

KEY POINTS

- Youth employment is a complex development challenge that requires comprehensive and integrated solutions to tackle underlying social and cultural dynamics as well as economic barriers.
- General employment measures will raise demand for young people to fill quality jobs, but targeted action is required on both the demand and the supply sides of the labor market to improve the inclusion of youth.
- Effective solutions require joined-up policies and programs across government units (ministries, agencies, and levels of administration) and coordinated engagement with employers, civil society, and young people themselves.
- Youth have been heavily impacted by the coronavirus disease (COVID-19) pandemic and recovery planning creates a window of opportunity for governments to strengthen the labor market programs that can support youth.

Youth Employment Support in Asia and the Pacific: What Works

Helen Osborne
Youth Employment Consultant
Sustainable Development and Climate
Change Department
Asian Development Bank (ADB)

Paul Vandenberg
Senior Economist
Economic Research and Regional
Cooperation Department
ADB

INTRODUCTION

Asia and the Pacific is home to 55% of the world's young people. Through the work they do, they can contribute to the growth and development of the region's economies and to their own welfare. However, many young people are not given that chance because they struggle to secure quality jobs. Across the region, youth (defined in Box 1) are almost five times more likely to be unemployed than adults (ADB and ILO 2020). Many do not participate in the labor market or education. When they do secure work, it is often in the informal economy with low wages and poor working conditions. Youth are now facing additional labor market barriers due to the COVID-19 pandemic, with long-term repercussions for their earnings and life chances. Ensuring that young people obtain quality employment is therefore a critical challenge for policymakers.

Youth employment is a complex socioeconomic challenge that defies simple analysis or solutions. Understanding the complexities can help shift the emphasis of the policies, programs, and investments that are needed. Fostering job creation for youth becomes as important as increasing employability (through skills training and other means). It can also change the emphasis of which stakeholders are important—from government and civil society toward a greater role for the private sector.

This brief begins with an analysis of the challenges faced by youth in securing employment. Understanding the dynamics of the challenge is important for designing best-fit solutions. It then assesses the main program approaches that can be used to support youth employment.¹ The key conclusion is that unidimensional approaches targeting only a single constraint are less effective than multidimensional approaches.

¹ This brief was prepared as part of the implementation of the regional technical assistance on Quality Jobs and the Future of Work (TA 6533), under the overall guidance of Wendy Walker, chief of Social Development Thematic Group (SDTG), Sustainable Development and Climate Change Department (SDCC), Asian Development Bank (ADB), and Michiel Van der Auwera, senior social development specialist, SDCC, ADB. This brief focuses on getting youth into work. The quality of employment (quality jobs) is a critical dimension in Asia and the Pacific and includes such aspects as adequate wages, occupational safety and health, job security, formality and informality, worker rights and representation, leave days, unemployment insurance, and others. These quality issues can be the subject of another brief. The authors would like to thank peer reviewers Per Borjegen, senior education specialist, Pacific Department, ADB, and Felix Weidenkaff, employment specialist, International Labour Organization.

Box 1: Definition of Youth

Globally, for statistical purposes, youth are often defined as those aged 15–24 years. National definitions vary across the region (e.g., Nepal uses 16–40 years). The Asian Development Bank tends to define youth internally as those aged 18–29 years. “Youth” is best understood as a stage of transition rather than an age group. This is relevant to employment as young people make transitions into, out of, and within the labor market in early adulthood, depending on life opportunities such as education as well as cultural norms and personal aspirations.

Sources: Authors; International Labour Organization. ILOSTAT (accessed 18 December 2021); World Bank. 2006. *World Development Report: Development and the Next Generation*.

The brief considers policy implications for governments and development partners. It recommends integrated solutions that respond to the complexities of the youth employment experience. Supporting youth in this way is an important part of shaping an inclusive recovery from the pandemic.

A COMPLEX DEVELOPMENT CHALLENGE

The youth employment challenge is affected by economic, social, and cultural dimensions and their interconnected dynamics. It is gaining increasing international attention among development partners (see Box 2 for related Sustainable Development Goals). As youth employment remained stubbornly weak after the 2008 global financial crisis, there has been increased focus on

understanding what drives the experience of young people in the labor market. A key consensus emerged that the root causes of problems faced by youth exist on both the supply and demand sides of the labor market. It is not only about young people having inadequate or irrelevant skills and competencies to be employable, but also about the scarcity of quality jobs for youth.

There are five key issues that underpin the complexity of the youth employment challenge. Understanding these issues can inform the design of effective support measures.

