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**Promoting Youth Employment During
COVID-19: A Review of Policy Responses**

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JUNE 2022

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ABSTRACT

Promoting Youth Employment During COVID-19: A Review of Policy Responses*

Economic and social disruptions caused by the COVID-19 crisis have particularly affected younger people, and therefore policy should respond with measures, programmes and initiatives targeted at this population group. Next to broader labour market and economic measures, which ultimately also benefit younger people, youth-targeted measures are needed given the specific impacts of the pandemic and resulting challenges. Against this background, this policy brief gives an overview on actual policy responses in the area of youth employment during the COVID-19 crisis in 20 selected countries. If such measures are implemented, they share the common goals of reducing the negative impacts of the COVID-19 crisis on younger workers and avoiding long-term scarring effects. However, the precise nature, extent and scope of such measures substantially differ across countries. Given the fragility and large uncertainty of economic recovery that is still present in early 2022, broader policy support continues to be needed, including specific policy measures targeting youth.

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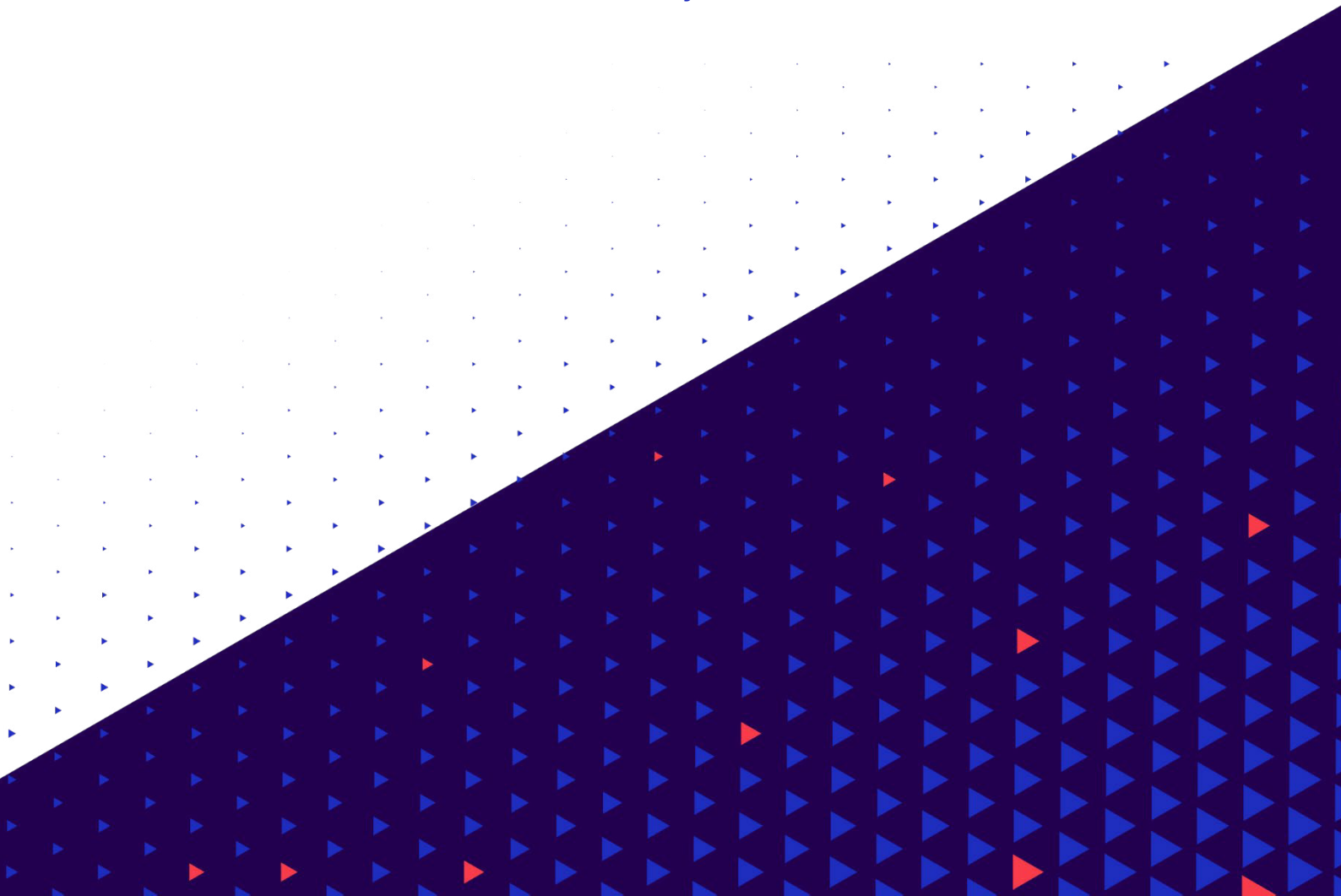


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► Abstract

Economic and social disruptions caused by the COVID-19 crisis have particularly affected younger people, and therefore policy should respond with measures, programmes and initiatives targeted at this population group. Next to broader labour market and economic measures, which ultimately also benefit younger people, youth-targeted measures are needed given the specific impacts of the pandemic and resulting challenges. Against this background, this policy brief gives an overview on actual policy responses in the area of youth employment during the COVID-19 crisis in 20 selected countries. If such measures are implemented, they share the common goals of reducing the negative impacts of the COVID-19 crisis on younger workers and avoiding long-term scarring effects. However, the precise nature, extent and scope of such measures substantially differ across countries. Given the fragility and large uncertainty of economic recovery that is still present in early 2022, broader policy support continues to be needed, including specific policy measures targeting youth.

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▶ Specific impacts of COVID-19 on younger workers

Economic and social disruptions caused by the COVID-19 pandemic, and by measures to contain the spread of the virus, may have lasting effects on employment, earnings and working conditions. This is likely to be especially the case for younger workers who are at the beginning of their career or have not even entered the labour market yet.

Similar to what has been the case in previous recessions, it appears very likely that the COVID-19 crisis will result in long-term disadvantages for current graduates and, more broadly speaking, for the current generation of younger workers (e.g., Kahn 2010; Oreopoulos et al. 2012; Schmillen and Umkehrer 2017). Lasting scars for these workers could even be more severe than in previous recessions given the magnitude, breadth and duration of the COVID-19 crisis, and could thus lead to worse employment prospects and lower earnings for many years.

The impact of the COVID-19 crisis differs across countries, depending on factors such as the severity of the pandemic, containment measures adopted, and associated economic shocks. But even countries with a relatively small public health impact (e.g., New Zealand) experienced substantial economic shocks and have not yet returned to their pre-crisis economic state. Moreover, the pre-crisis situation with respect to youth employment and school-to-work transitions had differed across countries, as well as the related institutional background. In this complex situation, countries furthermore implemented different policy responses specifically targeted at the youth population to reduce negative impacts on younger workers and to avoid long-term scarring effects.⁵

Particularly strong negative crisis impacts on younger workers can be expected in countries where younger workers are overrepresented in certain sectors that were strongly affected by the pandemic and containment measures (e.g., tourism). More generally, crisis impacts on younger workers are also very likely larger in a labour market context with a large informal sector and generally weak labour market institutions, but especially with weak institutions supporting transitions from school to work. In these countries, the youth population had already been very vulnerable before the outbreak of the pandemic, and the COVID-19 crisis exacerbated these vulnerabilities. This implies that in countries with notoriously high youth unemployment rates already before the pandemic, the COVID-19 crisis could undo all progress made, e.g., since the Great Recession, in this respect.

In countries with a lack of formal job opportunities and a weak social safety net with few incentives to register as unemployed, it can be expected that many young individuals withdraw from the labour market or delay entry into the labour market. The risk that young people are left behind may thus be particularly high in these countries.

⁵ While the focus in the subsequent analysis is on labor markets outcomes, it should be noted that important scarring effects could also occur in terms of the mental health outcomes of younger workers (e.g., Varga et al. 2021). In this context, for example, Sander et al. (2021) point to potentially long-lasting negative effects of the COVID-19 pandemic on education and career outcomes of young individuals.

