Youth unemployment a challenge in Asia and the Pacific

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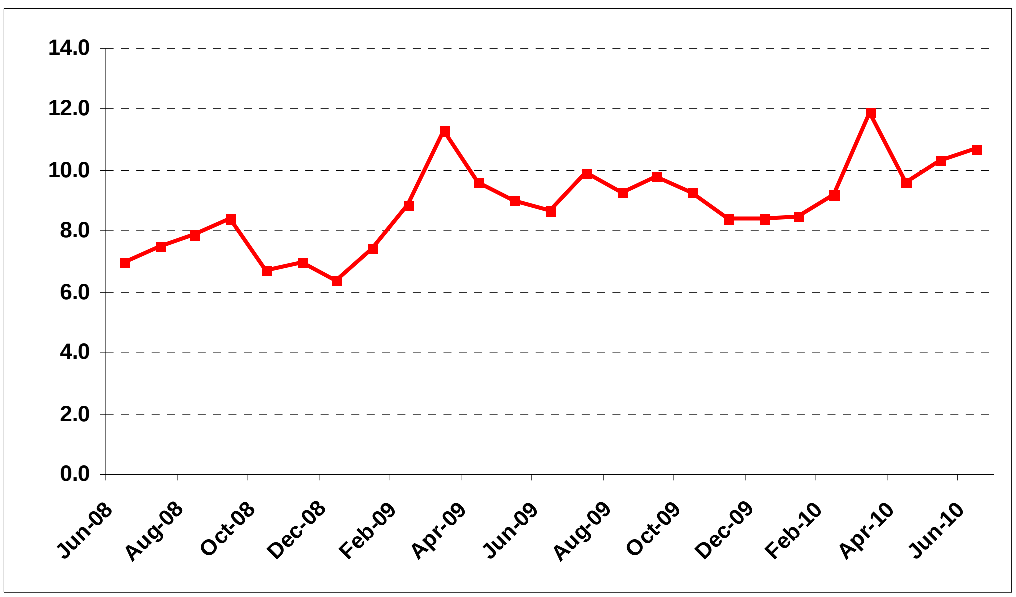
How are Asian young women and men currently faring in their search for work? This article explores the issue by examining recent labour market data from four countries in Asia and the Pacific; Japan, New Zealand, the Philippines and Sri Lanka.

The question was the focus of the recent *ILO Global Employment Trends for Youth, August 2010: Special issue on the impact of the global economic crisis on youth* report, which was unveiled in August to coincide with the launch of the United Nation's International Youth Year. The Trends report found that more than 36.4 million youth (aged 15-24) are unemployed in Asia and the Pacific. In South-East Asia and the Pacific, it is estimated the youth unemployment rate will reach 14.8 per cent in 2010, while the corresponding rates in South Asia and East Asia are 10.3 per cent and 8.4 per cent respectively.

Providing decent work to young people remains a key challenge for developed as well as developing countries in Asia and the Pacific. In Japan, youth unemployment rose rapidly in the first quarter of 2009, on the heels of the global economic and jobs crisis, before stabilizing at around 9 per cent. Since early 2010 youth unemployment has been rising again and registered at 10.7 per cent in June 2010 (figure 1). While the Japanese economy is recovering, this has yet to translate into a labour market recovery for young women and men.

Figure 1: Youth unemployment in Japan (%)



Source: Statistics Bureau, Ministry of Internal Affairs and Communications, Japan.

The ratio of youth unemployment to adult unemployment provides a good indicator of the problems that young jobseekers face compared to their adult counterparts. In the Philippines the latest labour force survey indicates that youth are more than 3.7 times as likely as adults to be without work (Table 1). In addition, absorbing the large number of young people entering the labour market for the first time will be an important policy challenge for the Philippines.