Youth’s Structural Disadvantage

Compared with adults, young people face persistent disadvantage in the labor market (Figure 1). This is evident from key indicators. Taking unemployment first, youth rates tend to be much higher than for adults. In Asia and the Pacific, 13.8% of young people were unemployed in 2019, compared with 3.0% of adults, and the youth rate has been hovering at 13% since 2013. As in other regions of the world, youth unemployment has not recovered to the levels prior to the global financial crisis, i.e., 11.9% in 2007 (ADB and ILO 2020).

In addition, many young people in the region cannot afford to be unemployed. Youth labor market participation in Asia and the Pacific is higher than in other parts of the world. A majority of young people are locked in informal employment, working in precarious situations, under poor conditions, and for low pay. Prior to the COVID-19 pandemic, 84% of the region’s youth (compared with 69% of adults) had no access to social protection. Extreme or moderate working poverty (living on less than \$3.20 a day) affected one in four young workers, a rate notably higher than the 18% for adults. Further, rates of youth not earning or learning have remained persistently high. In 2019,

Box 2: Youth and the Sustainable Development Goals

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university.

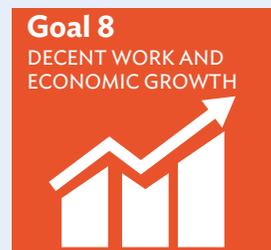
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

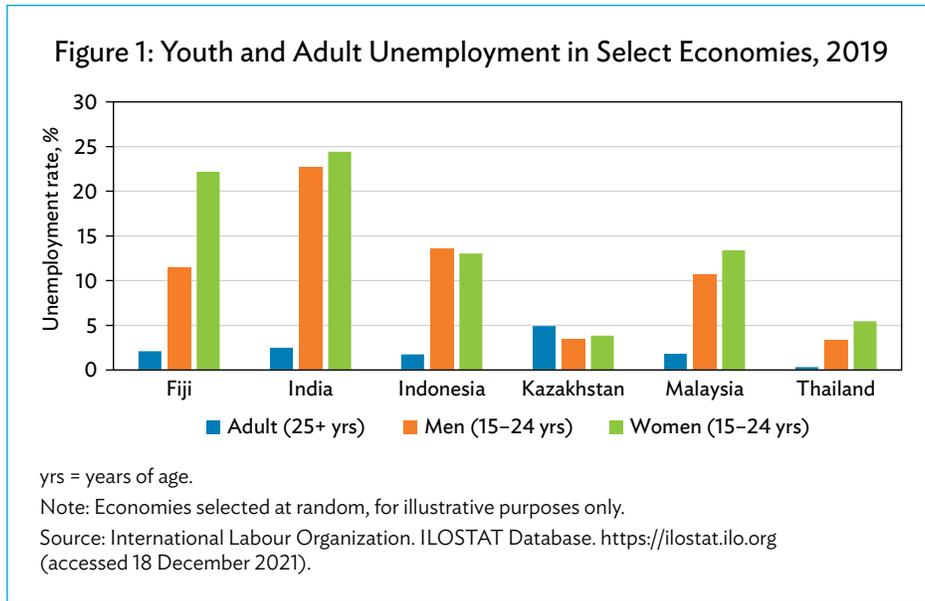
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education, or training.

8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.



Source: United Nations. Sustainable Development Goals. <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.



there were more than 160 million young people (around a quarter of the region’s youth population) not in employment, education, or training (NEET) and this rate has been on the rise since 2012. Among the world’s subregions, South Asia had the highest NEET rate in 2019, at 30%. For some young people, age combines with other vulnerabilities—including gender, sexual orientation, disability, migrant status, and remote or rural location—to compound disadvantage. For instance, young women make up nearly three quarters of NEET in Asia and the Pacific, with many having responsibilities at home for care and/or subsistence production work (ADB and ILO 2020).

The Dual Demand–Supply-Side Challenge

The difficulties youth face in securing quality jobs are caused by constraints on both sides of the labor market. The employment challenge is not only about getting young people into quality jobs (the supply side). It is also about whether sufficient quality jobs are available (the demand side). This has been a key insight to emerge from research and practice in youth employment over recent years.

