



Young Lives study and new evidence on Youth labour market resilience during Covid-19

ILO, Employment Seminar

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Overview

- 1. Overview of Young Lives
- 2. Evidence from the Listening to Young Lives at Work: COVID-19 phone survey
 - a) Impact on young people's wellbeing
 - b) Impact on youth labor market transitions
- 3. Youth employment resilience during COVID-19
- 4. Looking to the future: expanding our research agenda on employment and upcoming plans

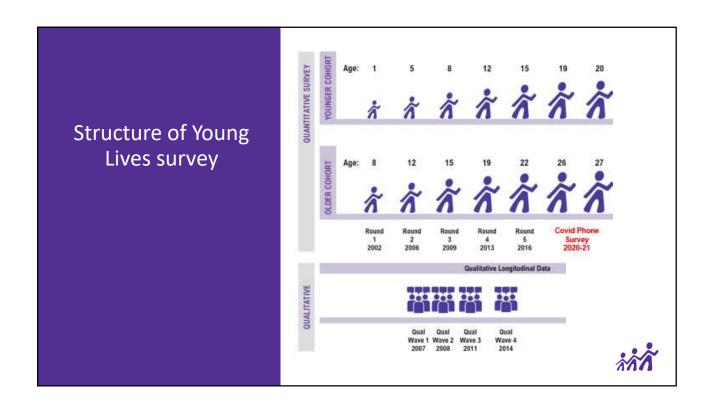
Young Lives study

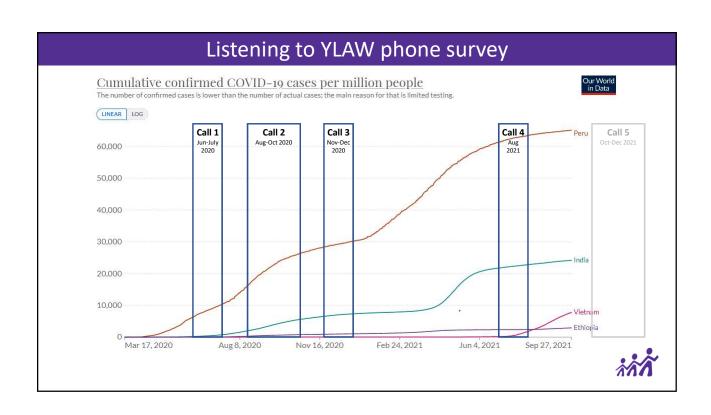
Young Lives: an overview



- Young Lives is a mixed-methods multidisciplinary longitudinal study initiated 20 years ago
- Core-funded by DFID (up to June 2018) and others (research foundations, international organizations, research grants etc..); new funding from FCDO for Young Lives at Work (2020-2025).
- Improve understanding of the causes and consequences of child poverty and to promote policy change in four developing countries: Ethiopia, India, Peru and Vietnam;
- Studying the role of inequalities over the life-cycle to explain skills development and learning, health and nutrition, access to labour markets, family formation, and exposure to risk and violence, through a gender lens.
- Provide evidence to improve policies and practice.



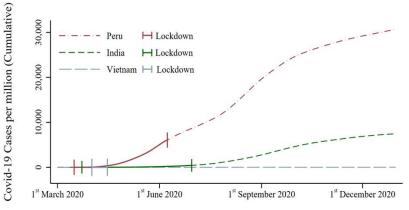




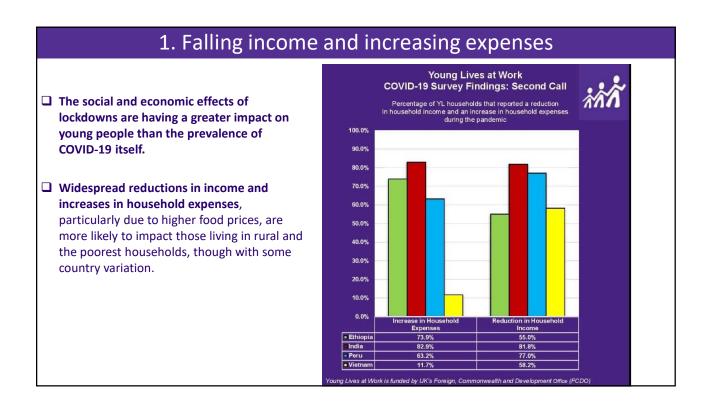
Country national lockdowns and restrictions Peru and India both implemented stringent national lockdowns in

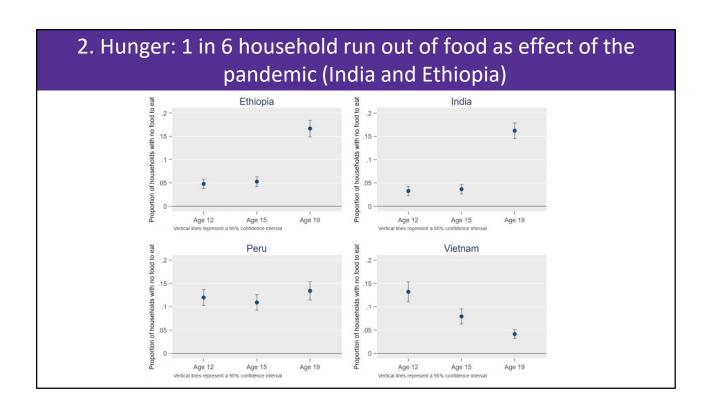
- stringent national lockdowns in 2020.