The situation for younger workers in countries that heavily rely on a dual apprenticeship system, even if it is strongly developed, may also be challenging. Such a system depends on firms' demand for apprentices. If firms are reluctant to hire new worker and also new apprentices, this implies that younger workers in these countries do not only face deteriorating employment prospects after their graduation, but also that a larger part of the usual vocational training system leading to degrees and certificates may come to a halt.

▶ Heterogeneous impacts of COVID-19 on youth labour market outcomes

The COVID-19 crisis has severely affected labour markets around the world, hurting young people more than other age and population groups. For example, at the global level youth employment fell by 8.7 percent in 2020, while the adult population experienced a 3.7 percent employment drop during the same period (ILO 2021a).

The employment decline among younger workers is mirrored by a rise in youth unemployment, but even more importantly, by a huge surge in inactivity rates. A decomposition exercise for 2020 shows that while the worldwide employment losses for the entire population in that year can be attributed to a rise in unemployment (1.1 percent) and inactivity (2.6 percent), employment losses for the youth population are basically entirely due to the surge in inactivity (8.7 percent; ILO 2021a).

This is why unemployment statistics do not fully capture the COVID-19 impact on young people, and they also do not capture the heterogenous impact across countries. For example, incentives to register as unemployed are much lower, if they exist at all, in countries where the unemployment status is not associated with (significant) welfare benefits. In contrast, NEET rates may better capture the COVID-19 impact on youth.⁶ Although there had been substantial cross-country differences already before the pandemic in this regard, these differences are likely to have been exacerbated during the COVID-19 crisis. For example, the latest available data on NEET rates across OECD countries indicate significant cross-country differences among 15- to 29-year-olds in 2020, ranging from seven percent in Switzerland to almost 41 percent in South Africa (OECD 2022a). The average NEET rate in the OECD in the age group from 15 to 29 years was 13.4 percent in 2020.

Likewise, in a broader sample of countries that does not only include OECD countries, NEET rates clearly remained above the pre-crisis level in the third and fourth quarters of 2020 (ILO 2021b). The annual ILO modelled estimates of NEET rates, which refer to the age group from 15 to 24 years and are available for 278 countries and regions over time, moreover, clearly show that both, the pre-COVID-19 NEET rates and the percentage point change in NEET rates that occurred after the outbreak of the pandemic, were much larger in non-OECD countries (ILO 2022).

⁶This indicator measures the share of young people (in a given age group) who are neither in employment nor in education and training (NEET).

▶ Available policy measures targeted at younger workers

Broadly following Eurofound (2021) and OECD (2021), newly introduced or adapted youth-targeted measures in the context of the COVID-19 crisis can be categorized into four types of measures:⁷

1. **Direct employment support and hiring subsidies:** While job retention schemes are a widely used policy response to the pandemic, also in light of experiences made during the Great Recession (Brenke et al. 2013), measures such as short-time work are usually targeted at the general population, and typically only at workers with permanent contracts, but not specifically targeted at younger workers. Examples for direct employment support targeted at younger workers include, however, specific hiring subsidies and other measure to support job creation for this group, as well as start-up subsidies for younger entrepreneurs.
2. **Social protection and income support:** Against the background of particular financial challenges for younger people, measures were launched to offer younger workers, students or graduates better access to and greater coverage by social protection during the pandemic.
3. **Work-based learning, training and vocational education:** Several governments have reacted with incentives for employers to hire apprentices and interns, as both strongly depend on firms' demand. In addition, particular attention has been paid during the COVID-19 crisis to supporting and increasing offers of training, internship and apprenticeship opportunities to compensate for disruptions caused by the pandemic. Also, the transition to online learning, financial aid for students, new and adapted pathways for reintegration into education, the provision of additional places in tertiary education institutions, and adapted conditions for taking exams during the pandemic have been supported.
4. **Employment services:** As employment services were disrupted by the pandemic and associated measures to contain the spread of the virus, policy responses have included initiatives to adapt the delivery and content of support as well as to increase the outreach and service provision to young people, and to strengthen the capacity of providers and their staff to adjust.

Next to these separate types of measures, it is also possible to introduce bundles of measures (regardless of the existence of an acute crisis situation), sometimes referred to as a “youth strategy”, which typically comprise measures of several types of the above categories. One prime example for such an approach is the European Youth Guarantee.⁸

⁷ Eurofound (2021) lists mental health support as a separate category, which we do not include here. We also do not include measures to strengthen the rights of younger workers.

⁸ It should be noted that also several low- and middle-income countries have put forward an array of youth-relevant policy measures across different policy types, even if these are typically not clustered or as well coordinated as in the example of the European Youth Guarantee.

The European Youth Guarantee is the commitment to ensure that all young people under a certain age threshold in the EU receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Against the background of the COVID-19 crisis and the focus on more job-ready young people in the majority of EU countries, the reinforced Youth Guarantee builds on the Youth Guarantee from 2013 by reducing the age threshold of young people from 25 years to 29 years and by requiring targeted and more individualized approaches for vulnerable groups (Konle-Seidl and Picarella 2021; OECD 2021).

▶ Key policy responses for younger workers in selected countries

Table 1 shows policy responses in the area of youth employment during the COVID-19 crisis in 20 selected countries. This diverse sample of countries has been selected to cover a broad set of countries with different types of labour markets and welfare states, and to include high-income countries, medium-income countries as well as low-income countries. Additional selection criteria have been a broad geographic coverage in the sample, the availability of (broadly comparable) information and the availability of national experts. As a result, the sample includes nonetheless more high-income countries than medium-income countries or low-income countries. This composition of the sample should be kept in mind as high-income countries were generally more active in terms policy responses to the COVID-19 crisis, which very likely also affected the observed labour market impacts of the pandemic in these countries.

Next to the presentation in Table 1, the situation in four countries is described as case studies in more detail in the Appendix (A.1: Austria, A.2: France, A.3: Canada, and A.4: Philippines).

Against the background of rather heterogenous challenges and initial situations in the 20 selected countries, the key policy responses also differ significantly across countries, both in scale and area of focus. While work-related measures such as hiring subsidies or work-based learning activities have been frequently deployed, especially in European countries, responses beyond labour market support vary to a larger extent and are less comprehensive (Konle-Seidl and Picarella 2021).⁹

A common observation, however, is the initial focus of policy responses in the 20 selected countries at the onset of the COVID-19 crisis on the general stabilization of the economy in terms of demand and supply, primarily via rather broad support measures to firms and private households.

In the labour market, too, the focus in the initial phase of the COVID-19 crisis was overwhelmingly on general stabilization measures (Barford et al. 2021). In many countries, for example, job retention schemes such as short-time work were used very intensively – especially in countries where such schemes had already existed before the pandemic. Corresponding regulations, however, were often adjusted in these countries to facilitate and accelerate access. Although the

⁹In this context, however, Konle-Seidl and Picarella (2021) refer primarily to measures designed to improve mental health, which are not considered in detail here.

general stabilization measures in the initial phase of the pandemic were mostly not targeted at specific population groups, younger workers who less frequently work on a permanent or regular contract than prime-aged workers were often underrepresented in measures such as short-time work.

Many countries were slow to respond to the COVID-19 crisis with youth-specific measures, but some countries also implemented very targeted measures to stabilize youth employment and the vocational training sector fairly quickly after the outbreak of the pandemic (Eichhorst et al. 2020). In countries where concrete initiatives targeted at youth were rather quickly implemented, which was the case in most countries in Northern and Central Europe, measures strongly depend on the institutional context, are highly path-dependent, and are therefore related to the youth measures that had already been previously implemented.

For example, Germany and Austria implemented support measures to stabilize the respective country's dual apprenticeship system at a rather early stage of the COVID-19 crisis (see Appendix A.1 for more details on Austria). This approach appears very reasonable as in these countries, the situation for younger workers involved particular challenges because the functioning of dual apprenticeship systems strongly depends on firms' demand for apprentices and, more generally, for workers – which had practically collapsed at the onset of the pandemic.

Another example is France, where different measures targeted at younger workers (hiring subsidies and subsidies for apprentices) were introduced at a rather early stage of the COVID-19 crisis, too. The French measures are part of the “one young person, one solution” plan (*un jeune, une solution*), which was launched in July 2020 (see Appendix A.2 for more details on France). Other countries, for example the United States and the United Kingdom, were rather slow in implementing active support measures for youth, but many of these countries rather quickly provided ad hoc passive support measures and emergency financial aid for vulnerable youth such as students.