On the supply side, young people are not being well prepared for the world of work. In South Asia, over half (54%) of the youth population are projected to leave education without the 21st century skills required to be employable across 2020–2030. This subregion is expected to have the largest youth labor force in the world until 2040 (UNICEF 2019). The persistently high proportion of NEET of young people across Asia and the Pacific indicates the disconnect between educational systems and labor markets as well as a lack of enabling support structures, such as affordable childcare, for young people to work. Japan, the People’s Republic of China, and other Asian economies are facing significant talent shortages (Probst and Scharff 2019). The problems can be particularly acute when there is a gap in

perceptions of employability between stakeholders in the education system and employers. For example, in Indonesia, while almost all (96%) training institutions believe that their graduates are well prepared for the job market, only around a third of employers in food and beverage manufacturing (33%) and the automotive sector (30%) agree (ADB 2021a). It takes time to make education and training systems more responsive to, and even predictive of, job market needs.²

As well as possessing inadequate or irrelevant skills to be employable,³ young people are further disadvantaged by a lack of job experience and social capital and by limited information during job search (Carranza et al. 2020; ILO 2020). There can also be a mismatch between the aspirations of youth on the one hand and the positions offered by employers on the other, which can lead to anxiety, frustration, and labor market detachment (Gardiner and Goedhuys 2020).

While developing the educational attainment and skills of young workers is key to progress, unless such supply-side measures are complemented or matched with demand-side measures for job creation, discouragement among youth can grow.

—ILO 2020

² See, for example, the discussions at ADB’s event ‘Investing in Education, Skills, and Research Collaborations for Climate Action’ on 10 December 2021: <https://www.adb.org/news/events/investing-education-skills-research-collaborations-climate-action>.

³ See, for example, findings from ADB’s annual flagship International Skills Forums: <https://events.development.asia/learning-events/9th-international-skills-forum-reimagining-education-and-skills-development-new>.

Even where young people possess appropriate skills and competencies, there may not be sufficient jobs available for them. United Nations projections show that more youth will live in Asia than in any other region until around 2080, when it could be surpassed by Africa (UN 2015). In Africa, where there is more research attention on youth employment,⁴ the challenge is being reframed by some as a “missing jobs crisis” (Fox et al. 2020). This has relevance for the specific contexts of Asia and the Pacific, where lack of quality jobs is a major challenge. While policies and programs by governments and development partners have typically focused on the supply side, such as skills training (Datta et al. 2018; Goldin et al. 2015), the demand for youth labor is being identified increasingly as the primary constraint.⁵ Demand-side barriers, such as jobless growth, affect all jobseekers and workers, but may affect youth disproportionately. Insufficient creation of entry-level jobs, restrictive employment regulations, and negative employer perceptions toward youth are key constraints to hiring young workers. Further, reduced access to credit, markets, and networks affects young entrepreneurs (Elder 2014; Baah-Boateng 2016).

Youth Vulnerability to Shocks

Young people are more vulnerable than adults to economic crises, and this is so for four main reasons. First, firms reduce new hiring, which disproportionately affects youth, who comprise the majority of jobseekers. Second, firms are more likely to lay off recent hires, who are typically young, because they have accumulated less in-work human capital and exhibit lower productivity. Third, young people are more likely to work in informal and temporary employment with less access to protection and support when a crisis strikes (ADB and ILO 2020; ILO 2021a). Fourth, young entrepreneurs have less access to the finance, resources, information, and networks needed to bolster their resilience during a crisis (UNDP 2020). At any time, a poor start in the world of work tends to have long-term repercussions on earnings, job quality, occupational progression, and well-being. Attempting to enter the labor market as a young person during a crisis or recession can impact labor market outcomes for more than a decade and result in lifelong scarring effects (ADB and ILO 2020; ILO 2021a).

The COVID-19 pandemic has worsened the precarious situation of youth in Asia and the Pacific. Young people have been affected on both the supply side (e.g., school closures, reduced training) and the demand side (e.g., firm closures, fewer vacancies). Many young workers in the region are or were employed in sectors hardest hit by the crisis (ADB and ILO 2020; ILO 2021c). Rates of youth unemployment, informal employment, and working poverty in the region have or were projected to increase because of the

pandemic (ADB and ILO 2020). Well-being among youth is also negatively affected by disruptions to education and work, with young females more likely to suffer than young males (ADB and ILO 2020; Barford, Coutts, and Sahai 2021).

As economies recover, the gap in labor market prospects between youth and adults may widen. Analysis of COVID-19 impacts on employment across 58 countries shows that a youth–adult recovery gap is emerging.⁶ Recovery of youth employment is either lagging that of adults or diverging further (ILO 2021a). Notably, labor market institutions were found to have provided less protection to youths than adults during the pandemic, based on early global analysis of selected high- and middle-income countries.⁷

Youth in the Life Cycle

The experience of young people is further complicated by their labor force entry during a complex stage of life transition. The term “youth” does not apply to just an age bracket. Youth development is multifaceted, part of a life cycle that links economic and social inclusion and personal growth. The 2007 World Development Report (*Development and the Next Generation*) was important for establishing youth as a stage of transition with complex development needs. Specifically, the report identified five youth transitions: learning, work, health, family, and citizenship (World Bank 2006). Economic inclusion should be part of a holistic experience of social and personal growth within a wider context of cultural norms and the political environment. This understanding has important implications for the design of youth policies and programs. A review of evidence on youth employment⁸ noted:

A positive youth trajectory concludes with the development of a mature adult who has a positive sense of self, has developed agency and impulse control and a set of core competencies and skills for engaging effectively with the economy, society and the demands and challenges of everyday life.