 Peru's national lockdown too
 - □ Peru's national lockdown took place between March 16th – 30th
 June (a total of 107 days)
 - ☐ India's national lockdown took place between March 23rd 8th June (a total of 75 days)
- In contrast to Peru and India,
 Vietnam only implemented a
 relatively short 15-day national
 "lockdown" in the beginning of April.
- During lockdowns, only essential services were permitted to continue, and educational institutions were closed.



The impact of the pandemic on young people's wellbeing: some evidence from YL phone survey





3. The unequal effect of school and university closures

There is a risk that many poorer students, particularly young men in rural areas, will be left behind and may never return to education

In Peru, 16% of 19 year olds have dropped out of education for multiple reasons including cost of fees and lack of internet access

A digital divide continues to exclude disadvantaged young people from accessing online learning.

In Ethiopia, less than 5% of students could access online learning during the national lockdown.

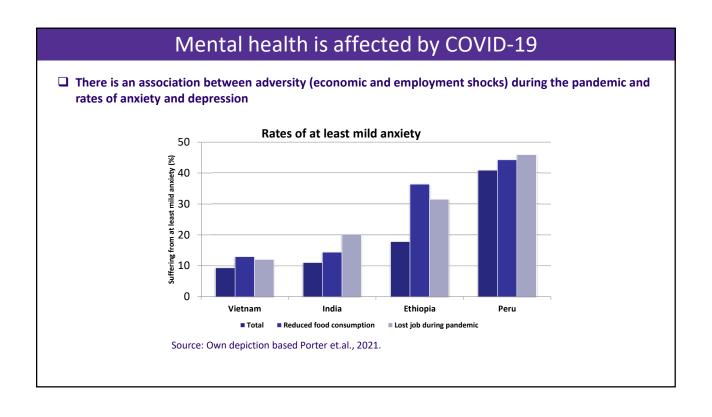


4. Alarmingly high levels of mental health issues, particularly in Peru and among young women

☐ In Peru, 40% of young people reported experiencing anxiety and 30% experienced symptoms of depression; compared to pre-pandemic average levels of depression of 18% for 18 -27 year olds (2019 Demographic and Health Survey)

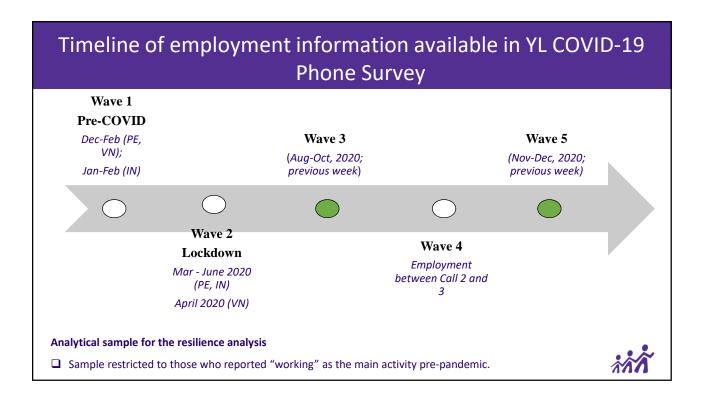
	Ethiopia	India	Peru	Vietnam
Display symptoms of (at least) mild anxiety	17.87	11.06	40.86	9.32
Display symptoms of (at least) mild depression	15.44	9.91	31.58	9.49

☐ Young women reported significantly higher rates of anxiety and depression in Peru, India and Vietnam (no significant gender difference in Ethiopia)

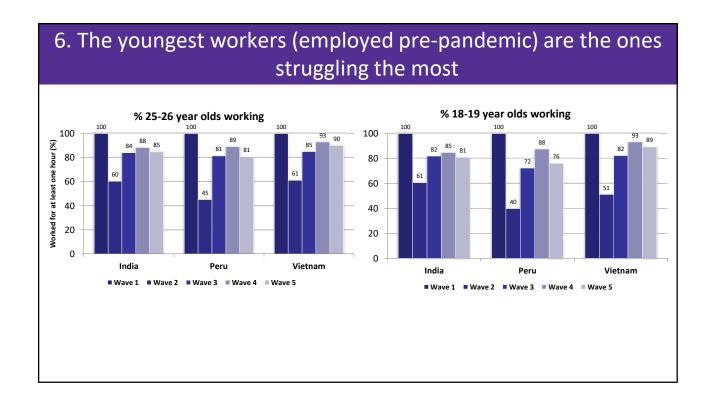


Youth labour market transitions and resilience during Covid-19

What we do investigate? We investigate the transition in and out of employment pre-pandemic and throughout the pandemic period. We investigate factors predicting young people's ability (resilience) and inability (vulnerability) to cope with such a crisis. Why is it important? The economic crisis has disproportionately hit young adults both in the education/training systems and in the labour market. Young people face short term effects but also long-term (permanent) scarring effects in their lifetime prospects. How we do so? Assess the adjustment process of the youth labor market to Covid 19, emphasis on transitions. Data: individual-specific information throughout the respondent's life and employment information collected pre-pandemic and throughout the pandemic period (in 3 LMICs who have a very different experience of the health, economic consequences of the pandemic and related restrictive measures).