In contrast, in many Southern European countries and in many countries in the Global South the situation of younger workers and, more generally, of new labour market entrants did not receive particular attention – at least not at the onset of the pandemic (Eichhorst et al. 2020; Barford et al. 2021). For example, Spain adapted its pre-existing measures for youth only to a limited extent – and at a comparatively late stage in the pandemic. In Canada, the focus was also on expanding and modifying measures targeted at younger people that had already been in place before the COVID-19 crisis. Other countries did not respond with specific measures for youth at all: While Peru implemented broadly targeted support measures to alleviate the negative impacts of the pandemic on the general population, it did not introduce (or extend) measures with a specific focus on younger workers. Similarly, no policy responses to the pandemic with a specific focus on youth can be observed in Egypt.

Some countries in the Global South, however, reacted rather quickly with youth employment measures, often implemented as part of a relative broad policy agenda that includes a focus on youth. For example, South Africa adjusted and extended pre-existing youth employment initiatives and also launched new initiatives (see Appendix A.3 for more details on South Africa), although in a rather uncoordinated manner. It is also reported that, partly due problems in programme implementation in South Africa, less than half of the originally announced relief was spent until

Summer 2021. The Philippines put in place various support measures in a whole-of-government approach which goes beyond a human capital development approach (see Appendix A.4 for more details on the Philippines). The country's ongoing employment recovery agenda includes the continuation of pre-existing programmes, their adaption and expansion, as well as new programmes implemented by various government entities with a focus on youth.

It is still very unclear how the policy responses that were implemented in various countries actually affected the development of youth employment. However, some countries report problems in implementation or coordination (e.g., South Africa). In general, we observe that youth employment measures were often not the primary focus of policy responses at the onset of the pandemic, but the focus of policy has gradually shifted more towards the need of specific population groups – and if this is case, younger workers are quite often considered. Furthermore, implemented youth employment measures are very heterogeneous, which appears reasonable given huge differences in the employment situation and institutional context across countries.

► **Table 1: Key policy responses for young people in 20 selected countries during COVID 19**

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
<p>Austria (also case study, see Appendix A.1)</p>	<ul style="list-style-type: none"> ● Overall: Primary focus on the provision of education and training measures. ● Youth strategy: Austria's implementation strategy of the European Youth Guarantee revolves around several measures, including the Education and Training until 18 (<i>AusBildung bis 18</i>), apprenticeships without connection to a firm (<i>Überbetriebliche Lehrausbildung, ÜBA</i>), Youth Coaching, Fit for Training (<i>AusbildungsFit</i>) and Training Guarantee until 25 schemes (<i>Ausbildungsgarantie bis 25</i>). In 2020, the Federal Ministry of Labour spent around EUR 831 million for the integration of young people aged under 25 years into Austria's labour market (Federal Ministry of Labor Austria 2022). ● Income support: Increased earnings limit for recipients of the education allowance (<i>Schülerbeihilfe</i>) that supports young people from disadvantaged backgrounds from tenth grade onwards and for the study grant (<i>Studienbeihilfe</i>). ● Hiring subsidies: An integration subsidy (<i>Eingliederungsbeihilfe</i>) existed prior to the crisis which subsidises wage costs for employers recruiting people who have been long-term unemployed or threatened by long-term unemployment. One of the three target groups for the subsidy is young people up to the age of 25 who have been unemployed for at least six months. The subsidy covers up to two-thirds of the gross monthly salary and half of non-wage labour costs with an upper limit for a period of up to three years. ● Work-based learning: Through the Apprenticeship Bonus, employers could receive a bonus of EUR 2,000 for each newly hired apprentice from March to October 2020, with an additional bonus of EUR 1,000 or EUR 500 for smaller firms. In addition, the support for apprentices in COVID-19 short-time work has been extended until June 2022, and firms that

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<p>train an apprentice from an insolvent or a closed company receive a bonus of EUR 1,000. The Just2Job initiative, implemented in August 2020 and in place until 2024, also provides low-qualified younger workers (20 to 30 years old) with the opportunity to experience shortened apprenticeship training in cases where their past vocational training may no longer be relevant or appropriate. As of October 2020, around 1,000 shortened apprenticeship placements had been taken up under this initiative. Additional funds were also made available to increase the number of positions in apprenticeships without connection to a firm (<i>Überbetriebliche Lehrausbildung, ÜBA</i>) to accommodate students who are unable to find firm placements.</p> <ul style="list-style-type: none"> • Employment services: The Corona Job Offensive includes measures providing unemployed younger workers with the opportunity to train and reskill through public employment services. EUR 700 million was allocated to the public employment service to equip people with skills by the end of 2021, with one focus group being early school leavers.
Canada	<ul style="list-style-type: none"> • Overall: Focus on expanding and modifying existing programmes and strategies. • Income support: The Canada Emergency Student Benefit provides financial support to post-secondary students as well as recent post-secondary and high-school graduates who were unable to find work due to the COVID-19 crisis. Between May and August 2020, applicants received CAD 1,250 every four weeks for a maximum period of 16 weeks. • Work-based learning: Canada Summer Jobs, a programme that aims to provide flexible and holistic services to help all young Canadians develop the skills and gain paid work experience to successfully transition into the labour market, has introduced temporary flexibilities to respond to the needs of employers and youth in the context of the COVID-19 pandemic. The Summer Jobs programme, which provides wage subsidies to SMEs to hiring young people for quality work experience has also been adapted in light of the COVID-19 crisis. Wage subsidies have been increased from 50 percent of the minimum wage to 75 percent, part-time placements are now eligible, and job placements year-round have been made eligible until spring 2022. The Student Work Placement Programme received additional funding of CAD 266 million for 2020-21 in light of the COVID-19 crisis and the threats this would place on student work placements, which allowed for the wage subsidy to be increased from 50 percent to 75 percent. The Apprenticeship Job Creation Tax Credit also incentivizes employers to hire apprenticeships by providing a tax credit of 10 percent of the wages payable to eligible apprentices in the first two years.

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
Denmark	<ul style="list-style-type: none"> ● Overall: Broad support measures, especially for younger people in further education. ● Income support: In April 2020, the government amended the legislation on the State Education Grant (SU) to increase financial support available for younger people in education. An additional loan has also been made available for younger people who have already exhausted their educational grant. ● Hiring subsidies: Wage subsidy from May to December 2020 for private companies that retained or recruited apprentices. ● Work-based learning: A tripartite agreement was signed in May 2020 allocating around DKK 5.4 billion (around EUR 725 million) to support trainees and apprentices through funds from the Employers' Educational Grant. The agreement included a wage subsidy scheme that was in place from May to December 2020 for private companies that retained or recruited apprentices. Companies were covered for 75 percent of the salaries of apprentices they retained. ● Employment services: An existing trainee scheme targeted at unemployed graduates with higher education has been extended until 2022 through additional funding. The trainee scheme combines practical work training at public or private employers with targeted CV-guidance and qualification courses, while also ensuring access to unemployment benefits.
Egypt	<ul style="list-style-type: none"> ● Overall: No specific policy responses oriented towards youth employment in the context of the COVID-19 crisis. ● Youth strategy: A general programme and activities plan of the Ministry of Youth and Sports ("Qualifying youth for the labour market and spreading the culture of self-employment") for the fiscal year 2021-22 exists. ● Income support: Soft loans for young people are provided through the National Project for Human and Social Development (Mashroa'ak -Your Project) funded by Egyptian banks. More general: Expansion of Takaful and Karama cash transfer programme, temporary cash assistance programme for 1.6 million irregular workers (initially planned for three instalments of EGP 500 each starting in May 2020, but later extended to six instalments ending in March 2021), and consumer spending initiative (Krafft et al. 2021). ● Work-based learning: Programmes and curricula for schools and universities are designed with a focus on entrepreneurship training, targeting 5,000 younger people annually.