—Fox et al. 2017

⁴ See, for example, Kluge et al. 2017.

⁵ For example, the World Bank and African Development Bank policies have reflected this.

⁶ For young people, on average, if gross domestic product declines by 10 percentage points, youth employment falls by 8.1% compared to 6.3% for adults.

⁷ Using selected indicators from the International Labour Organization (ILO)’s EPLex database on national provisions in employment protection, new research based on 44 high- and middle-income countries shows that those with more protective labor market regulations in place prior to the COVID-19 pandemic suffered proportionately fewer job losses compared to those countries with less. However, this association only applies to adults (O’Higgins, Verick, and Elsheikhi 2021). <https://eplex.ilo.org>.

⁸ The analysis further recognizes that: “A negative trajectory does not develop self-esteem and agency and concludes with risky and/or destructive behavior such as teen pregnancy, crime and violence, self-destructive health habits, and disengagement from society, all of which can lead to household poverty and lower economic growth” (Fox et al. 2017).

Within the youth phase of the life cycle, the work transition is itself complex. The pathways young people take into, out of, and within the labor market are increasingly nonlinear. Not only is the school-to-work transition a challenging time, but more and more young people also need support during (i) work-to-work transitions, for example because of tenuous employment relations involving gig-economy jobs and casual contracts; and (ii) work-to-study transitions, including part-time study, for upskilling and lifelong learning to support job switching and future career progression (NYCA 2020).

Youth and the Future of Work

Young people's prospects in the labor market are affected by "mega trends" that are shaping the future of work. These trends have direct bearing on the supply of, and demand for, youth employment, with COVID-19 accelerating the pace of change in some respects. Three trends are highlighted: demographics, Industry 4.0, and climate change.

Demographics, through patterns of fertility and longevity, determine the size of the working-age population and the cohort of young people. Across Asia and the Pacific, there is a varied landscape of demographic transitions. ADB's Strategy 2030 notes:

There are over 2 billion individuals under the age of 30 living in Asia and the Pacific, representing 54% of the global youth population. Favorable demographics or demographic dividends are often correlated with strong economic development and social progress, but this is contingent on the ability of developing member countries to offer quality jobs and maximize workers' productivity.

—ADB 2018

The age distribution of the population (current and projected) sets the basis for the policies that can unlock the productive capacity of working-age people. Economies in East Asia, including the People's Republic of China and the Republic of Korea, have been able to reduce substantially their dependency ratio (i.e., nonworking-age to working-age population) while maintaining growth in gross domestic product and average wages alongside lower youth unemployment rates (World Bank 2012).

Industry 4.0 is changing tasks within occupations and therefore also the skills required to perform them. Many young people are still taught with out-of-date curricula and pedagogy, which means they are not well prepared for the demands of a fast-changing labor market. In Southeast Asia, job creation should be greater than displacement in key industries by 2030, creating new opportunities for young workers (ADB 2021a). There is a similar picture globally, with job destruction most likely be offset by growth in the "jobs of tomorrow" (WEF 2020). Furthermore, for many existing jobs that will remain, the nature of work performed is being changed by technology. Digital transformation has accelerated during the pandemic, with increased use of artificial intelligence, automation, and the virtual office. The gig economy is providing many jobs for youth and will expand further in the future. Most workers engaged in online and location-based platforms are under the age of 35 (ILO 2021c). These platforms offer some young people the flexibility and autonomy they prefer, but such work may also perpetuate mismatches in aspirations and skills while distancing young people from quality job conditions and access to social protection.

Climate change may be the trend with the greatest impact on the socioeconomic prospects of Asia and the Pacific, with implications for youth skills and jobs. The transition to greener economies brings a mix of job creation, job substitution, job reduction, and job transformation. It can create significant fragility in people's livelihoods, especially those in vulnerable and marginalized communities at risk of climate-induced shocks. Climate change may generate over 100 million jobs globally by 2030, but close to 80 million jobs could also be lost (UN 2021). Anticipating these changes has particular relevance for students, young jobseekers, and young workers, given that "young people generally tend to have stronger aspirations for work that benefits society, in this case by contributing to environmental sustainability" (Chacalca and Dasgupta 2021). As governments "build back better" from the pandemic, youth may benefit from employment and entrepreneurship opportunities through green growth and green jobs, particularly in renewable energy and sustainable tourism⁹ (Chacalca and Dasgupta 2021).

