

COVID-19 and Invasion of Ukraine – What do We Learn about Young People in Times of Crises

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Preface

- We are witnessing two momentous events in the last years – **the pandemic and the war in Europe**
- Both have far-reaching consequences, both will leave a **footprint on geopolitical landscape, economic development and societal well-being**
- The **focus** of this talk is on **young people in the Danube Region...**
 - Labour market and education trends of the last decade
 - The effects of the COVID-19
 - (Anticipated) implications of the refugee crisis

Why is youth more vulnerable to the crises?

- Working in the **sectors most vulnerable to the crises** (COVID-19 case)
- Youth is more prone to **lay-offs, pay and work hours cuts**
- **Fixed-term (non-permanent) contracts** are prevailing
- **Wealth level** is lower and **income** is (often) irregular
- **A trade-off** between education and employment
- Undervaluating importance of **investment in youth human capital**



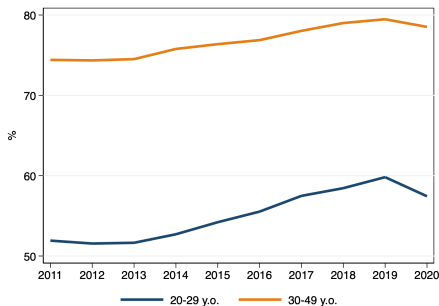
Youth Employment & Education – Recent Trends

Some Evidence from the Danube Region Monitor (Report 2021)

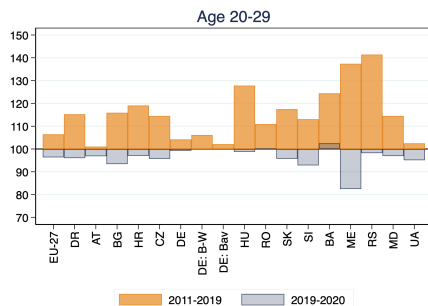
Employment

Youth most affected by the COVID-19 crisis

Employment rate by age
(arithmetic average of all Danube
Region countries)



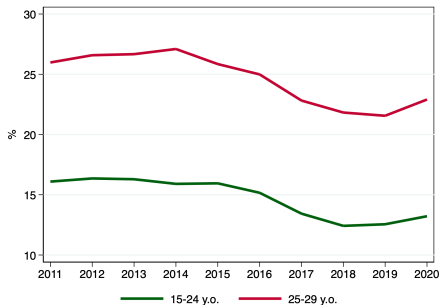
Employment index
(2011=100 for 2011-2019 index and
2019=100 for 2019-2020 index)



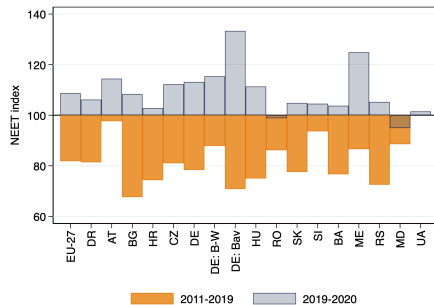
NEET rate

The pandemic reversed a positive trend

NEET rate by age
(arithmetic average of all Danube Region countries)



NEET index
(2011=100 for 2011-2019 index and 2019=100 for 2019-2020 index)