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
<p>France (also case study, see Appendix A.2)</p>	<ul style="list-style-type: none"> • Overall: The primary policy response targeted at young people is the “one young person, one solution” plan. • Youth strategy: The “one young person, one solution” plan had an initial budget of EUR 6.7 billion, which was later expanded to EUR 9 billion. Its aim is to provide a solution for every young person through a package of measures including hiring subsidies for employment and apprenticeships, strengthening of employment support, and training targeted at disadvantaged young people. • Income support: One-off income support of EUR 200 was provided in June 2020 to nearly 800,000 people under the age of 25 experiencing financial hardship due to the COVID-19 crisis. These funds were primarily targeted at young people who are not in education and who receive housing assistance. • Hiring subsidies: Since summer 2020 firms can receive a subsidy of up to EUR 4,000 for newly hiring an employee under the age of 26 for at least three months. This hiring subsidy has moreover been adjusted to working time and to the employment duration. The scheme initially lasted until January 2021, but it has been subsequently extended. • Work-based learning: For the first year of an apprenticeship, if the respective contract was signed between July 2020 and December 2021, employers can receive a subsidy of up to EUR 5,000 for an apprentice under 18 years e or up to EUR 8,000 for an older apprentice. • Employment services: People aged 16 to 29 years can benefit from intensive job search support from the main public employment service. The number of places has been doubled. New employment-to-training pathways for NEETs under 25 years have been created that are provided by local employment and social services specialized in youth support. In addition, a four-month programme for school leavers aged 16 to 18 years was launched in 2020. 100,000 additional qualifying training places were made available in the public employment service for younger people aged 18 to 29 years. Courses are geared towards priority sectors in the COVID-19 recovery plan including digital sector, ecological transition sector and the health care sector.
<p>Germany</p>	<ul style="list-style-type: none"> • Overall: Focus on measures securing apprenticeships, preventing university dropout and supporting access to education, the labour market and social services. • Income support: Domestic and international students in post-secondary education can receive between EUR 100 and 500 in aid provided they can show evidence of pandemic-related financial hardship. • Work-based learning: In July 2020, the federal government set up a “secure apprenticeships” scheme to financially support small and medium-sized employers that were heavily hit by the COVID-19 crisis, and incentivize them to maintain training for apprentices. The scheme also rewards SMEs that take on trainees from firms in financial

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<p>difficulties due to the COVID-19 crisis. The federal government has continued and scaled up the scheme subsequently (until February 2022).</p> <ul style="list-style-type: none"> • Employment services: In response to the COVID-19 crisis, the Federal Employment Agency began providing virtual career orientation services in schools, and to ensure accessibility, the agency is also organizing open-air career orientation events and counselling discussion in parks. When it comes to youth policies, the main priority of the employment service is to improve the visibility of services to unemployed younger individuals.
Hungary	<ul style="list-style-type: none"> • Overall: Some specific measures, especially in education and income protection. • Income support: In April 2021, a bill was introduced exempting employees under the age of 25 from paying personal income tax from 2022 onwards. The cost of the measure is expected to be around HUF 150 billion. • Hiring subsidies: From May to August 2020, a hiring subsidy was available for employers hiring jobseekers for nine months or longer. During this period, the target group was narrowed to only include jobseekers unemployed for more than six months and jobseekers under the age of 25. A new scheme was introduced in October 2020 providing support for employers of low-skilled and young jobseekers. The subsidy covers up to 50 percent of wage costs and social contributions. Since June 2021, the scheme provides support for a broader group (jobseekers registered for at least one month and young people under 25) and for a slightly longer time period (6 months instead of the previous 5 months). • Work-based learning: Financial incentives for employers to offer traineeships, apprenticeships and other forms of work-based learning existed prior to the crisis. SMEs were already eligible to apply for wage subsidies lasting nine months when employing trainees for nine months, with a further four-and-a-half months of training provided at the cost of the employer.
Republic of Korea	<ul style="list-style-type: none"> • Overall: Stronger financial incentives and increased support measures, delivered both via comprehensive schemes and targeted instruments such as youth-specific hiring and training subsidies or career advice. • Youth strategy: The government announced a Youth Policy Basic Plan in December 2020 to promote a whole-of-government response to support young people during the COVID-19 crisis. A more specific Youth Employment Promotion Plan was also released in March 2021. In addition, the Korean government upgraded their existing New Deal programme (Korean New Deal 2.0) to adapt to new internal and external shocks. The policy scale-up devoted substantive funds specifically to support young people. It also involves setting up a new pillar on top of

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<p>the digital and green New Deal schemes: The Human New Deal aims to increase investment in human resources and social protection.</p> <ul style="list-style-type: none"> • Income support: From 2019 to 2020, a Youth Job Search Promotion Subsidy was available as part of the National Employment Support Programme, which offered KRW 500,000 per month for up to six months for young jobseekers engaging in job search. In light of the COVID-19 crisis, a Special Youth Job Search Promotion Subsidy was put in to place extending the duration of subsidies available for those who could not find a job previously. • Hiring subsidies: The Additional Youth Employment Subsidy (AYES) operated from August 2018 to November 2020. The pre-existing AYES was extended in response to the COVID-19 crisis. It involved a subsidy for newly hired younger workers given to those SMEs which increased the number of their workers compared to the previous year. As a successor to the AYES, the Special Youth Employment Subsidy (SYES) temporarily operated from December 2020 to December 2021, also in response to the COVID-19 crisis. The Digital Jobs for Youth (DJfY) was newly introduced and temporarily operated from July 2020 to December 2021 in response to the COVID-19 crisis. It has been specifically targeted at SMEs to encourage the hiring of younger workers in IT jobs via a subsidy that was provided for a maximum duration of 6 months. Similarly, the Youth Jobs and Experience Subsidy (YJES), newly introduced and temporarily operating from July 2020 to December 2020, provided subsidies for SMEs that provided younger workers with job experiences for at least 2 months. From January 2022 onward, the Youth Jobs Jump Subsidy replaced the before mentioned four programmes which had been terminated earlier. • Work-based learning: Financial incentives to hire apprentices and students for work-based learning already existed before the COVID-19 crisis, with employers able to receive up to KRW 200,000 per month. This amount has been doubled to KRW 400,000 per month. Eligibility for work-based learning has also been expanded, with jobseekers with up to two years of work experience now able to apply (previously the limit was one year). • Employment services: The National Employment Support System is being strengthened to provide targeted support for young people from disadvantaged backgrounds, e.g., by scaling up existing service channels. The Youth Employment Success Package Programme, which provides tailored employment support for low-income workers, including young people, was updated with a supplementary budget to enlarge the number of supported young people from 50,000 to 80,000 in 2020 and to 130,000 in 2021. The number of beneficiaries from the Digital Jobs for Youth Programme is also being more than doubled from 50,000 to 110,000.

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
<p>Mexico</p>	<ul style="list-style-type: none"> ● Overall: Increased income support for participants in a pre-existing programme. ● Youth strategy: The National Youth Programme for 2021-24 was released in January 2021. Its three pillars are to strengthen research on youth policy, involving and consulting young people in policy, and mainstreaming youth priorities across all areas of government. ● Employment services: The Youth Building the Future Programme implemented in 2019 provides 18- to 29-year-olds NEETs with 12 months of training in workplaces, combined with a monthly allowance and social security coverage. In 2021, the monthly allowance was increased from MXN 3,748 (around USD 190) to MXN 4,310 (around USD 218) to reduce the impact of the pandemic on youth unemployment.
<p>Netherlands</p>	<ul style="list-style-type: none"> ● Overall: Youth support measures focus on education, mental health and income support. ● Youth strategy: A Tackling Youth Unemployment Strategy was put in place in response to the COVID-19 crisis, which has been extended to 2022. In addition, the government announced a Youth Policy Basic Plan in December 2020 to support young people through the COVID 19 crisis with policy directives for each ministry. A more specific Youth Employment Promotion Plan was released in March 2021. ● Income support: Rules on the access to social assistance for young people under the age of 27 years were relaxed in November 2020, including access to reintegration instruments to support return-to-work. Already in March 2020, municipalities were given the authority to loosen the requirement for the mandatory search period of four weeks for younger individuals aged between 18 and 27 years before receiving social assistance, and this option has subsequently been extended. Emergency one-off income support (EUR 800 to EUR 2,000) was made available to students in vocational education and tertiary education to compensate for disruptions and to support young people in completing their education. ● Work-based learning: Employers cover most costs of recruiting apprentices but they are partly compensated through the Practical Learning Subsidy Scheme, which existed prior to the COVID-19 crisis. In May 2020, the subsidy scheme received additional funding for 2020-21 and 2021-22, with funding targeted at specific sectors to promote recruitment of apprentices. A Healthcare Fund is also available for care institutions offering internships to students pursuing a nursing, care, or social welfare course. ● Employment services: Regional Mobility Teams were established in November 2020 in response to the COVID-19 crisis. The role of these multidisciplinary teams is to reach out people who are at risk of losing their job, or have recently lost their job due to the COVID-19 crisis, and