COMPREHENSIVE AND INTEGRATED SOLUTIONS

The preceding section showed that young people face complex realities and multiple constraints in their experience of securing employment. Policies and programs to support youth employment are evolving in response to a better understanding of the multifaceted and complex challenge. It is recognized that raising aggregate demand is the best way to increase job opportunities for all workers. Yet, a rising tide does not lift all boats. Young people get left behind; particularly vulnerable youth who experience other drivers of disadvantage including location (urban, rural, remote),

⁹ UN Global Initiative on Decent Jobs for Youth Thematic Plan 4. Green Jobs for Youth. <https://www.decentjobsforyouth.org/wordpress/wp-content/uploads/2017/08/Thematic-Plan-4-Green-Jobs.pdf>.

disabilities, gender, and informality. Targeted youth measures are required and work best when they are part of a multidimensional approach that combines supply-side, demand-side, and intermediation interventions. This section discusses the main types of youth employment support, with insights about how they are best delivered. It then highlights features of effective integrated approaches, providing examples of leading programs from the region and elsewhere.

Types of Youth Employment Support

The main types of youth employment support are categorized in Figure 2. They are best delivered in combination with one another and tailored to context. Context spans social, economic, cultural, and political environments and links with the individual circumstances of the young person.

Supply-Side Interventions

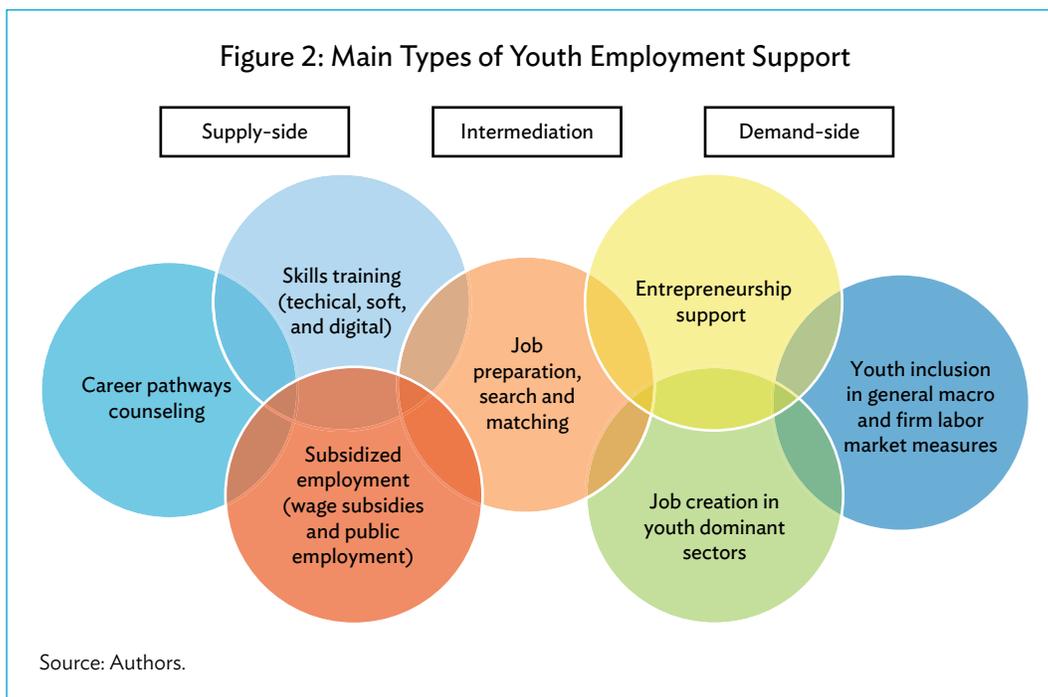
Developing Youth Human Capital: Skills Training. Skills training has been the most common type of youth employment program. Training programs improve employment and earnings of youth, with larger effects in low- and middle-income economies than high-income ones. Results are greatest when training is combined with other types of support. The combination of skills training and entrepreneurship promotion can work well where job opportunities in the formal sector are scarce (Kluve et al. 2017).

Types of skills training and delivery modalities have been evolving rapidly in response to employer needs and skills gaps. To develop

a future-ready workforce, young people should be trained in technical, digital, and soft skills, with the latter including workplace values, self-respect, and communication. Instruction is delivered in the classroom, online, or on the job. Focusing on what employers value increases effectiveness and can be achieved through workplace exposure (Almeida, Behrman, and Robalino 2012). Quality apprenticeships and internships, as well as greater private sector input into the curriculum, can enhance job-specific skills and ease the school-to-work transition (Generation Unlimited 2020).

