so it is vital that it becomes a space for productivity and self-fulfillment. In the short term, access to finance and business development services can support income and business continuity, including training and toolkits specific to agile responses for managing business crises. Many young entrepreneurs in the region are showing resilience and creativity and are managing to innovate in response to the crisis; examples are presented in Box 6.

In the medium-term recovery, comprehensive measures combining financial support with business skills training, advisory services and access to markets can be fostered. The aim is to promote productive self-employment and entrepreneurship, including in business areas and sectors that provide growth opportunities. As young people face more constraints than adults to business startup and growth opportunities, targeted measures for young entrepreneurs within support packages to MSMEs will be vital (DJY n.d.). And dedicated support to young female entrepreneurs will help address the gender-specific barriers to entrepreneurship.

Innovations and improved access to finance, including recovery-related finance programmes, will be of particular value to young entrepreneurs who typically struggle to access mainstream financial products due to lack of collateral or experience. Finance is most effective in generating business success when combined

24 Individuals can access the services on websites of the Australian Government: [JobSeeker Payment](https://www.jobseeker.gov.au) and [Youth Allowance for job seekers](https://www.gov.au/youth-allowance) (accessed 2 July 2020).
with complementary interventions in skills training, entrepreneurship training, support for financial record keeping, legal assistance, and support to participate in production and value chains (Sievers and Vandenberg 2007). Governments can also consider increasing demand by encouraging private businesses, governments, and consumers to source from youth-led enterprises.

### BOX 6. Young entrepreneurs’ innovations during the COVID-19 pandemic

**Protecting rural livelihoods, the Philippines**
AGREA, a social enterprise to end rural poverty, launched #MoveFoodInitiative to help farmers reach households with fruit and vegetables that would otherwise be wasted during the pandemic.

**Supporting mental health, Bangladesh**
Mindo, a youth-led mental health service platform, is providing free mental health sessions to people in need and donating food to people from low-income communities.

**Selling handmade masks, Cambodia**
SPEAK, a youth-led online platform in Cambodia for handicraft producers, started producing handmade masks that are sold through their e-commerce platform.

**Distributing personal protective equipment and groceries, Bhutan**
Bundle, an innovative youth-led delivery system, is being used to distribute personal protective equipment and deliver groceries.

**Helping the deaf, Pakistan**
Founded by youth, Deaf Tawk’s quality online sign language interpretation services for vulnerable deaf people include essential online interpretation to navigate hospitals and embassies.

Sources: UNDP (2020); World Economic Forum, COVID Action Platform (accessed 2 July 2020).

### 5.3 Embedding cross-cutting priorities into policies

**Prioritize support to vulnerable youth to promote an inclusive recovery.** First, particular attention should focus on supporting livelihoods, jobs, education and training of young workers living in conditions of moderate or extreme poverty. For these young people, expanding access to social protection and health care in the short term is particularly important. Combining benefits with non-financial assistance such as job search support can be particularly effective (ILO 2020c).

Governments should also shape gender-responsive measures to provide the support that young women will need to recover from COVID-19-related challenges. To unlock the potential of young women in Asia and the Pacific in the medium-term, an acceleration of policy responses is needed to tackle gender gaps in education and employment, ease occupational segregation and promote the value of unpaid care work. Policies and programmes should also encompass other excluded groups, including young persons with disabilities, young migrants and youth in rural, conflict-affected or fragile settings through tailored and context-sensitive measures.

**Engage youth in policy development and social dialogue.** Youth should be meaningfully engaged in shaping effective measures to mitigate the negative effects of the crisis and support an economic and employment recovery. Strengthening social dialogue among governments, and workers’ and employers’ organizations is important at all stages in the crisis response, and requires enhancing the capacity of social partners to represent young workers. Social dialogue can facilitate the design of credible, effective and well-contextualized solutions informed by in-depth knowledge of vulnerable young workers and young entrepreneurs (ILO 2020j).

Young people, youth associations and networks have been fast to mobilize in response to COVID-19. Box 7 illustrates some key roles demonstrated by youth groups in supporting youth employment response measures across the region.
BOX 7. Examples of youth associations and networks supporting the COVID-19 youth employment response

Student mentorship programme, Singapore
Advisory Singapore and National Youth Council Singapore established a virtual industry mentorship programme for students aged 16–25 whose academic term, graduation, internship, summer opportunity and job prospects have been affected. The aim is to provide them with career-related advice and personalised support.

Employment facilitation, Viet Nam
The Ho Chi Minh Communist Youth Union collaborated with the Hanoi Students’ Association and the Hanoi Youth Federation to connect young people, including students, with employers who offer jobs working from home and from the workplace after the pandemic ends.

Online jobs hub, the Philippines
Help From Home is a youth-led information hub founded by a volunteer group of recent graduates and young professionals. Following the outbreak, it formed a dedicated unit to signpost job opportunities in different sectors to daily wage earners who have lost their source of livelihood due to COVID-19.

Sources: Advisory Mentorship Program Online; Peoples World; Help From Home.