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<p>to connect them to employment services. Although the teams reach out to people of all ages, youth is one of the priority target groups.</p>
<p>New Zealand</p>	<ul style="list-style-type: none"> ● Overall: Broad measures in all domains of potential policy responses. ● Youth strategy: The Youth Plan for 2020-22 sets out government actions to mitigate the impact of the COVID-19 crisis young people aged 12 to 24 years in the rangatahi and Maori populations. The government announced a Youth Policy Basic Plan in December 2020 to promote a whole of-government response to support young people through the COVID 19 crisis with policy directives for each ministry. A more specific Youth Employment Promotion Plan was released in March 2021. ● Income support: In the 2021 budget, the government increased social benefits, including those for young people, in particular for young parents. This reform increases benefits even beyond the COVID-19 crisis. The Training Incentive Allowance for higher-level study was reinstated for 2021-25, and will give sole parents on benefits access to financial support to pursue degree-level studies. ● Hiring subsidies: Already before the COVID-19 crisis, as part of the Mana in Mahi programme, employers could receive wage subsidies when hiring younger workers from disadvantaged backgrounds for permanent full-time or part-time positions. Employers can receive subsidies up to NZD 16,000 in the first year of employment and NZD 8,000 in the second year, and a further NZD 8,000 each year for industry training courses. While age eligibility requirements to participate in Mana in Mahi were loosened during the COVID-19 crisis to allow people of all ages who may benefit long-term to participate, participants are still primarily younger people. Eligibility to the Flexi Wage scheme, which supports the employment of disadvantaged jobseekers through employer subsidies, has also been expanded to include 16- and 17-year-olds. Prior to the crisis, only jobseekers aged 18 years and above were eligible. ● Work-based learning: Apprenticeship Boost is a payment to help employers keep and take on new apprentices. It means apprentices can keep earning and training towards their qualifications as the economy recovers from the impacts of COVID-19. The payment is made directly to employers. Employers of first- and second-year apprentices can apply for Apprenticeship Boost, a scheme that runs from August 2020 to August 2022. Employers are eligible up to receive NZD 1,000 per month for first year apprentices, and up to NZD 500 per month for second year apprentices. Employers can receive a maximum of NZD 16,000 for each apprentice they employ for a maximum period of 20 months. The government also allocated NZD 40 million from the Provincial Growth Fund to launch a Regional Apprentices Initiative in June 2020, which aims to support up to 1,000 new regional apprenticeship placements, with an initial focus on displaced workers and Māori and Pacific peoples.

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<ul style="list-style-type: none"> • Employment services: The Mana in Mahi programme, which already existed prior to the COVID-19 crisis, is designed to help people 16 years and older who need additional support to gain a foothold in the labour market and a formal industry qualification. The programme involves matching employers with jobseekers, allowances for training before and during employment, and wage subsidies to promote hiring by employers. In August 2020, an extra NZD 30 million in funding was provided to the programme.
Peru	<ul style="list-style-type: none"> • Overall: Broadly targeted support measures, no specific focus on youth. • Income support: An already existing temporary employment scheme (<i>Programa Trabajo Perú</i>) has been continued, targeted at the working-age population (18 years and older) who are in poverty, extreme poverty, or affected by natural disasters or emergencies. It is planned that this programme generates around 165,000 temporary jobs during 2022. • Hiring subsidies: A new subsidy scheme has been introduced (<i>Subsidio: Recuperemos el Empleo Formal</i>) to incentivize the hiring of informal workers, which is targeted at private sector employers who hire younger workers (18-24 years old) and adult workers (25 years old and older). About 350,000 workers were subsidized during 2021.
Philippines (also case study, see Appendix A.4)	<ul style="list-style-type: none"> • Overall: Whole-of-government approach beyond a human capital development approach. • Youth strategy: The National Employment Recovery Strategy (NERS) 2021-2022 and its 8-point employment recovery agenda, implemented in June 2021, is a national strategy that adopted the ILO's four-pillar policy framework for responding to the crisis, i.e., (i) stimulating the economy and employment; (ii) supporting enterprises, jobs and incomes; (iii) protecting workers in the workplace; and (iv) relying on social dialogue for solutions (President of the Philippines 2021). Importantly, the NERS includes an employment recovery agenda with a youth-specific strategy on COVID-19 response and recovery. • Work-based learning: Regional initiatives on the Government Internship Programme (GIP). In April 2021, the Technical Education and Skills Development Authority (TESDA) was tasked to develop training and instructional materials to enhance the enforcement of COVID-19 strategies at the barangay level, which resulted in strengthening health-related programmes.
Serbia	<ul style="list-style-type: none"> • Overall: Implementation of youth measures started rather late (autumn 2020) and focused on a hiring subsidy and training programmes. • Hiring subsidies: In August 2020, the programme "My First Salary" was launched which aims to increase youth employment during and after the COVID-19 crisis. As a part this programme, the government subsidizes part of the salary of up to 10,000 people younger than 30 years, without previous working experience. For high school graduates

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<p>the wage subsidy is RSD 20,000 (approx. EUR 170) and for university graduates RSD 24,000 (approx. EUR 205) for a maximum period of nine months.</p> <ul style="list-style-type: none"> • Work-based learning: Additional training programmes for those who wish to find a new job.
<p>South Africa (also case study, see Appendix A.4)</p>	<ul style="list-style-type: none"> • Overall: Pre-existing youth employment initiatives were adjusted and extended, and new initiatives were launched, both in a rather uncoordinated manner. • Youth strategy: The Presidential Youth Employment Initiative as part of the Presidential Employment Stimulus aims to support 2,000 youth-owned enterprises for 200 days each. The Youth Micro Enterprise Relief Fund aims to support 3,000 mainly informal micro-enterprises that are often not covered by other support. Additionally, job opportunities for 1,600 unemployed graduates from higher education institutions. • Income support: The COVID-19 Temporary Employer/Employee Relief Scheme (TERS) was established in March 2020 and provides, under certain conditions, for a relief benefit if, due to the pandemic, employers are unable to pay their employees or employees are required to take compulsory leave.
<p>Spain</p>	<ul style="list-style-type: none"> • Overall: Rather generalist policy responses with only limited adaptation of measures that are targeted at specific requirements of young people. • Income support: Implementation of a Minimum Life Income, a non-contributory social security benefit that guarantees minimum income to those who lack it. • Work-based learning: Financial incentives to hire apprentices and trainees already existed before the COVID-19 crisis. When employers hire younger workers aged 16 to 24 years for an apprenticeship and training position lasting one to three years, they are eligible for reductions in social security contributions and subsidies for training. An additional regulation was put into place in September 2020 to account for potential disruptions to work-based learning components resulting from the pandemic. The work-based learning component can be reduced to the minimum number of hours permitted by law and can also be replaced by modules that seek to replicate the benefits from work-based learning.
<p>Sweden</p>	<ul style="list-style-type: none"> • Overall: Focus on measures incentivizing and supporting access for young people to education and the labour market. • Hiring subsidies: Employer contributions to social security for young people (born between 1998 and 2002) will be reduced between 2021 to 2023 to cushion the impact of the COVID-19 crisis on young people's employment prospects. Municipalities will receive grants for more summer jobs for young people, which play a major role for school-to-work transitions in Sweden (Hensvik et al. 2017).