Evaluations are ongoing to learn more about the content and length of training that is effective for different types of youth. Tailored provision works best, recognizing the specific constraints faced by individual youth. Incentive-based payments for training providers to target marginalized youth and strong profiling mechanisms are highly effective features of training programs (Datta et al. 2018). Training initiatives that enable workers to move into in-demand sectors are among the most successful. They help overcome key sectoral or spatial mismatches in the labor market (McKenzie 2017). Finally, in the entrepreneurship field, there is a new wave of alternative training programs that are not limited to traditional business areas such as accounting, marketing, and human resource management. The new wave incorporates the use of psychology and heuristics, is sensitive to gender, provides assistance from peers and mentors, and customizes practices to the local context. These approaches are found to improve business success (McKenzie 2020).¹⁰

Increasing Youth Access to Wage Employment: Wage Subsidies. Wage subsidies can increase the hiring of young workers. The transfers can be to the employer (to reduce wage costs) or to the employee (to increase income from working). Initiatives



¹⁰ There is significant heterogeneity in results.

that reduce both the employer's social security contribution and wage costs (through a subsidy) can have a large positive impact on employment. Subsidies work best when a young person gains formal employment experience and acquires on-the-job knowledge and skills that increase their productivity and therefore employability. In addition, information asymmetries are reduced as employer and employee get to know each other, which can lead to a long-term job offer. Subsidies are particularly relevant for youth whose (perceived) marginal productivity may be below market wages. Providing subsidies to employers can incentivize more job search among youth, because the latter believe there is more opportunity to find work. Employee-side subsidies can be used to better target specific disadvantaged groups (Kluve et al. 2017).

Effects of wage subsidies are typically short-term and do not last much beyond the subsidy period (Datta et al. 2018). On this basis, they are best paired with additional training, which can be provided through apprenticeship schemes (Kluve et al. 2017). Combining wage subsidies with job-matching services can also improve outcomes (Goldin et al. 2015). Impacts of wage subsidies can be limited if the target youth would have been hired anyway (deadweight) or if noneligible workers are laid off or overlooked in favor of targeted young workers (substitution). Conditionalities for employers are important to ensure intended behavior, e.g., to prevent firms churning their workers to exploit access to financial assistance (Bördös, Csillag, and Scharle 2016). There can also be issues with stigma: firms may avoid hiring eligible youth because of perceptions of low productivity; or vulnerable youth may find eligibility degrading and avoid participation. Take-up among employers of subsidy schemes can be improved by wide dissemination of the benefits and efficient administrative procedures (Generation Unlimited 2020).

The short-term nature of wage subsidies makes them particularly relevant to crisis or shock situations. They can help employers retain workers, underpin incomes of vulnerable workers (including youth), help keep businesses afloat, and support aggregate demand.¹¹ If schemes are stopped abruptly, jobs can be lost. Yet, if they stay in place too long, they risk propping up jobs that are unviable. The targeting of specific groups also needs to be carefully managed to avoid becoming distortionary over time, blocking hiring of other workers in need (OECD 2020).

Directly Creating Jobs for Youth: Public Employment Programs. Public employment programs (PEPs) are another subsidized intervention that creates short-term work for the unemployed. The temporary nature of the work can make it more of a safety net and is thus different from, and complementary to, creating long-term jobs in the private sector. Again, these schemes can play an important role during crises, recessions, or seasonal shocks when labor demand is low. Their significant capacity for targeting makes them a relevant policy instrument to support vulnerable youth.

PEPs provide income generation for eligible households, often when revenue alternatives are scarce. Improved food security and increased consumption can bring wider benefits to local community development. Through job-ready skills acquisition, PEPs can also play an important part in mitigating human capital depreciation when individuals are detached from the labor market. Other gains for the youth include reductions in antisocial behavior and increases in social integration. For a multilateral development bank, public employment programs can be integrated into infrastructure projects, community works, and social development schemes. When the impacts of improved market functioning or quality of life from enhanced assets and services are accounted for, the benefits of PEPs can be wide-ranging.

There are multiple design options for PEPs, which can affect how benefits are realized by recipients and the wider labor market and community. Analysis of the Mahatma Gandhi Rural Employment Guarantee Act in India found that labor market participation increased especially for women while the gender wage gap decreased. Youth-specific evidence is still thin, but key design insights are emerging to maximize outcomes for young workers. For example, additional support such as training and placement assistance can be integrated into PEPs and it is better to provide these in-kind services directly rather than offer additional income for young people to procure such services independently. Also, explicitly identifying youth for participation in household-targeted programs reduces the likelihood that potential young participants are inadvertently excluded (Lieuw-Kie-Song, Puerto, and Tsukamoto 2016).