5. Lockdowns caused remarkably high job losses Figure. Proportion of young workers (employed pre-pandemic) ☐ Job losses or suspension without pay employed over time, (YC+OC) were widespread - even in Vietnam, the least affected study country Proportion employed 2 .3 .4 .5 .6 .7 .8 ☐ Remote working has been the exception, not the rule (between the lowest 1-2% in Ethiopia and the highest 15% in India) ☐ Employment reduced dramatically during the lockdown Wave 1 pre-Covid Wave 5 Wave 3 Wave 2 lockdown Wave 4 ☐ Post-lockdown employment bounced ----- Peru India ······ Vietnam back, not at the pre-covid level yet



7. Post-lockdown (temporary?) shift toward agriculture, self-employment and unpaid work

- Increasing numbers of young people working in agriculture (particularly young men, from rural and the poorest households)
- ☐ This may be driven by return to family farms to bring in more household income to meet urgent basic needs
- Marked shift towards self-employment (linked to the shift towards agriculture; hiding an increase in informality too?)
- ☐ Increase in unpaid work too
- ☐ Substantial decrease in earnings (form the main activity)
- ☐ Are those shifts temporary?

		India	
	Wave 1	Wave 3	Wave 5
Services	27,67	23,93*	25,36
Agriculture	38,00	46,81***	42,67*
Manufacturing	7,18	5,65	6,56
Own-account workers	33,02	41,52***	37,63*
Unpaid	26,24	35,14***	26,61
Earnings (INR)	8047,35	5857,45***	8471,22
		Peru	
Services	43,87	27,70***	29,18***
Agriculture	19,58	29,73***	24,68**
Manufacturing	6,65	6,04	7,69
Own-account workers	13,25	18,48***	17,41**
Unpaid	14,11	23,38***	18,85**
Earnings (PEN)	945,34	600,22***	809,11***
		Vietnam	-
Services	29,56	26,70	26,05**
Agriculture	16,86	16,71	15,70
Manufacturing	24,30	25,49	27,33*
Own-account workers	20,71	22,87	20,29
Unpaid	7,16	7,00	6,54
Earnings (VND)	6131,11	5498,07***	5949,90

Youth employment resilience during Covid-19

Definition of Resilience and analytical sample

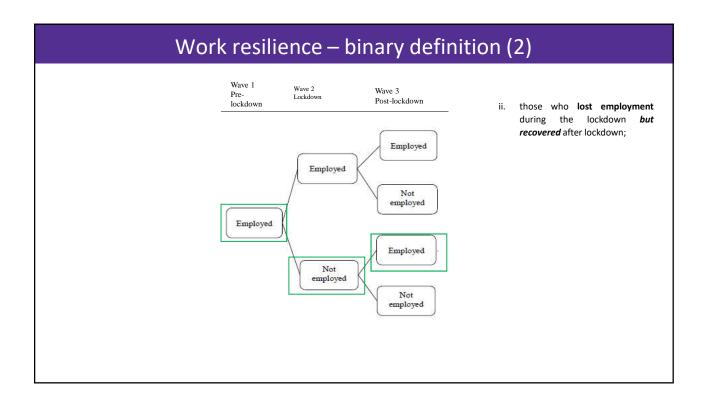
Resilience

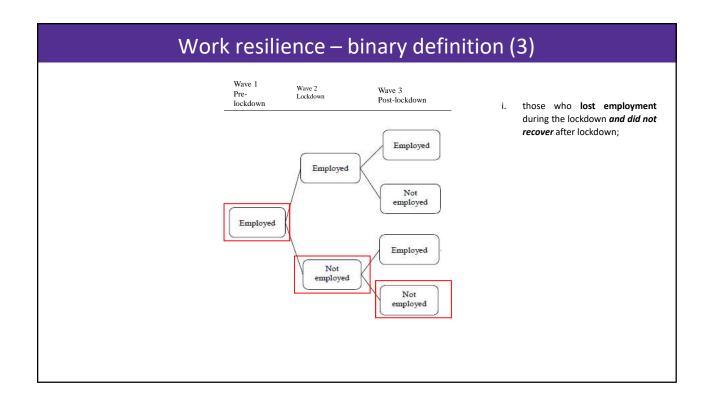
- □ ILO definition referring to resilience as the capacity to "resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner" (ILO, 2017).
- ☐ Work resilience: the ability of an individual to either
 - maintain their employment status throughout the crisis
 - or to recover post-lockdown if they lose their job during the lockdown.
- ☐ Work and income resilience: if they managed to remain in the same pre-Covid activity, during lockdown and post-lockdown, or had a different activity since pre-Covid with greater or equal earnings by post-lockdown.

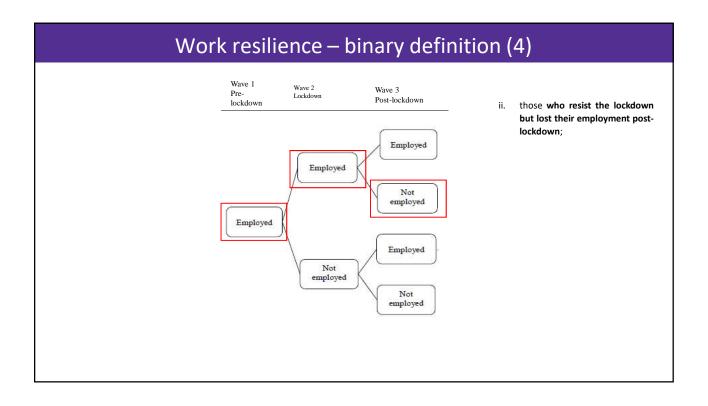
Analytical sample

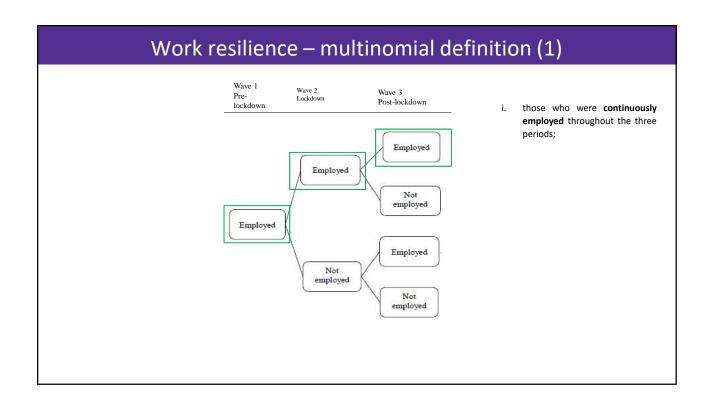
☐ Sample restricted to those who reported "working" as the main activity pre-pandemic.