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<ul style="list-style-type: none"> • Work-based learning: The government set aside SEK 280 million in 2020 for municipalities to fund summer jobs for young people. Already before the crisis, employers could benefit from local grants for taking on apprentices and providing work-based learning, and additional grants were available where mentors of apprentices had taken a specific training course provided (or approved) by the education agency. In the 2021 budget, the government also proposed an increase in subsidies for employers providing vocational education for adults, and it has been expected that this could result in a further 15,500 state-funded training places for vocational education for adults. • Employment services: Employment services received additional SEK 25 million in 2021 to support the employment prospects of younger people and newly arrived migrants.
<p>United Kingdom</p>	<ul style="list-style-type: none"> • Overall: Rather broad approach with specific schemes for younger jobseekers at risk of long-term unemployment. • Income support: Increase in the national living wage from April 2021, with special rates for younger workers and apprentices. • Hiring subsidies: The Kickstart Scheme, launched in September 2020, is a GBP 2 billion scheme which seeks to create new job placements for people aged 16 to 24 years who are at risk of long-term unemployment. If employers are able to show evidence that the jobs created are additional and that relevant employability support will be available, they are able to claim a wage subsidy up to 100 percent of the National Minimum Wage for 25 hours per week for a period of six months for placements beginning before December 2021, and GBP 1,500 to cover costs of employability support to the employee. • Work-based learning: A new hiring incentive for employers to recruit apprentices under 25 years was initially available to employers from August 2020 to March 2021, and later extended (with slightly higher payments) until September 2021. The government also introduced special support for apprentices who were made redundant before October 2020 for a maximum period of 12 weeks. • Employment services: The implementation of the Youth Offer for younger workers aged 18 to 24 years started in September 2020 to replace the existing Youth Obligation Support Programme. The Youth Offer targets young people in the intensive work search group in employment services and provides them with wrap-around support to help them into employment. The Youth Offer consists of a 13-week Youth Employment Programme, individualized support available through Youth Hubs, and Youth Employability Coaches that provide support for young people with complex needs and barriers, including up to six weeks of in-work support once employment has been secured.

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
<p>United States</p>	<ul style="list-style-type: none"> • Overall: Focus on income support and apprenticeship programmes. • Income support: The Higher Education Emergency Relief Fund provided emergency financial aid to students during the COVID-19 crisis. The Coronavirus Aid, Relief, and Economic Security (CARES) Act of March 2020 allocated more than USD 6 billion in funding to student financial aid. The American Rescue Plan of March 2021 allocated a further USD 18 billion to student financial aid to prevent hunger, homelessness and hardship resulting from the COVID-19 crisis. Earned Income Tax Credit eligibility was widened in March 2021, meaning unaccompanied homeless young people and young people from foster care without children were able to claim EITC even if they are full-time students or working. The age from which young people can claim EITC has also been lowered to 18 for young people from foster care and homeless young people, and to 19 for all other young adults. • Work-based learning: The Department of Labour provides grants to states and workforce intermediaries to support the development of apprenticeship programmes. Since grants are provided to high-growth industries and sectors where there are labour force shortages, available grants reflect priorities for workforce development during the COVID-19 crisis. In 2021, for example, a H1-B Rural Healthcare Grant Programme was announced that will provide USD 40 million in grants for apprenticeships in health care in rural areas. In 2020, the Youth Apprenticeship Readiness Grants provided funds that can be used to account for the costs of on-the-job learning for newly hired apprentices. Tax credits are also in place at the state level. The Department of Labour released a circular providing guidance on delivering work-based learning virtually in December 2020, as well as an online guide on virtual apprenticeships. These measures have facilitated employers in shifting provision of work-based learning to virtual settings.
<p>Viet Nam</p>	<ul style="list-style-type: none"> • Overall: Broadly targeted support measures, but no specific focus on youth and implementation challenges limiting their reach. • Income support: An income support package was introduced in response to the nationwide lockdown in March 2020, providing cash transfers for different target groups for 3 months (World Bank Group 2021). Monthly transfers to poor and near-poor households, merit people, and other social assistance beneficiaries were VND 250,000 (USD 10.75), VND 500,000 (USD 21.50), and VND 500,000 (USD 21.50), respectively. Payments to formal workers ineligible for UI and to informal workers were VND 1 million (USD 43.00) and VND 1 million (USD 43.00), respectively. Household businesses were provided VND 1 million (USD 43.00) per month. • Wage subsidies: Wage subsidies were provided to workers eligible for unemployment insurance whose contract was suspended or who were taking leave without pay for one month or more beginning April 1, 2020

Country	Key Policy Responses (overall, youth strategy, income support, hiring subsidies, work-based learning, employment services)
	<p>and ending June 30, 2020 (World Bank Group 2021). The benefit level was VND 1.8 million (USD 77.40) per month for up to 3 months.</p> <ul style="list-style-type: none"> • Work-based learning: Training allowance for employers/employees who were subject to change its production or business structure or technology due to the COVID-19 outbreak.

Notes: The aim was to list only specific policy responses to COVID-19 targeted at young people. This list, however, does not include any (mental) health measures and (emergency) housing measures targeted at young people.

Sources: Own representation based on Eurofound (2021), OECD (2021), various national sources (e.g., governments and responsible ministries) and national contact persons, ILO COVID-19 Country Response Tracker.

► Conclusions and outlook: A preliminary assessment of policy measures for younger workers

The COVID-19 crisis has been particularly severe for young people in three dimensions (ILO 2021b):

1. disruptions to education, training and work-based learning,
2. increased difficulties for young jobseekers and new labour market entrants, and
3. job and income losses, along with deteriorating quality of employment.

The longer the crisis lasts, and given continued disruptions to education, training and work-based learning, securing educational participation of young individuals alone should not be regarded as a sustainable strategy as it will not by itself create youth employment. It is without question that, given the fragility and large uncertainty of economic recovery that is still present in early 2022, broader policy support continues to be needed, including specific policy measures targeting youth.

To avoid exclusion and long-term scarring effects for an entire generation of younger workers, policy measures and recovery strategies need to make youth employment a key objective, also considering intersections with other relevant dimensions such as gender (ILO 2021b; ILO 2021c). While creating youth employment should indeed be regarded as an overriding policy goal the longer the crisis lasts, especially in the early phase of the pandemic it has been essential to secure access to education, training and work-based for young people. This can be viewed as a complementary strategy to stabilizing existing jobs (e.g., via short-time work) and individual incomes (through different layers of income protection) of incumbent workers during this initial phase of the COVID-19 crisis. Subsequently, however, the focus of youth-targeted policy should shift towards hiring incentives. If labour demand is weak over a longer period, it is important that younger workers nonetheless gain valuable work experiences.

Youth-targeted policy responses also have to consider specific circumstances and institutional settings in specific countries. Nonetheless, the potentially different policy responses across countries should have the common goal of avoiding that young people are left behind. To operationalize this goal, the overall NEET rate can be used as a guide for the design of policy responses, but it should be complemented with more disaggregated NEET rates (e.g., unemployed

youth, youth who are only marginally attached to the labour market, completely inactive youth). Depending on the specific country context, it may also be the case that many young people are employed, but are still in precarious situations. Indicators measuring employment quality are then crucial.

What kind of measures work best in terms of reducing the negative impacts of the COVID-19 crisis on younger workers and avoiding long-term scarring effects? Although there is still a general lack of impact evaluations focusing on the effectiveness of COVID-19 policy responses (OECD 2022b), which particularly holds true for youth, some general lessons can be derived. But given the fundamental differences in the general economic situation, in the functioning of labour markets and in labour market institutions, these general lessons should be separately presented for countries in the Global North and in the Global South.

For example, the mixed evidence on the effectiveness of training bonuses stems exclusively from countries in the Global North. While training bonuses appear to have contributed to increasing the number of apprenticeships in France, they have been less successful in countries with established (dual) apprenticeship schemes such as Germany (Konle-Seidl and Picarella 2021). And even in France, where the number of apprentices substantially increased, effects on youth unemployment are very limited if the increase in the number of apprentices is not accompanied by a similar increase in the retention of apprentices in training firms (Cahuc and Hervein 2020).