Intermediation Interventions

Preparing Youth for the Labor Market and Connecting Them to Employers: Employment Services. Employment services help youth secure a first job and navigate subsequent labor market transitions. These services are provided by public or private agencies, or jointly by the two. Key types of support include job matching, career counseling, and connection to training and retraining opportunities. Job search assistance generally increases the number of interviews offered, jobs offered, and jobs secured. It can also help youth secure higher-quality employment. However, not enough is known about the extent to which young people who receive support might displace other young jobseekers who did not access employment services (JPAL 2018). Additionally, much of the impact evaluation of employment services has been conducted on high-income economies (Kluve et al. 2017).

Addressing job information asymmetries in lower-income economies generates good results for youth employment. Giving employers clearer information about a young person's competencies and skills generates positive returns. Providing job boards and transport subsidies to employment centers in urban areas can help youth in marginalized rural communities find jobs (JPAL 2018). In general, measures to overcome spatial constraints,

¹¹ See ADB Blog: How the Pandemic Changed the Way We Think About Quality Jobs. Paul Vandenberg and Helen Osborne. 15 December 2021. <https://blogs.adb.org/blog/how-pandemic-changed-the-way-we-think-about-quality-jobs>.

e.g., transport subsidies to reach work and support for international migration, are promising (McKenzie 2017; Fox et al. 2017). However, less is known about the longer-term impacts of employment services, with indications that impacts can fade more quickly than for interventions that focus on human capital accumulation, i.e., training (Card, Kluve, and Weber 2018).

Employment services are best delivered in combination with other types of support (Datta et al. 2018). For example, in Mongolia, youth satellite centers in major universities allow students to seek a range of assistance (Avila 2021). An ADB review of youth job-matching platforms in the region found that: “Most models provide job matching in combination with other services.... The online job portals that are originally designed to enhance the transaction between jobseeker and employer are increasingly seeing the benefits of expanding services into career orientation, job search assistance, and post-placement support to improve the quality of matching” (ADB 2021b).

Digital solutions are fast becoming mainstream with the growing use of online job-matching platforms (Avila 2021). Making services available on smartphones and in local languages helps reach lower-income groups, who may only access the internet through their phone. Providing voice options, in addition to text, can help serve those with low literacy. Governments are increasingly providing employment services digitally, alongside private sector innovations. Google has launched Kormo Jobs, a job-matching smartphone app that uses artificial intelligence, in Bangladesh, India, and Indonesia. The app targets unemployed urban informal workers, recent urban migrants, and especially post-secondary youth seeking entry-level jobs, and typically connects them to jobs with small and medium-sized enterprises that cannot normally be found online. Youth can also learn new skills and build a curriculum vitae by using the app (World Bank n.d.). Young people without any access to the internet, however, risk being left behind.

Demand-Side Interventions

Boosting Aggregate Demand: General Labor Market

Measures. From a policy perspective, increasing aggregate demand for labor is a key way to enable more young people to access employment. A robust business sector will determine the availability of jobs for youth. Labor market regulations—which set the costs of hiring and laying off youth and the incentives for human capital investment and industrial strategy—will affect the demand for formal and informal labor. Measures to promote dynamism and innovation among firms and encourage inclusive hiring will generate a buoyant labor market where young people can have access to job opportunities. Many measures will not be youth-specific but can be designed and implemented to be

relevant to the needs and aspirations of young people. Investing in value chains and/or sectors that employ, or have potential to employ, a large share of youth can also expand access, including for new labor market entrants. Targeted youth employment programs are best delivered within this wider enabling environment of jobs-rich and inclusive economic growth (ILO 2020; ADB and ILO 2020).

Supporting Youth to Run Businesses: Youth Entrepreneurship and Self-Employment. Supporting young people to start and grow a business is a way for youth to contribute directly to increasing demand for labor. Promoting entrepreneurship among young people can yield positive employment and earning results for youth in low- and middle-income countries (Kluve et al. 2017). Impacts of such programs tend to be greater for youth than other disadvantaged groups such as social assistance recipients or women (Cho and Honorati 2013). Since 2011, there has been a significant uplift in investments in youth enterprise development: half of the youth employment policies introduced in Asia and the Pacific have included entrepreneurship promotion (Weidenkaff and Witte 2021).¹² This increase is largely a response to the lack of decent wage employment for youth in low- and middle-income countries.