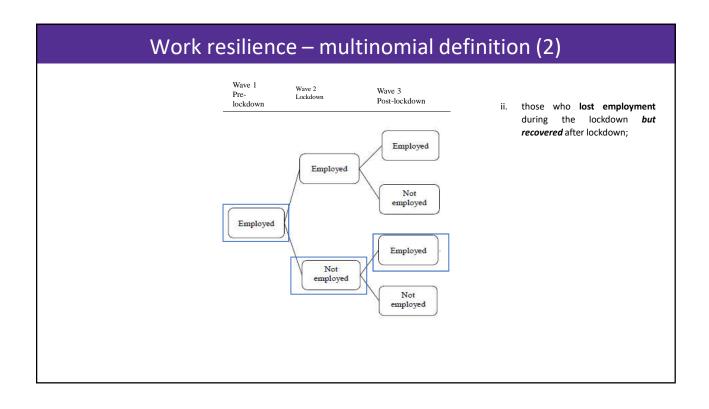
Work resilience - binary definition (1) Wave 1 Wave 2 Wave 3 Pre-Post-lockdown those who were continuously employed throughout the three periods; Employed Employed Not employed Employed Employed employed employed

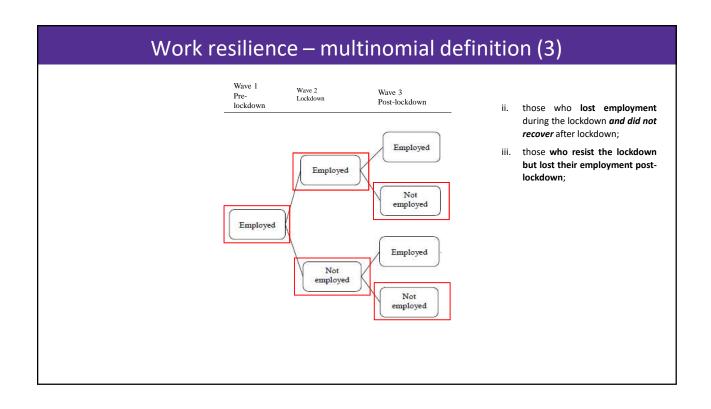


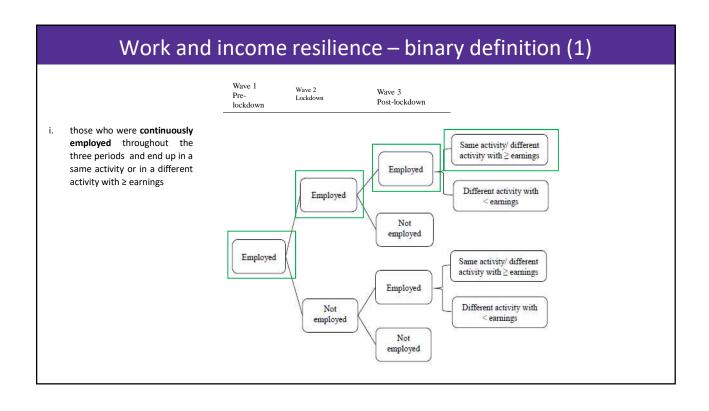


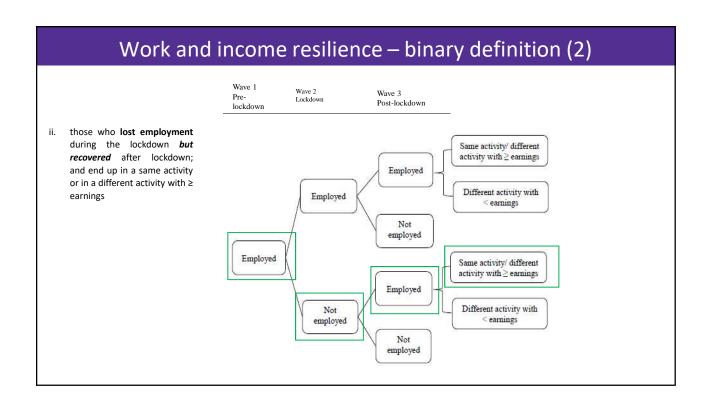


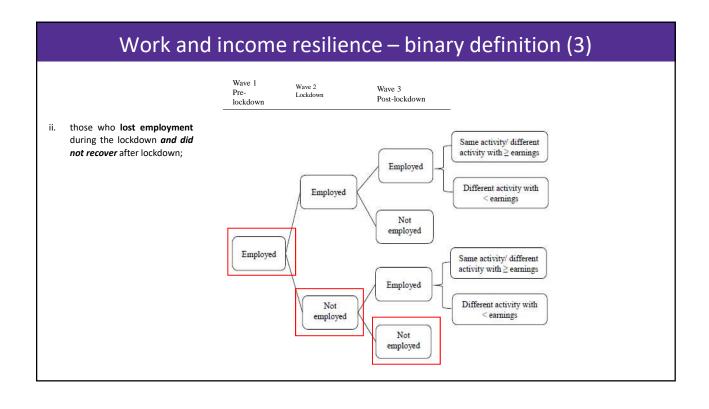


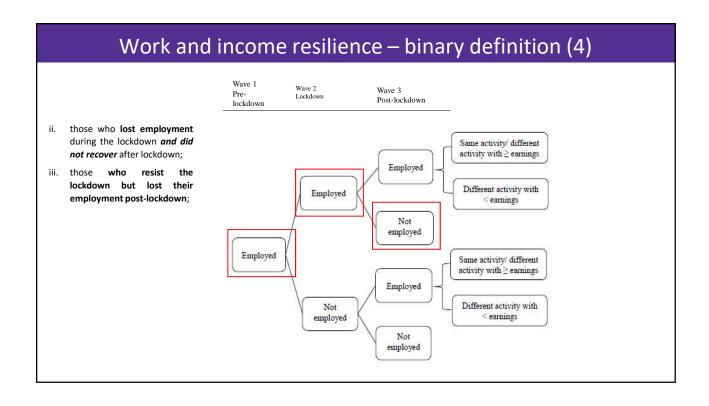


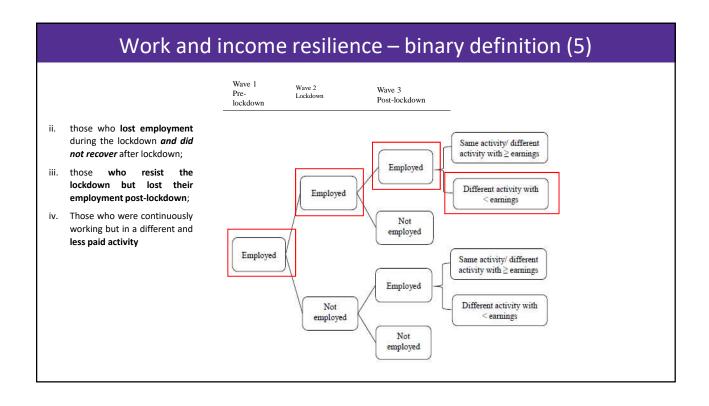












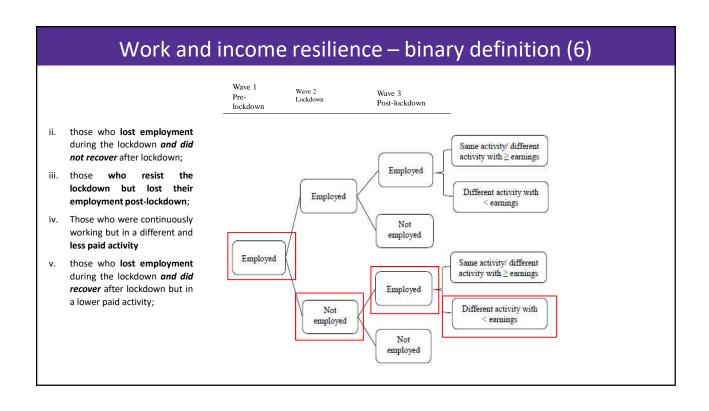
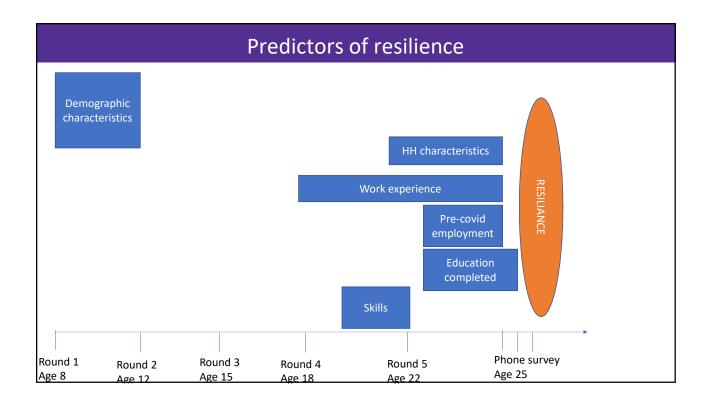
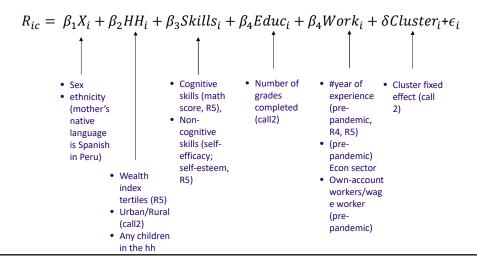


Table. Percentage of work and work and income resilient, by country (YC+OC)					
10400	India	Peru	Vietnam		
Work resilient					
Resilient	0.89	0.75	0.85		
Not resilient	0.11	0.25	0.15		
Multinomial resilience					
Continuously working	0.60	0.39	0.52		
Recovered from job loss	0.30	0.36	0.33		
Lost job and did not recovered	0.11	0.25	0.15		
Work and income resilient					
Resilient	0.58	0.52	0.75		
Not resilient	0.42	0.48	0.25		
N	742	593	1169		



Empirical strategy

☐ To estimate the predictor of post lockdown work (and income) resilience, we estimate the following model (1) for each country:



Work resilience: who kept their jobs?