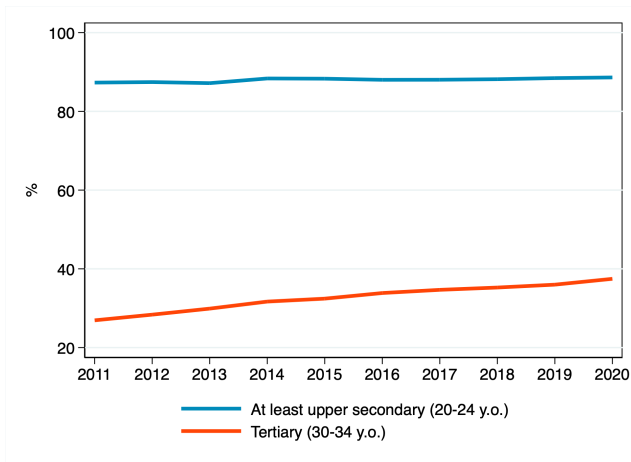


Formal education

Too early to see the effects of the pandemic

Education in the Danube Region

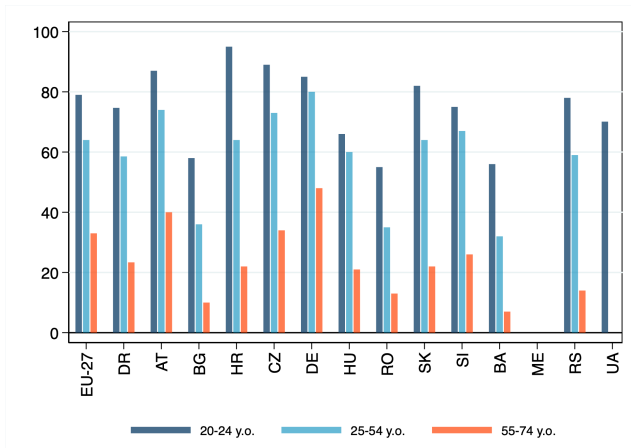
(proportion of population having completed at least upper secondary or tertiary education; arithmetic average of all Danube Region countries)



ICT competence

Strong digital skills of youth all across the Danube Region

Digital skills across age groups in the Danube Region, 2019
(share of population with basic or above basic overall digital skills by age groups across countries)





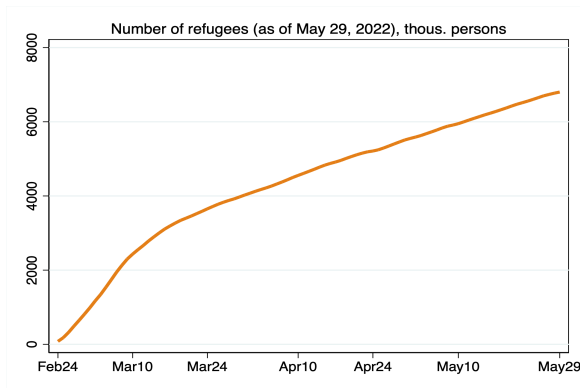
Invasion of Ukraine and refugee crisis

What do they yield for youth employment in the
Danube Region?

(an early assessment)

Net outflows of **over 4 million** so far

- As of 29 May, 2022 over **6.8 millions** Ukrainians **left the country**



- Yet, by the same date over **2.2 millions** Ukrainians **returned home** → over the first weeks of war mainly men, later – women and children who earlier left the country

Distribution of refugees

“Bunching” in the EU-CEE countries and Moldova

- Danube Region countries with the **highest number of registered refugees** (as % of total population) as of May 29

Moldova – 11.89%

Slovakia – 8.45%

Hungary – 7.07%

Romania – 5.14%

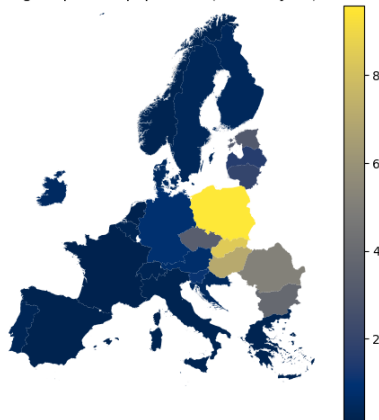
Bulgaria – 3.92%

Czechia – 3.34%

Austria – 0.72%

Croatia – 0.46%

Refugees per 100 population (as of May 31)



Data source: government reported figures; own calculations

A very different refugee crisis

Why?

- **Demographics** – Mainly young women with children
- **Education** – Well-educated women, but lacking work experience
- **Geographical distribution** – “Bunching” in the EU-CEE countries and Moldova
- **The EU response** – unprecedentedly welcoming
- **Intention to stay** – not necessarily long-term

→ **Very different needs compared to earlier refugee waves.
Refugees will need support in integration (at least initially)**

Employment prospects – the upsides

Very welcoming response (in the EU and beyond) is a strong basis

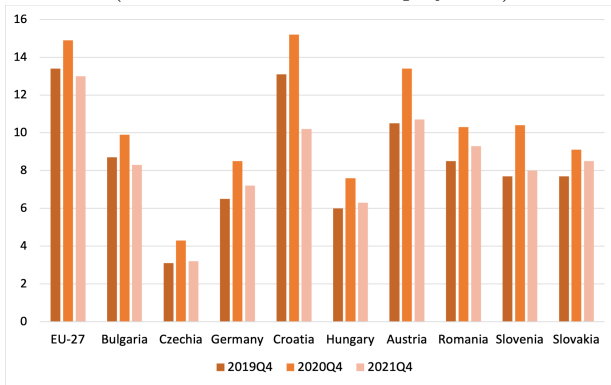
- **Temporary protection scheme**, which should mean:

- ① High chances for refugees to find a job
- ② (Relatively) easy movement within EU to find work
- ③ Reduced risks of exploitation
- ④ Better match between skills and employment
- ⑤ Not too much pressure on any single member state

Employment prospects – the upsides

Labour markets in dire need of workers

Labour market slack (selected Danube Region countries), %
(the unmet demand for employment)



→ Looming lack of labour will allow to find **at least temporary jobs** quickly

Employment prospects – the downsides

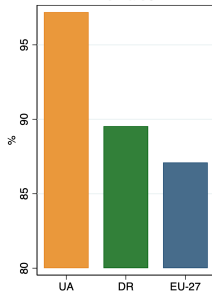
Overqualification is VERY likely

Education (in 2020)...

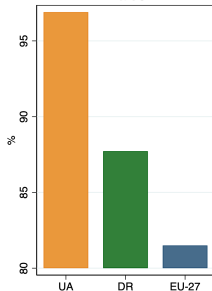
... at least upper secondary (20-24)

... tertiary (30-34)

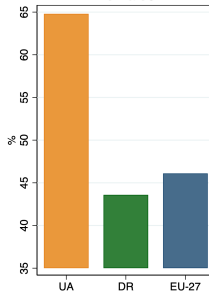
Females



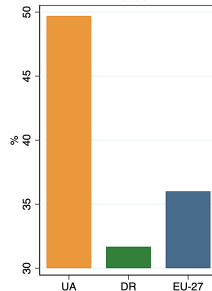
Males



Females



Males

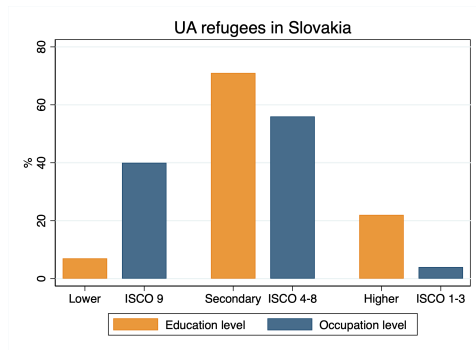


→ Better (formal) educational attainments both for men and women in Ukraine

Employment prospects – the downsides

First evidence on overqualification in Slovakia

- Taking jobs **below qualification**
- Difficulties **getting degrees recognised**
- Mismatch with **the skills in demand**
- Lack of **work experience**

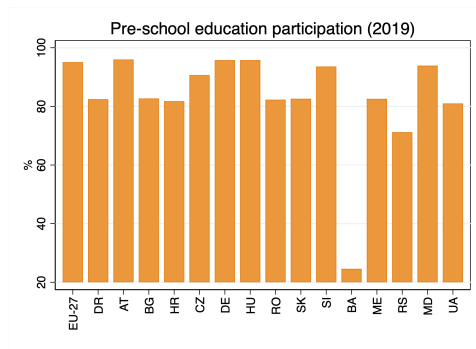


Data source: https://www.employment.gov.sk/files/slovensky/ministerstvo/analyticke-centrum/analyticke-komentare/komentare_2022/habel-veselkova_2022_zamestnanost_odidencov.pdf

Before even talking about employment... **childcare!**

Employment possibilities of women with minor children are limited by:

- (Full-day) childcare accessibility/costs
- Enrolment in local schools



→ Magnifies pre-existing issue of childcare shortages (especially in big cities)

The bottom-line

- **COVID-19** caused a **structural break** in youth employment in the Danube Region
 - lower employment
 - higher NEET
 - difficulties of labour market entry as crisis looms
- To evaluate **implications of COVID-19 for education** a longer time span is needed, but the focus on...
 - effect on educational attainments
 - commitment to pursue education
- The invasion of Ukraine brings **new challenges to no-yet-recovered labour markets**
- To foster **integration of UA refugees...**
 - **Childcare** (full-day, accessible and affordable)
 - Quick, unbureaucratic **recognition of educational credentials**
 - Identifying **intentions to stay** – training, re-education and paving a way for long-term employment

Thank you
for your attention!