

# ▶ Global Employment Trends for Youth 2020: Asia and the Pacific

Young women and men aged 15-24 in the Asia and the Pacific region continue to face a number of obstacles in accessing decent and productive jobs. A sluggish global economy, trade tensions and the recent COVID-19 epidemic, which has disrupted economic activities in China and other Asian countries, are weighing on economic activity in the region. Such developments can be particularly detrimental to youth as their employment prospects, relative to older workers, are more sensitive to economic downturns.<sup>1</sup>

The youth unemployment rate in the Asia and the Pacific region is estimated at 14.1 per cent in 2020, which is higher than the global estimate of 13.7 per cent (table 1). Young women in the region face lower rates of unemployment (12.1 per cent) compared to young men (15.0 per cent). This is the case in both in Eastern Asia and the Southern Asia. In South-Eastern Asia and the Pacific, the unemployment rate for young women (11.2 per cent) is higher than that of young men (10.6 per cent).

**Table 1: NEET, unemployment and labour underutilization (LU3) rates for young people, Asia and the Pacific, 2012, 2018-21.**

			2012	2018	2019	2020	2021
NEET rate	<b>World</b>	<b>Total</b>	<b>21.6</b>	<b>21.9</b>	<b>22.2</b>	<b>22.3</b>	<b>22.5</b>
		Total	23.2	23.9	24.2	24.4	24.6
	Asia and the Pacific	Male	11.3	12.9	13.2	13.5	13.7
		Female	36.1	36.0	36.3	36.5	36.7
Youth unemployment rate	<b>World</b>	<b>Total</b>	<b>13.4</b>	<b>13.5</b>	<b>13.6</b>	<b>13.7</b>	<b>13.8</b>
		Total	12.7	13.5	13.8	14.1	14.2
	Asia and the Pacific	Male	13.6	14.5	14.8	15.0	15.2
		Female	10.9	11.7	11.9	12.1	12.3
LU3	<b>World</b>	<b>Total</b>	<b>19.6</b>	<b>20.1</b>	<b>20.2</b>	<b>20.4</b>	<b>20.5</b>
		Total	17.4	18.9	19.3	19.5	19.7
	Asia and the Pacific	Male	17.8	19.3	19.7	19.9	20.1
		Female	16.7	18.2	18.4	18.8	19.0

Note: The LU3 rate, or the combined rate of unemployment and potential labour force, represents the share of the extended labour force that are in unemployment or the potential labour force. See <https://ilostat.ilo.org/glossary/lu3/> for more details.

Source: ILO modelled estimates, November 2019.

<sup>1</sup> See for example Choudhry et al. 2012. "Youth unemployment rate and impact of financial crises", *International Journal of Manpower*, Vol. 33 No. 1, pp. 76-95.

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Similar to the unemployment rate, the proportion of youth not in employment nor in education or training (NEET) has been on an increasing trend in the Asia and the Pacific region since at least 2012. The rate in the region is estimated at 24.4 per cent in 2020, compared to a global rate of 22.3 per cent. Unlike the unemployment rate, the NEET rate for young women is significantly higher than that for young men – almost three times higher. The gap is particularly large in Southern Asia (34.5 percentage points), whereas the gap was 10.1 percentage points in South-Eastern Asia and the Pacific and 9.8 percentage points in Eastern Asia. Globally, the gender gap in the NEET rate was 17.2 percentage points. The combined rate of youth unemployment and potential youth labour force – the LU3 measure of labour underutilization applied to young people – is estimated at 19.5 per cent in 2020 and has also been on an increasing trend since at least 2012. Young men in the region face a higher rate of labour underutilization compared to young women.

Examining young people in employment in the Asia Pacific region, 32.8 per cent of the young working-age population was estimated to be in employment in 2020 (table 2). The employment-to-population ratio (EPR) for youth in the region is lower than the global estimate of 35.4 per cent,

although similar to the global trend, it has been on a declining trend –down from 38.3 per cent in 2012. This is partly a result of more young people participating in education, rather than employment. The EPR for young women in 2020, at 23.9 per cent, is significantly lower than that of young men (40.8 per cent). Most of this difference is accounted for by Southern Asia, reflecting social and cultural norms that restrict young women’s access to employment. In that subregion, the gender gap is 26.7 percentage points, compared to a gender gap of 13.3 percentage points in South-Eastern Asia and the Pacific and a gap of only 1.5 percentage points in Eastern Asia. Globally, the gender gap in the EPR was 13.6 percentage points. Although in employment, many young persons in Asia and the Pacific are in informal jobs, with 86.3 per cent of the young population in informal employment compared to 67.1 per cent for the adult population. Extreme working poverty has continued to decline in recent years, with the rate falling from 13.9 per cent in 2012 to an estimated 5.8 per cent in 2020. This trend however is driven by Eastern Asia, and China in particular. In South-Eastern Asia and the Pacific the corresponding rate declined from 9.8 per cent to an estimated 3.5 per cent and in Southern Asia, the rate has fallen from 19.4 per cent to an estimated 11.1 per cent in 2020.

**Table 2: Employment-to-population ratio and working poverty rates for young people, Asia and the Pacific, 2012 and 2018-21 (percentages).**

			2012	2018	2019	2020	2021
	<b>World</b>	<b>Total</b>	<b>38.7</b>	<b>35.8</b>	<b>35.6</b>	<b>35.4</b>	<b>35.1</b>
Employment-to-population ratio		Total	38.3	33.4	33.1	32.8	32.5
	Asia and the Pacific	Male	46.7	41.6	41.2	40.8	40.5
		Female	29.3	24.5	24.2	23.9	23.6
Extreme working poverty rate (<1.90 USD per day PPP)	<b>World</b>	<b>Total</b>	<b>16.3</b>	<b>13.1</b>	<b>12.8</b>	<b>12.6</b>	<b>12.4</b>
	Asia and the Pacific	Total	13.9	6.8	6.3	5.8	5.4

Source: ILO modelled estimates, November 2019.

The deterioration in Asia and the Pacific in a number of youth labour market indicators, including unemployment, NEET and labour underutilization, coupled with slowing economic activity as a result of the COVID-19 epidemic, consequent supply chain disruptions, and lower consumer spending, calls for a renewed focus in countries on macroeconomic, employment and labour market policies to address the youth employment challenge. Sustainable

Development Goal target 8.b calls upon the international community to “by 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization,” and such a strategy and the measures identified in the Global Jobs Pact are particularly important in the region’s current socio-economic context.