- Female workers: across all countries women less likely to be work resilient than men (difference of 8 percentage points (pps) in IN and VN, 20 pps in PE)
- 2. Younger workers (18-19 yrs old) are less resilient than 25-26 year old workers (difference of 6 pps in VN and 15 pps in PE). Younger workers likely to have less work experience and may bear costs of the pandemic for longer
- Self-employed: pre-pandemic own-account workers more resilient than wage earners (8 pps in IN and 18 pps in PE; no significant difference in VN)
- 4. Pre-pandemic economic sectors: across all countries, young people working in those economic sectors that were severely impacted by the pandemic are less work resilient, particularly in VN
- 5. Skills are (weakly) related to work resilience: cognitive skills only marginally associated with higher probability to be work resilient in IN and similarly for self-esteem in VN.

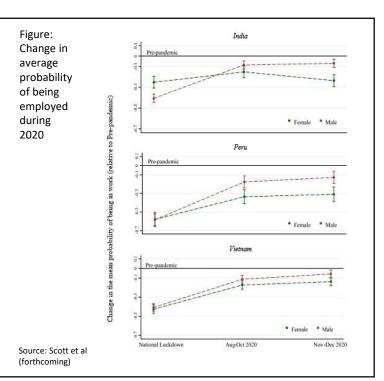
Who kept their job and income?

- Similar results as for work resilience: female and young workers most affected
 - Female workers less work and income resilient than male workers BUT this is only significant in PE (13 pps difference)
 - Younger workers (18-19 yrs old) less work and income resilient in VN (8 pps) and in PE (18 pps)
- Self-employed: **pre-pandemic own-account workers better able to maintain income** (beside their job) than wage earners in the 3 countries
- Pre-pandemic economic sectors: young people working in those economic sectors that were severely impacted by the pandemic are less work and income resilient in VN and PE, and the opposite in IN.
- Skills are weakly related to work and income resilience: only cognitive skills are marginally associated with higher work and income resilience in IN (no correlation with soft skills)

Who recovered employment and who kept their jobs throughout?

- Female workers: across all countries, women less likely to get back to work after losing their job during lockdown than men, particularly in PE and IN (in PE female workers 18% less likely to recover jobs than male counterparts)
- Younger workers less likely to recover jobs and less likely to be working continually through the pandemic than older workers
- Pre-pandemic own-account workers and workers in rural areas more likely to be working continuously than wage earners and those living in urban areas
- Skills seems to play a stronger role in helping workers to keep their job throughout the lockdown and post lockdown in PE (maths skills) and VN (maths and self-esteem skills)

Lockdown increased the gender gap in employment: women's employment has been disproportionally affected



Why were women most affected?

- ☐ "Women with Children Last? Unpacking the Post-lockdown Employment Recovery of Young Women in the Global South", Scott, Freund, Favara, Porter, Sanchez (forthcoming): investigates two possible explanations:
 - ☐ Women are more likely to be employed in contact-intensive sectors, such as hospitality, severely affected by covid related restrictions -> however, we found no evidence that this is one of the mechanism at play
 - ☐ Women tend to have greater responsibility for childcare and domestic work, and that time dedicated to these activities has increased since the outbreak, in particular due to school closures -> we found this explains a substantive part of the gender gap in employment recovery post lockdown

Policy considerations

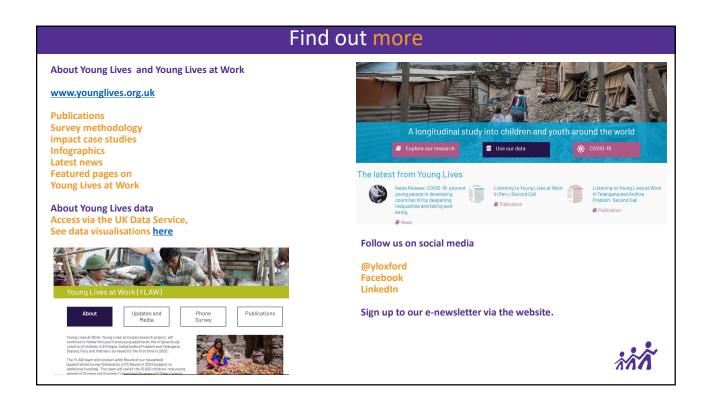
- **Protecting quality jobs:** risk that informality and poorly paid jobs are leading the employment recovery. What is the right policy mix (e.g. job recovery schemes including skills development / active labour market policies for young workers)?
- **Protecting the most vulnerable:** ensure policies target and support most vulnerable segments of the labour force, particularly <u>female and younger workers</u>. When do we need specific youth interventions or will recovering LM in general improve their prospects? Do typical interventions such as first job, first business still matter?
- Longer term impacts: What do we do with the (potential) long-term scars?
- More evidence needed on how the labour demand (together with the labour supply) adjusts to shocks

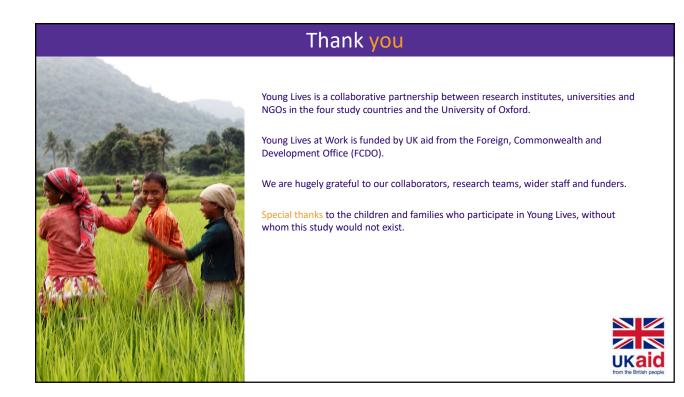
Young Lives-upcoming plans

Upcoming plans Age: On data collection New face-to-face (F2F) round in 2023 (and 2025) QUANTITATIVE SURVEY New horizons of data collection: subject to availability of funds in 2022 we have plans to: Collect biomarkers for a subset of the YL children. Initiate data collection for a new birth cohort (COVID-19 cohort study). On research: 3. Expand the research agenda on youth employment (the role of foundational cognitive skills for employability) 4. New areas of research: food security, mental health, domestic violence QUALITATIVE