Promoting social dialogue, rights of young workers and meaningful youth engagement can help renew the intergenerational social contract for countries at varying stages of the demographic transition in the region. Governments can mobilize channels for accountability and representation such as youth involvement in a multi-stakeholder crisis task force or an advisory youth forum for response and recovery policy making. In the Philippines, the Government held a public consultation with over 400 youth leaders from more than 100 schools and 35 organizations to generate actionable recommendations for the country’s recovery. Proposals covered education, agricultural livelihoods, social protection and MSMEs (Department of Finance, Philippines 2020).

Enhance youth labour market information. In the short term, to understand and mitigate the impacts of COVID-19, rapid surveys and better use of available high-frequency data and administrative data can complement labour force surveys by providing timely, specific identification of needs for improved targeting of vulnerable youth populations. Age disaggregation of data is critical to understanding impacts on youth and delivering the right balance in youth-targeted and youth-inclusive measures. Further, combining quantitative with qualitative information helps provide an understanding of the realities that people experience from first and second-order shocks, which then can be used to design more relevant responses (Heltberg, Hossain and Reva 2012). In the crisis recovery phase, governments should ensure that national statistics offices are adequately supported for regular production and implementation of surveys, survey analysis and development of agile labour market information systems, all of which are critical for informed employment policy making. Finally, further evidence on what works in supporting youth employment crisis response and recovery will help inform policy making and programming and add to the evidence base for addressing future shocks.
References


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Annex: Methodology for estimating youth job losses and unemployment

The estimated youth job losses and indicative youth unemployment rates for 2020, as presented in Section 4, are based on the following methodology.

ADB’s Economic Research and Regional Cooperation Department has estimated the impact of COVID-19 on output growth in the region (ADB 2020). Its own Multi-Region Input-Output Tables (MRIOT), containing 35 sectors, is used to estimate domestic and external demand shocks and derive the effects on output. The approach incorporates economy-level information from the initial few months of 2020 on the severity of the outbreak, restrictions on mobility (from house) and the nature of lockdown policies. These three factors are shown to be correlated with the output declines represented in actual data for the early part of 2020. Labour-to-output ratios, calculated from labour force survey and output data, are then used to generate total employment loss by sector, for each country. Employment loss is expressed in units of full-time equivalent persons based on a 48-hour work week. Mean weekly hours of actual work per worker (per sector) is used to calculate full-time equivalents. For Fiji and India, data on mean hours worked are not available and thus persons employed are assumed to work an average of 48 hours. The methodology is explained further in Abiad et al. (2020).

To derive the youth share of job losses, we first find the youth share (ages 15–24) and the adult share (ages 25+) of total employment (ages 15+) for each sector from recent labour force data for each country, as follows:

\[
\text{Share of YJ} = \frac{YJ}{TJ} \quad \text{; Share of AJ} = \frac{AJ}{TJ}
\]

where:

- YJ = youth jobs
- AJ = adult jobs
- TJ = total jobs

Youth lose jobs more readily than adults for a given decrease in output due to the last-in-first-out principle in which youth are the most recently hired and the least protected and therefore are more likely to be laid off when employers shed labour. This is assumed to occur at ratio of 1.5:1, that is, for every 1 percentage point increase in the adult unemployment rate, there is a 1.5 increase in the youth rate. This is lower than that the 2:1 ratio calculated for a diverse set of 167 countries from 2000–2018 (ILO 2020h). A more conservative rate is used because the 13 countries in the current estimates are all developing countries in which less stringent (and less stringently enforced) employment protection regulations and lower unionization rates are likely to reduce the gap in the difficulty of laying off adult versus young workers.

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25 This is a plausible assumption for India. Some evidence from the NSSO exists that Indian workers work on average about or more than 48 hours a week (urban: 53–54 and rural 46–47). This is in line with neighbours Pakistan and Bangladesh (for which we have data) in which the average actual week is also above 48 hours. If it is above 48 for India, our job loss (equivalent) results will be slightly underestimated for India. See "What the NSSO employment report really tells us", The Telegraph online, 23 Jul. 2019.
As such, we have:

\[
\frac{AJL}{AJ} + \frac{YJL}{YJ} = \frac{1}{1.5} \quad (1)
\]

and note that:

\[
YJL + AJL = TJL \quad (2)
\]

where:

\begin{align*}
AJL & = \text{adult job loss} \\
YJL & = \text{youth job loss} \\
TJL & = \text{total job loss}
\end{align*}

Using equations (1) and (2) we can derive youth job loss as follows:

\[
YJL = \frac{TJL}{1 + \frac{1}{1.5} \left(\frac{AJ}{YJ}\right)} \quad (3)
\]

To calculate the youth unemployment rate, the youth job losses are added to the number of unemployed youths in 2019 (to obtain the numerator). Youth employment data for 2019 were taken from national estimates for five countries (Cambodia, the Philippines, Mongolia, Sri Lanka and Viet Nam). National estimates were not available for the other eight countries and, instead, International Labour Organization modelled estimates, available in ILOSTAT, were used.

To estimate the youth labour force for 2020 (denominator), the previous year’s total was added to an increase extrapolated from the average increase in previous years. The calculation also assumes that those who lose employment want to work and are not inactive. Given that they were working, it is reasonable to assume that they want to work (are willing), although restrictions on movement and a bleak job market may mean that they are not able to work or search for it.