Overall, countries in the Global North appear to have been generally better prepared to the impacts of the COVID-19 crisis on youth than countries in the Global South. Many countries in the Global North could rely on an existing toolset of labour market policies, which was also the case with respect to youth-targeted policy measures. As a result, existing programmes and measures could be expanded in these countries, or programmes and measures that had already been used in previous recessions could be reactivated. Because of this structural and institutional preparedness, many countries in the Global North could react fairly quickly and could deliver youth-targeted policy responses to the COVID-19 crisis comparatively early.

This structural and institutional preparedness is very likely also related to experiences that many of the countries in the Global North had previously made with Youth Strategies, Youth Guarantees and similar approaches comprising bundles of youth-targeted measures. For example, Konle-Seidl and Picarella (2021) point out that EU countries have put in place targeted youth policy measures at an early stage of the pandemic to avoid long-lasting scars of the COVID-19 crisis on the employment prospects of young people. This is different to their reactions during the Great Recession, and it could be one reason to believe that the negative impacts of the COVID-19 crisis for youth employment may be less severe than the consequences of the Great Recession in EU countries, and that the progress made in the years prior to the pandemic has not been completely wiped out in these countries.

However, ILO (2021b) emphasizes that the substantial income support and job retention measures put in place in many countries in the Global North tended to favour prime-aged workers. Young people often did not qualify for such support as they have been working more in less secure temporary and informal employment situations. In addition, it is again evident in the COVID-19 crisis that youth employment is more sensitive than adult employment to economic downturns. Given the magnitude, breadth and duration of the current economic downturn, these pieces of

evidence support the notion that the loss in earnings for young people around the world that has been induced by the recession precipitated by the COVID-19 crisis could be much more severe over the coming years than the earnings losses in the years following the Great Recession (ILO 2021b).

Different views on the severity of the COVID-19 impacts on younger people are not necessarily contradictory. Diverging conclusions could result from a different regional focus, as also our overview on key policy responses for younger workers in selected countries shows. Indeed, EU countries and other countries in the Global North are very different when compared to low- and middle-income countries in the Global South in almost all dimensions that could potentially affect the severity of impacts of the COVID-19 crisis on younger workers. Next to very different initial situations and institutional settings, these countries differ also in the scope, extent and timing of policy responses targeted at youth. Furthermore, ILO (2020b) documents that youth employment fell to a much larger extent in middle-income countries than in high-income countries.

Hence, the general lessons that can be derived for countries the Global South are rather different from those that can be derived for countries in the Global North. However, it appears that at least some countries in the Global South with previously existing youth-targeted programmes and measures could react rather quickly at the onset of pandemic with expanding or adjusting these programmes and measures. The benefits of institutional and structural preparedness thus seems to be a fairly general lesson that can be derived.

However, many countries in the Global South could not rely on existing programmes and measures that were specifically targeted at youth. These countries therefore had to rely to a much larger extent on ad hoc programmes and measures to alleviate the impacts of the COVID-19 crisis on youth. Not surprisingly, these ad hoc schemes were often accompanied by problems in their implementation and frequently not well coordinated.

In addition, it appears important that countries in the Global South not only focus on promoting employment opportunities for younger workers, but also focus on securing quality employment and “good jobs”. The issues of informal employment and working poor need to be addressed with a comprehensive agenda, which should also include the further development of labour market institutions, of the education and vocational training system and of school-to-work transitions. Broadly speaking, employment opportunities and job experiences, and vocational training and education programmes should be aligned with the social safety net and welfare benefits.

To create quality employment in countries in the Global South with rather fundamental problems in the labour market, it seems furthermore advisable to place a key policy focus on the creation of institutions and infrastructure that support firms in growing to larger sizes (Bandiera et al. 2022). This can help broaden the pool of salaried and formal employment opportunities available to labour market entrants.

A more comprehensive agenda for youth active labour market policy in countries in the Global South, as outlined in ILO and ADB (2020), could comprise the following five elements:

1. youth-targeted wage subsidies,
2. public employment programmes for youth,
3. job search support,
4. extended access to training, reskilling and upskilling for youth, and

5. investments in youth entrepreneurship.¹⁰

The adequate implementation of these elements, however, is crucial as too often even well-designed and broadly supported measures and programmes do not reach the intended target groups because of lacking communication, coordination, or misuse. In these cases, allocated funds are not fully utilized and/or the measures and programmes cannot achieve their full effectiveness.

¹⁰See ILO and ADB (2020) for a more detailed description of the content of each element.

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▶ Appendix A.1: Austria (Case study)

Bock-Schappelwein et al. (2021) show that although the consequences of the COVID-19 crisis affected all age groups in Austria, they hit younger workers particularly hard, especially within the age group of 20 to 24 years. The Austrian apprenticeship system was heavily affected, too, as the number of people who started an apprenticeship fell by 7.2 percent in 2019/20, and the number of apprenticeships fell by 2.4 percent during the same period (Endel et al. 2021). In 2021, however, there have been some signs of recovery regarding the employment situation of younger workers in Austria. For example, since May 2021 the unemployment rate of younger workers has been below the unemployment rate of this group in 2019, although their employment rate in July 2021 was still below pre-crisis levels. In addition, the number of apprenticeships was roughly 21 percent higher in August 2021 than in August 2020.

Overall, the policy responses to COVID-19 in Austria targeted at younger workers have focused primarily on the continued provision of education and training measures, in particular on the stabilization of the apprenticeship system, while only few interventions could be observed in the form of active labour market policies. For example, through the Apprenticeship Bonus, employers could receive a bonus of EUR 2,000 for each newly hired apprentice from March to October 2020, with an additional bonus of EUR 1,000 or EUR 500 for smaller firms. In addition, the support for apprentices in COVID-19 short-time work has been extended until June 2022, and firms that train an apprentice from an insolvent or a closed company receive a bonus of EUR 1,000.

The Just2Job initiative, implemented in August 2020 and in place until 2024, also provides low-qualified younger workers (20 to 30 years old) with the opportunity to experience shortened apprenticeship training in cases where their past vocational training may no longer be relevant or appropriate. As of October 2020, around 1,000 shortened apprenticeship placements had been taken up under this initiative. Additional funds were also made available to increase the number of positions in apprenticeships without connection to a firm (*Überbetriebliche Lehrausbildung, ÜBA*) to accommodate students who are unable to find firm placements.

In Austria, the disruption of teaching led fewer young people to continue formal education beyond compulsory education. In 2020, about 8.1 percent of people aged 18 to 24 had no further formal education beyond compulsory education (AMS 2021). In 2019, this number was 7.8 percent. The number of young people between 15 and 24 who are neither in employment nor in education (NEET) also increased during 2020. Against this background, the earnings limit for recipients of the education allowance (*Schülerbeihilfe*) that supports young people from disadvantaged backgrounds from tenth grade onwards to complete their education, and for recipients of the study grant (*Studienbeihilfe*) have been increased to provide greater financial flexibility for young people.

An integration subsidy (*Eingliederungsbeihilfe*) already existed prior to the COVID-19 crisis which subsidizes wage costs for employers recruiting people who have been long-term unemployed or threatened by long-term unemployment. Younger workers who have been unemployed for at least six months are a target group, too. The subsidy covers up to two-thirds of the gross monthly salary and half of non-wage labour costs with an upper limit for a period of up to three years.

The COVID-19 job initiative (*Corona-Joboffensive*) includes measures to provide younger unemployed workers up to 25 years old with training and reskilling opportunities. EUR 700 million was allocated to the public employment service under this initiative by the end of 2021.

▶ Appendix A.2: France (Case study)

The primary tailored policy response in France to the COVID-19 crisis that is specifically targeted at young people is the “one young person, one solution” plan (*un jeune, une solution*), which was launched in July 2020. This plan had an initial budget of EUR 6.7 billion, which was later expanded to EUR 9 billion. It offers tailored solutions through a package of measures, including hiring subsidies for youth under 26 years old and for apprenticeship contracts, strengthened employment support, and training targeted at disadvantaged young people (Konle-Seidl and Picarella 2021). In addition, a two-sided platform has been launched on which young people looking for a job, training or support as well as recruiting employers or training providers can match their supply and demand.

