

▶ Youth Employment Promotion Project (YEPP) in Mongolia

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▶ At a glance



Partners

- Ministry of Family, Labour and Social Protection,
- Ministry of Culture, Sports, Tourism and Youth,
- Ministry of Food, Agriculture, and Light Industry,
- General Office for Labour and Welfare Services
- Korea Labor and Employment Service (KLES)
- Korea Employment Information Service (KEIS)
- Mongolian Wool and Cashmere Association,
- Workers and employers' organizations,
- Mongolian Industrial Trade Union Federation,
- Universities and TVET
- selected factories and enterprises



Funding

Government of the Republic of Korea



Duration

July 2024 – December 2026



Target beneficiaries

Young workers and employers in cashmere and hospitality sectors



Countries

Mongolia

▶ Background

The Youth Employment Promotion Project (YEPP) aims to tackle the significant employment challenges faced by young men and women, aged 15-29, in Mongolia. The challenges can be grouped into two primary areas: the mismatch between skills obtained through technical vocational education and training (TVET) and employer expectations, and the gap between the cultural and generational norms and expectations of employers and young workers in the workplace.

Mongolia faces a persistent shortage of skilled labour, despite high youth unemployment rates. The situation is particularly dire in urban areas and Ulaanbaatar, where young men face the greatest challenges. Many youths are engaged in informal employment, with nearly 80 per cent of those aged 15-19 working in informal settings.

A key issue is the disconnect between the skills provided by TVET programmes and the dynamic needs of the labour market. A government study found that only 40 per cent of TVET graduates were employed in their trained profession three years postgraduation. Employers frequently need to offer on-the-job training to address the shortcomings of vocational education programmes.

In addition to the skills mismatch, there is a cultural and generational disconnect between employers and young workers. Many employers expect young workers to endure long hours and high workloads, while young workers, particularly those from Generation Z, prefer jobs with better working conditions and labour protection. This mismatch contributes to high turnover, low productivity, and workplace conflicts. Furthermore, youth rights at work are frequently violated, with many working in poor conditions without proper contracts or social protection.



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The Government of Mongolia has recognized these challenges and, through its Vision 2050 long-term development policy, aims to provide youth with decent employment opportunities and foster entrepreneurial aspirations. Key initiatives include the Employment Promotion Fund (EPF), established under the 2001 Law on Employment Promotion, which finances skills training, career guidance, and support for youth and small enterprises.

Mongolia has also ratified the ILO Employment Promotion Convention No. 122, committing to promote full, productive, and freely chosen employment for all. However, institutional capacities to assess the needs of jobseekers and improve employment promotion programmes remain key areas for development. Addressing these gaps is critical for improving youth employability, reducing informal employment, and fostering sustainable economic growth.

► Project outcomes

The YEPP aims to improve youth employment in Mongolia by addressing skills mismatch and promoting workplace innovation. The project focuses on two key sectors: the textile industry (particularly the cashmere sector) and the hospitality sector, both critical drivers of economic growth and formal job creation outside the dominant mining industry.

Through capacity-building efforts with the Government and social partners, YEPP seeks to create long-term, sustainable improvements in productivity and working conditions. The project will develop and implement key policy initiatives to motivate young workers and enhance workplace management, ultimately contributing to the continuous growth of formal employment opportunities.

By the end of the project, YEPP will contribute to two core outcomes:

1. Enhanced employability of young people aged 15-29, by addressing the skills gap through improved vocational education and targeted support services.
2. Improved workplace management for better productivity and working conditions, achieved through strengthened skills, knowledge, and bipartite efforts between employers and workers.

These interventions align with the Government's broader strategy to support youth employment, and they will foster an enabling environment that enhances youth participation in Mongolia's evolving labour market.

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