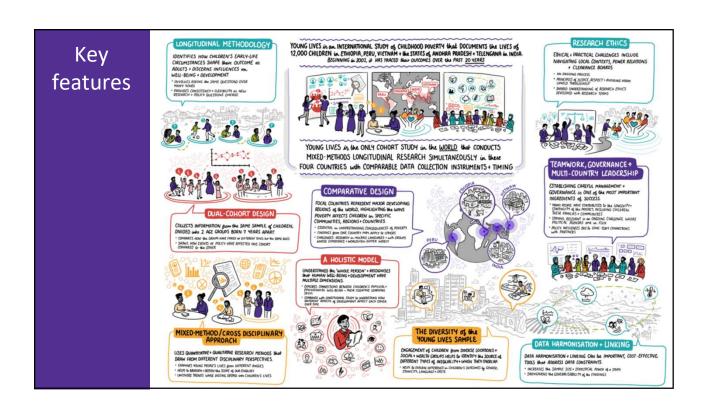
Further analysis on youth employment

- Investigate long(-ish)-term effects and (any) evidence of scarring (exploiting call 5 data)
- Subjective Treatment Effect : a new method to estimate the "true" impact of the pandemic in absence of a valid counterfactual.
- (More on the) Heterogeneous impacts of the pandemic:
 - identifying how the most vulnerable have responded to the pandemic
 - identifying how the nature of young people's jobs have changed over the course of the pandemic
- Skills for employability and the role of foundational cognitive skills and competencies





ANNEX



SAMPLING DESIGN (1)

Ethiopia



Four stages sampling process:

- Regions (Amhara, Orormia, SNNPR, Tigray and Addis Ababa, accounting for 96% of national population)
- Woredas (districts) (3-5 districts in each regions, 20 in total) with a balanced representation of poor and less poor hh, urban and rural)
- 3. Kebele (at least 1 for each woredas)
- 100 young children (born in 2001-02) and 50 older children (born in 1994-5) were selected within those sites.

Criteria to select districts:

- 1. Districts with food deficit profile
- Districts which capture diversity across regions and ethnicities in both urban and rural areas
- 3. Manageable costs in term of tracking for the future rounds

Comparing with DHS and WMS 2000: 2000: Poor hh are over-sampled, but YL covers the diversity of children in the country including up to 75% percentile of the Ethiopian population.

SAMPLING DESIGN (2)

India



Four stages sampling process:

- Regions (Coastal Andhra, Rayalaseema, and Telangana
- 2. Districts
- 3. 20 sentinel sites (mandal)
- 100 young children (born in 2001-02) and 50 older children (born in 1994-5) were randomly selected within those sites.

Criteria followed:

- 1. Uniform distribution across regions
- One poor and one non-poor district in each region (based on economic, human development and infrastructure indicators)

Comparison to the DHS 1998/9:

YLs hh seem to be slightly wealthier than the average household in Andhra Pradesh. Despite these biases YL sample covers the diversity of children in poor households in Andhra Pradesh

SAMPLING DESIGN (3)

Peru



Sampling process:

- Sample frame at district level excluding the top 5% richest district based on poverty map 2001
- Districts divided in population groups ordered by poverty index and randomly selected to cover rural, urban, periurban coastal, mountain and amazon areas (random selection proportional to district population)
- Within the selected districts a village was randomly chosen
- Within each village the street blocks were counted and randomly numbered to select the starting point.

Comparison to the DHS 2000:

YL cover the diversity of children and hh in Peru

SAMPLING DESIGN (4)

Vietnam



Four stages sampling process:

- Regions (5/8 regions, North-East region, Red River Delta, City, South Central Coast, Mekong Delta.
- Provinces (5 in total ,1 per region, Lao Cai, Hung Yen, Da Nang Phu Yen, Ben Tre).
- Sentinel sites (4 commune per province, 2 poor, 1 average and 1 above-average commune)
- 100 young children (born in 2001-02) and 50 older children (born in 1994-5) were selected within those sites.

Criteria followed (to rank communes):

- 1. Development of infrastructure,
- 2. Percentage of poor households in the commune
- 3. Child malnutrition status.

Comparison to the DHS and VHLSS 2002:

The urban sector is under-represented (in terms of population and the level of development). YL includes hh with on average less access to basic services and slightly poorer than the average in Viet Nam. YL sample covers the diversity of children in the country.

Listening to YLAW: COVID-19 phone survey Call 2 Call 5 Call 1 (Aug/Oct 2020) (Nov/Dec 2020) (August 2021) (Oct/Dec 2021) (June/July 2020) Migration Education . COVID-19: Infection and • COVID-19: Behaviors Household Roster Marital status and risk perceptions Food security vaccinations COVID-19 related • Socio-economic status • Socio-economic status · Mental health · Roster and household knowledge Economic shocks since • Employment and characteristics · Economic changes Protective the outbreak earnings (since call 2, Pregnancies • Social programmes behaviors COVID-19 infections Food security past 7 days) Food security Impact on Health • Trust, solidarity, • COVID-19 vaccinations • Anthropometrics education collective action and • GPS online survey pilot • PERU-MRC module Education Impact on health Time use during the cooperation • Education Impact on Violence (India and • Employment and lockdown economic activities • Employment and Peru only) earnings · Trust, attitudes, family earnings (preoutbreak, during planning Subjective wellbeing lockdown and past 7 days) and mental health Data Matching Consent • Subjective well-being · GPS online survey and mental health • Domestic violence (India and Peru only)