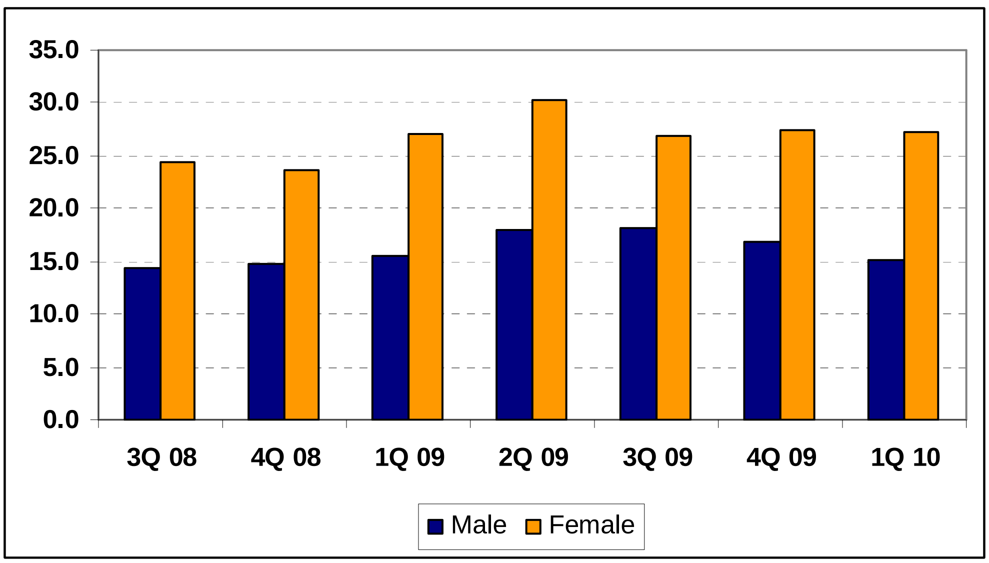
Table 1: Youth unemployment in the Philippines

	Unemployment rate (%)		Ratio of youth to adult unemployment rates
	Youth	Adult	
April 2010	18.8	5.0	3.7
January 2010	17.8	4.5	4.0
October 2009	16.6	4.5	3.7
July 2009	18.7	4.6	4.1
April 2009	17.3	4.7	3.7
January 2009	17.8	5.0	3.6

Source: Philippines National Statistics Office.

In some countries around the region young women are more likely than their male peers to suffer from unemployment. In Sri Lanka for example, the gap between female and male youth unemployment rate was 12.1 percentage points in the first quarter of 2010 (Figure 2)

Figure 2: Youth unemployment rate by sex, Sri Lanka, 2008-2010 (%)

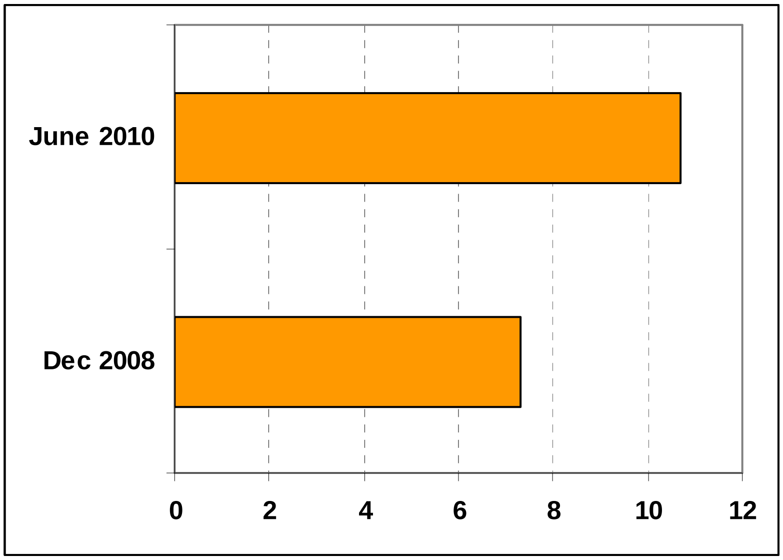


Source: Department of Census and Statistics, Ministry of Finance and Planning.

Another useful indicator when analysing the labour market experience of youth is the share of young people who are not in employment, education or training (NEET). This provides a measure of the labour potential of the youth population that is not being utilized.

In New Zealand the proportion of NEET young people has been exacerbated by the global economic and jobs crisis. The rate rose to 10.7 per cent in June 2010 from 7.3 per cent in December 2008 (Figure 3). Yet ensuring that young people are meaningfully engaged at this critical period in their lives is not only socially desirable, but it is vital for the future competitiveness of the economies in which they live.

Figure 3: Share of youth population not in employment, education or training (NEET), New Zealand (%)



Source: Department of Labour, New Zealand.

Asia and the Pacific is playing an increasingly important role in the global economy, leading the recovery from the global crisis. However, large number of young women and men continue to face a variety of decent work deficits and it is clear that further steps are required to ensure access to full and productive employment and decent work for young people in many countries in the region. Greater investment in young people now will ensure that this region's performance is sustained and strengthened in the years to come