

COVID-19, Education, Training and Informality: A Global Perspective

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A snapshot

Even before the pandemic, “learning poverty” that was 57 percent by the age of 10 and SDG4 (eliminate learning poverty by 2030) was already off track:

Today learning poverty is estimated at 70 percent

- Missing children from school:
 - Primary: 64 million
 - Lower secondary: 63 million
 - Upper secondary: 132 million
- Of 100 children:
 - 69 will complete primary education
 - 50 will complete lower secondary
 - only 25 will complete upper secondary

% of Informal workers by highest education level and gender				
Gender	Highest Education Level			
	None	primary	Secondary	Tertiary
Men	70	41	37	23
Women	92	59	35	23
Source: ILO (2018)				

Outline

1. Background and methodology
2. Key empirical findings: The impact of the global pandemic on
 - education
 - training
 - the economy and the labour market
3. Prospects
4. Recent trends regarding informality and skills
5. Policies

1. Background and methodology

Upcoming paper commissioned by UNESCO on

“Supporting Education and Skills Development Systems for Informal Workers Recovery after the Pandemic”

based on:

- Review of literature of the impact of the pandemic and policies to address its effects
 - Global, regional, national research by academics, think tanks etc
 - Reports by UNESCO and several partners
- Data
 - Empirical evidence till mid-2022 (early lit, based on simulations and projections)
 - *plus* selective updates based on actual outcomes derived from:
 - National surveys
 - ILOSTAT
 - World Bank (World Development Indicators, Informal Economy Database),
 - UNESCO Institute for Statistics
 - UNICEF
 - CEDEFOP
 - IMF, Regional Development Banks, European Union etc.