Total attrition rates Round 5 Call 1 Call 2 Call 3 Call 4 (2016) % 2019 % 2019 % 2019 **% 2019** % 2001 % 2001 % 2001 % 2001 % 2001 tracking tracking tracking tracking sample sample sample sample sample sample sample sample sample ETHIOPIA 12.4% 17.7% 8.5% 18.7% 9.6% 30.0% 22.2% 41.2% 34.6% INDIA 6.5% 8.9% 2.3% 8.8% 2.2% 8.9% 2.3% 9.0% 2.4% PERU 10.8% 24.0% 5.1% 25.1% 6.4% 26.3% 7.9% 24.9% 6.2% VIETNAM 11.1% 11.9% 5.1% 14.7% 9.6% 16.0% 16.8% 17 3% 12.4% TOTAL 8.7% 16.2% 6.4% 17.0% 7.3% 20.4% 11.1% 23.1% 14.1% 10, 764 9,880 9,785 9,384 9,067

Employment information available in YL Round 5 & Phone Survey

Round 5 In-person survey round (2016)

- Employment status in the last year
- Employment status in the last week
- Whether seeking work
- Reasons for inactivity
- Job satisfaction
- Reservation wage
- Type of sector and activity
- Employer
- Details of payment
- Task content
- Firm size
- Non-wage benefits (including contract and insurance)
- Length of employment
- Work-related training

Call 1 Getting-in-touch cal (June/July 2020)

- Whether lost income, lost job and/or suspended without payment due to the pandemic
- Work modality during lockdown

Call 2 Main survey call (Aug/Oct 2020)

- Employment status in the last year
- Employment status before the pandemic
- Employment status in the last week
- Whether seeking work
- Reasons for inactivity
- Type of sector and activity
- Employer
- Details of payment
- Length of employment (in last year)
- Contract and insurance status
- Migration for work
- Work during lockdown
- Reasons for not working during lockdown
- Work modality during lockdown

Call 3 Follow up call (Nov/Dec 2020)

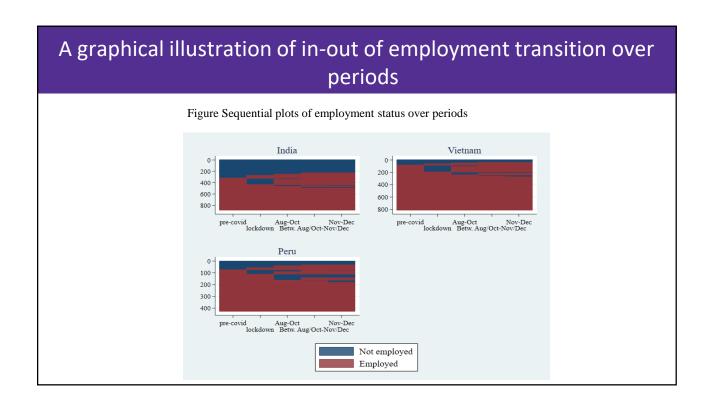
- Employment status since Call 2
- Work modality
- Employment status in the last week
- Type of sector and activity
- Employer
- Details of payment

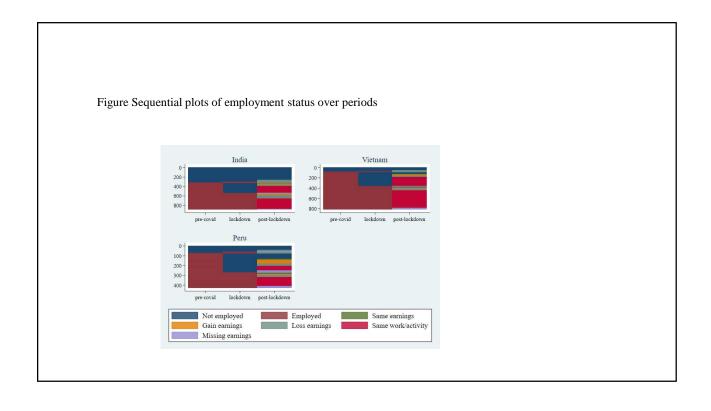
Households tend to resort to more traditional gender roles at times of stress

During lockdown, young women took on more household and caring responsibilities; young men left education to support hard-pressed households.

In India, 67% of young women undertook both increased childcare and household duties during lockdown compared to only 37% of young men.







School closures during 2020

- ☐ In Peru, lockdown restrictions were relaxed between July-September. Although there were no official lockdowns for the remainder of 2020, a number of restrictions remained in place from October, including, crucially, the physical closure of educational institutions at all levels (with the exception of some rural schools) and childcare services.
- ☐ In India, relaxation of restrictions took place through a number of phases. The government permitted schools to reopen from the 15th October 2020.
 - ☐ In Telangana, educational institutions remained closed throughout all of 2020.
 - ☐ In Andhra Pradesh, educational institutions reopened in a phased manner, with classes 9-12 returning on 2nd November, class 8 returning on 23rd November and classes 6-7 returning on December 14th. Classes 1-5 only reopened in the beginning of February 2021
 - ☐ Throughout the gradual opening, attending physical classes was staggered and schools were only open for half-days.
- ☐ In Vietnam, lower and higher secondary schools reopened on May 4 and primary schools reopened on May 11.
 - ☐ Schools then closed for the end of the academic year and reopened in early September as usual.