For example, since summer 2020 firms can receive a subsidy of up to EUR 4,000 for newly hiring an employee under the age of 26 for a period of at least three months. This hiring subsidy has moreover been adjusted to working time and to the duration of the employment period. Employers have been able to apply for this hiring subsidy for both full-time and part-time positions. The scheme has been initially planned to last until January 2021, but it has been subsequently extended. It has been reported that subsidies were paid for hiring over 330,000 apprentices and 337,000 young people below 26 of age until the end of 2021 (European Commission 2021).

In addition, one-off income support of EUR 200 was provided in June 2020 to nearly 800,000 people under the age of 25 experiencing financial hardship due to the COVID-19 crisis. These funds were primarily targeted at young people who are not in education and who receive housing assistance. This was followed by two decrees in December 2020, which established monthly allowances for previous recipients of higher education scholarships under the age of 30 who are looking for a job, and for young jobseekers under the age of 26 who are registered with employment services. In the event of serious financial difficulties, university and post-secondary students can also apply for one-off emergency aid worth up to EUR 500, and since January 2021, all students have been eligible to apply for meals at university canteens at a price of EUR 1.

To strengthen work-based learning, employers can receive a subsidy of up to EUR 5,000 for an apprentice under 18 years of age or up to EUR 8,000 for an older apprentice for the first year of an apprenticeship – provided that the apprenticeship contract was signed between July 2020 and December 2021. The scheme has no conditions for SMEs and some restrictions for other employers.

People aged 16 to 29 years can benefit from intensive job search support from the main public employment service. The number of places has been doubled. New employment-to-training pathways for NEETs under 25 years have been created that are provided by local employment and social services specialized in youth support. In addition, a four-month programme for school leavers aged 16 to 18 years was launched in 2020. Around 35,000 young people were expected to

be supported through this programme until the end of 2021. 100,000 additional qualifying training places have been made available in the public employment service for younger people aged 18 to 29 years. Courses are geared towards priority sectors in the COVID-19 recovery plan including digital sector, ecological transition sector and the health care sector.

These support measures, in combination with an apprenticeship reform that was introduced in 2018, contributed to an increase in apprenticeship commencements by about 40 percent (Konle-Seidl and Picarella 2021). Effects on youth unemployment are, however, very limited if the retention of apprentices in their training firm does not increase to a similar extent (Cahuc and Heverlein 2020).

▶ Appendix A.3: South Africa (Case study)

In South Africa, there has been a lot of (rather dispersed) activity in terms of employment initiatives already before the outbreak of the COVID-19 pandemic. Many of these activities were adjusted, expanded or reinforced in response to the COVID-19 crisis.¹¹ The same holds true for initiatives with a particular focus on youth employment. These youth employment initiatives, however, continue to be not well coordinated.

Two initiatives can be regarded as main policy responses to COVID-19 in South Africa. First, the UIF's COVID-19 Temporary Employer/Employee Relief Scheme (TERS), established in March 2020, compensates employees who have lost income due to the outbreak of the pandemic (Department of Labour 2020). Under certain conditions, the TERS provides for a relief benefit if, due to COVID-19, employers are unable to pay their employees or employees are required to take compulsory leave (Deloitte 2020). This income support was, however, not specifically targeted at young people, and ended in March 2021 (Institute for Economic Justice 2021).

Second, the Presidential Employment Stimulus, on which budget was allocated in April and June 2020, seeks to augment existing government commitments to employment creation. The rather comprehensive agenda of this programme comprises an Expanded Public Works Programme (EPWP), Strategic Infrastructure Projects, and – importantly – the Presidential Youth Employment Initiative (The Presidency Republic of South Africa 2020). Through the latter initiative, the programme aims to support youth-owned enterprises during the COVID-19 crisis. The initially announced support covering 1,000 firms for 100 days each was later doubled to 2,000 firms to be supported for 200 days each. Related to this, the Youth Micro Enterprise Relief Fund was also expanded to support 3,000 micro-enterprises during the COVID-19 crisis, many of these acting in the informal labour market and therefore often not covered by other support mechanisms. To support new graduates that enter an adverse labour market with few job opportunities, the programme also includes initiatives aimed at 1,600 unemployed graduates from higher education

¹¹ The main youth employment initiatives, which had been already implemented before the COVID-19 crisis, include Public Employment Services (PES), Employment Tax Incentive (ETI), Youth Employment Service (YES), Presidential Youth Employment Initiative (and Pathway Management Project), Harambee Youth Employment Aggregator, Jobs Fund, Jobs Summit Initiative and Unemployment Insurance Fund (UIF).

institutions. These young people should earn valuable work experiences through internships or similar employment engagements. Initiatives to bridge the digital divide in South Africa, where almost half of its citizens lack internet access, can be viewed as a youth employment programme, too. Broadband access to the internet has not only become vital during the COVID-19 crisis to maintain or complete education and vocational training, it is also vital to start new businesses and to access job opportunities in the labour market – which is particularly relevant for younger workers as labour market entrants.

An interim assessment from July 2021 (Institute for Economic Justice 2021), however, concluded that the original relief package that was announced in April 2020 has been insufficient to cushion the economic impacts from COVID-19 in South Africa, partly because it suffered from various problems in implementation. At that point in time, only 41 percent of the announced relief was spent.

▶ Appendix A.4: Philippines (Case study)

Youth unemployment in the Philippines increased from 12.9 percent in April 2019 to 31.6 percent in April 2020 (ILO 2020). In addition to COVID-19-induced job disruptions, education and training opportunities were also disrupted: For example, close to all technical and vocational education and training (TVET) institutions were at least temporarily closed in the initial phase of the pandemic. Work-based learning was also severely affected as, for example, around 70 percent of respondents in a survey conducted in 2020, who reported that their employer generally offers apprenticeship training, indicated that COVID-19 has completely interrupted this form of training in their company.

One aspect of the comprehensive National Employment Recovery Strategy was therefore put on the continuation of programmes and policies supporting human capital development. This has been the case with respect to schools in the basic education system, as well as regarding distance and blended learning modules for TVET to make them available online. However, the appropriate digital infrastructure for distance and blended learning is a severe bottleneck in the Philippines as 45 percent of the citizens do not have internet access (Asia Foundation 2019). Moreover, high internet connection costs may exacerbate existing inequalities as this is an additional barrier to employment and training opportunities for low-income individuals. Next to securing access to a stable and affordable internet connection across the country, learners and educators need adequate devices as well as the necessary digital literacy (ILO 2020).

According to information compiled by the ILO Country Office for the Philippines, policy responses primarily targeted at younger people included measures in the areas of education, youth employment and youth entrepreneurship – next to measures fostering social dialogue, food security, mental health which are not the focus here. In the area of education, various programmes have been introduced in response to COVID-19. For example, the Basic Education Learning Continuity Plan (BE-LCP) had been implemented for the school year 2020/21. It aimed at responding to basic education challenges brought about by COVID-19 with a package of education interventions, including a switch to distance and blended learning and associated strategies (Department of Education 2020).

The National Employment Recovery Strategy (NERS) 2021-2022 and its 8-point employment recovery agenda, implemented in June 2021, is a national strategy that adopted the ILO's four-pillar policy framework for responding to the crisis, i.e., (i) stimulating the economy and employment; (ii) supporting enterprises, jobs and incomes; (iii) protecting workers in the workplace; and (iv) relying on social dialogue for solutions (President of the Philippines 2021). Importantly, the NERS includes an employment recovery agenda with a youth-specific strategy on COVID-19 response and recovery. This includes the continuation of pre-existing programmes, their adaption and expansion, as well as new programmes implemented by various government entities with a focus on youth. For example, the Government Internship Programme (GIP) is part of this rather broad agenda (see, e.g., Philippine News Agency 2020). Further regional initiatives have been set up to foster youth entrepreneurship. In April 2021, the Technical Education and Skills Development Authority (TESDA) was tasked to develop training and instructional materials to enhance the enforcement of COVID-19 strategies at the barangay level, which resulted in strengthening health-related programmes.

Next to broader policy measures, also targeted policy responses for specific subgroups are needed in the Philippines for an inclusive and sustainable economic recovery. Next to the above-mentioned initiatives, with effects that are yet to prove, additional programmes may focus on promoting remote apprenticeships, work-based learning or the establishment of national accreditation systems that recognize training or education gained from multiple learning modalities (ILO 2020).

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