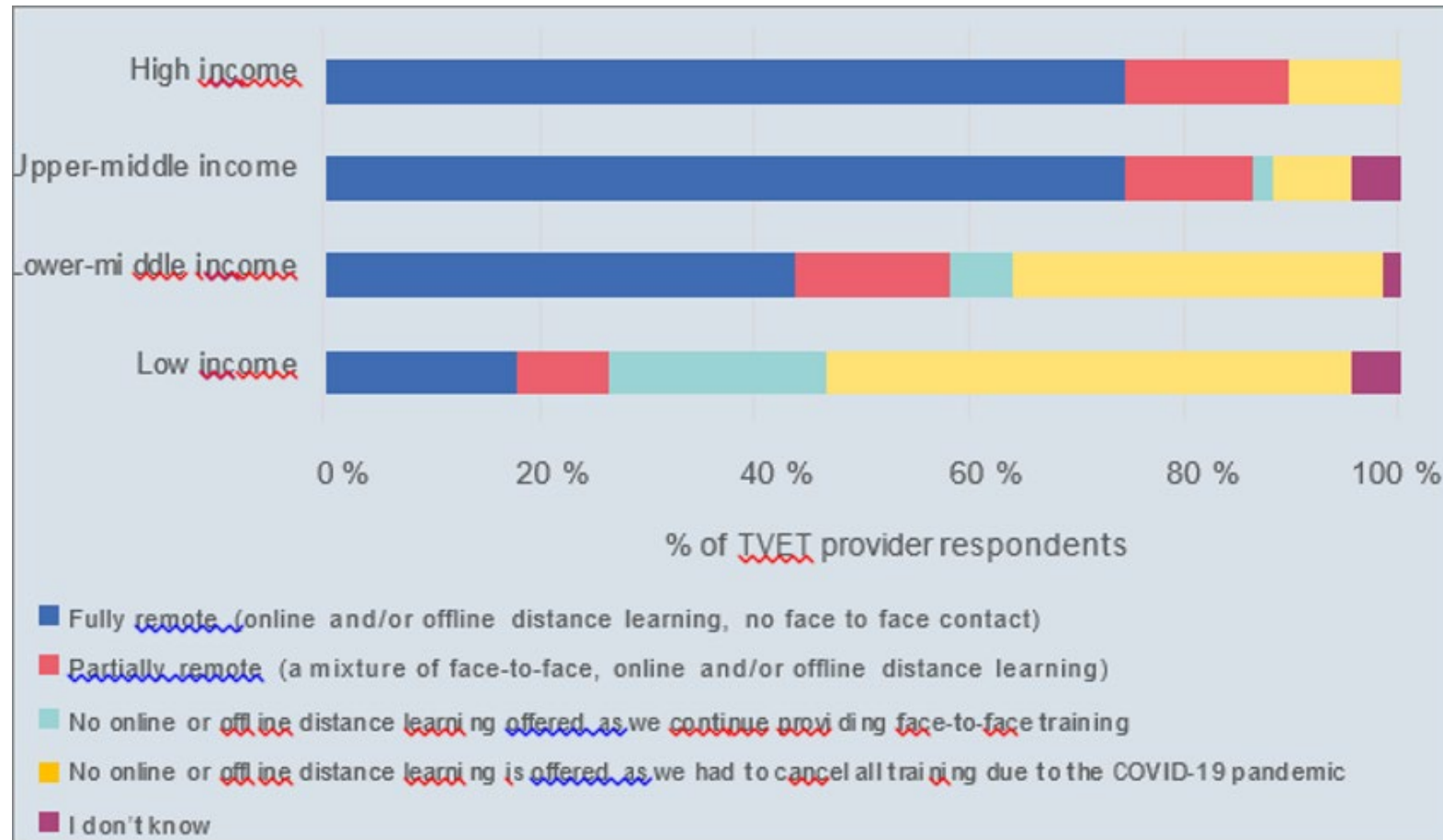
2a. Impact on education

- School closures averaged nearly 300 days (till Feb 2022) ranging between 220 days in ECA and EAP and 530 days in SA, with significant country variation. Overall 1.6 billion students affected
- Learning poverty increased by 23%
- Learning outcomes have declined after 2019 on average but different effects by:
 - Better-off students (some even saw academic improvements) vs. students from less privileged households
 - Schools in disadvantaged and rural areas (or even by student population composition e.g. minority, indigenous)
 - High income countries (practically all preserved/increased spending on digital learning) vs. one-in-four low income countries
- Many students
 - could not be reached by digital and remote learning programs
 - have dropped out (and unlikely to return to mainstream education)
 - married early/early pregnancies
 - took up work (child labour)
- These findings do not take into account kids who could not be tested e.g.
 - Those below the age of 5
 - Half of the world's young people who live in just 35 countries that do not participate in international testing

2b. Impact on training and labor services

- In-service/work-based training and apprenticeships declined due to:
 - Firm closures
 - Lower business activity
 - Few possibilities to invest in practical skills
- Again, adverse effects concentrated around those from underprivileged backgrounds in the informal sector due partly to practical constraints esp. in developing countries: lack of digital equipment, no access to internet, even electricity – when available and affordable
- Globally nearly ½ billion children could not be reached by digital and broadcast remote learning programs amidst school closures with 75 percent of these students coming from rural areas and/or poor households
- Career guidance services: Similarly affected by the lockdowns and social distancing – again with significant differences between high- and low-income countries and formal/informal sectors

Training delivery modalities during the pandemic by country income group



Source: AfDB, ADB, EC, ETF, Cedefop, GAN, ILO, OECD, UNESCO, and WBG - 2021

2c. Impact on the economy and the labor market

- Global growth: -3% in 2020
 - -4.4% in advanced economies; -1.9% in the rest of the world
- The number of the unemployed increased by 11%
 - 7% in advanced economies, 33% in low incomes countries
- Informal employment affected by the pandemic: 47% globally
 - 15% in high income countries, 80% in low-middle income countries
- The pandemic accentuated the “informalization of the formal employment” that started with
 - globalization, automation, digitalization, the gig economy, platform work ...
- Future losses: (due to learning losses/lower productivity)
 - Global loss of lifetime earnings due to school closures can be as high as \$11tr to \$17tr (equivalent to present value of future-to-current individual earnings: 65%)
 - GDP loss: failure to achieve SDG4 can amount to an annual loss of the current global GDP of 11%
 - Discounted global economic gains till 2100 from achieving SDG4: \$700tr
- Losses are forecast to be relatively bigger in low- and middle-income countries.

3. Prospects

- Global growth is forecast to slow from 6.0% in 2021 to 2.7% in 2023
- Fiscal space already limited due to
 - expansionary policies following the 2008 Global Financial Crisis and the pandemic from increases in health and social protection
 - borrowing by OECD governments alone jumped by 70 percent in 2020
 - 39 low incomes remain heavily indebted
- Rising global inflation:
 - from 4.7 percent in 2021 to 8.8 in 2022 and 6.5 percent in 2023
- Education spending was forecast to have been reduced by 10% during the pandemic despite the fact that poorer students switched to public education (and those from better off households are moving into private schools)
- Governments are taking austerity measures to reduce the debt and inflation.

4. Recent trends

- Despite these prospects, there have been some encouraging trends relating to informality and skills across several countries (such as in Bangladesh, Madagascar, Egypt, Uganda, South Africa, Kyrgyz etc)
- The trends in these countries confirmed that in general there has increasingly been a de-emphasis for lengthy, formal pre-service training in favor of short, focused in-service training; greater participation of the private sector and competition for funds; and better supply responsiveness by public institutions
- These developments have been affecting adult learning outside the workplace; formal training for the informal sector; the recognition of informal apprenticeships; skills in agriculture; improved career guidance mode; and addressing informality including for women workers.

5. Policies (1)

- the policy question is *not whether to spend more* on education but what the losses *from not doing so* will be on current and future generations
- achieving universal enrolments from ECCE up to and including tertiary education by 2030 would require an increase in annual education expenditures by approximately one percent of the global GDP of which only 0.2pp would need to be allocated to primary and secondary education
- the big question is: to what extent will authorities do something *today* for something that would accrue *in the future*?

5. Policies (2)

- Comprehensive packages of reforms for formal and informal education and training are found in UNESCO and many other organizations
- A eclectic personal view is to pay attention to:
 - Involvement of all stakeholders in policy design, management and financing
 - Lifelong learning and seamless skills development paths (e.g. informal apprenticeships, NQF)
 - Career development services (much needed for the disadvantaged)
 - Evidence based policies: half of the world's young people live in just 35 countries that do not participate in international testing and thus are deprived of having foundational performance information that can guide policies for improvement
 - Coherent international cooperation at national level serving the economic and social conditions, needs and objectives of the countries it supports rather than the mandates of international organizations and the political agendas of donor countries.