For some youth, entrepreneurship can provide an alternative employment pathway in which a young person creates her own livelihood (Generation Unlimited 2020). If successful, young entrepreneurs can work as active agents and drivers of economic growth and social innovation. They can become job creators and provide economic opportunity for other youths. There is some evidence that young entrepreneurs are more likely to hire young workers and pay them more compared with older entrepreneurs.¹³ There is an important distinction between young people who become self-employed as a coping or survival strategy, given scarcity of other options (known as “necessity” entrepreneurs), and youth who seek profit and productivity through business creation and innovation (known as “opportunity” entrepreneurs) (GEM n.d.). More than half of young entrepreneurs in Asia and the Pacific (and in sub-Saharan Africa and Europe and Central Asia) are self-employed in subsistence agriculture (Weidenkaff and Witte 2021).¹⁴ Careful differentiation is required in the design of programs to benefit different types of young entrepreneurs.

Entrepreneurship promotion programs work best for youth when they provide a “package approach,” combining financial and nonfinancial services (Cho and Honorati 2013) and when they remove the structural barriers that micro and small enterprises face in the market (Flynn et al. 2016). Successful initiatives enable young entrepreneurs to access finance,¹⁵ trade in markets (e.g., value chain initiatives), join networks of peers and mentors, and build the necessary mindset and

¹² Based on analysis of ILO Youth Employment Policies and Legislation (YouthPol) database.

¹³ For more information, see <https://www.decentjobsforyouth.org/theme/youth-entrepreneurship-and-self-employment#What>.

¹⁴ Based on analysis of ILO school-to-work transition survey results 2012–2015.

¹⁵ Access to finance is particularly critical, but its impact is only durable when combined with nonfinancial support. Grants and loans both play a role for young entrepreneurs, depending on the profile of the targeted youth. Many factors influence financial inclusion and the effectiveness of financial support, from gender and cultural norms around financial ownership in a household to low levels of trust in financial institutions. Building the capacity of financial providers to cater to young entrepreneurs can encourage the provision and uptake of youth-friendly products (Generation Unlimited 2020).

Recognizing that young people are social and culturally embedded, meanwhile, requires a more profound shift in understanding what work means in the lives of young men and women. How young people need to negotiate personal and family interests, and their ability to reflect on how to invest in different social relationships either financially or in other ways, is an element that could be much more strongly reflected in youth-work interventions, in order to align with the aspirations of youth.

—Flynn et al. 2016

competencies to thrive as business owners (McKenzie 2020). The “Skills Training” section of this brief outlines new insights in emerging types of entrepreneurship training, such as psychology-based and gender-oriented training.

Taking a markets-based approach to entrepreneurship also means designing programs that avoid simply redistributing opportunity, i.e., that do not lead to net gains in employment overall (Weidenkaff and Witte 2021). Directing youth away from sectors with high market saturation helps (new) businesses compete (McKenzie and Puerto 2017). Supporting youth-led businesses to access new “future of work” markets is gaining traction, notably digital start-ups and green entrepreneurship, and is in line with

social and environmental goals (Guelich and Bosma 2019). Regulations and standards that will help young people self-employed in the gig economy to be productive and well protected are also important (ILO 2021c).

What Works in Integrated Youth Employment Approaches

The most effective youth employment programs address multiple challenges by combining different types of initiatives tailored to context and the individual profiles of targeted youth (Datta et al. 2018; Kluge et al. 2017; Chacaltana and Dasgupta 2021). Such initiatives span three critical dimensions:

- Activating the inactive and improving the employability of youth (labor supply).
- Orienting youth to the job market and matching them with employers (labor intermediation).
- Creating jobs for youth—with a focus on improving quality of employment—and supporting youth as innovators and job creators (labor demand).

Integrated programs can benefit from specific additional design elements to connect the various components. These elements include integrated monitoring and evaluation frameworks and interministerial coordination teams, or incentives for firms to hire youth from certified training programs.¹⁶

In the following section, we identify six design features that underpin successful integrated programs, based on available evidence. These features stand out in the literature specific to youth employment (some can also apply to labor market programs for other disadvantaged populations, such as women or people with disabilities). They relate as much to program content as delivery modality, noting that the “how” of program support is often as important as “what” is provided (Kluge et al. 2017). Box 3 highlights key features from five integrated programs in the region and one from Africa.

Box 3: Case Studies of Integrated Youth Employment Approaches

Case 1: Vision Plan Program, Republic of Korea

The Vision Plan Program in the Republic of Korea is a comprehensive not in employment, education, or training (NEET) reduction and employment support program, specifically addressing the limitations of previous programs that focused only on job placement. The program offers a broad range of tailored services. Technical and employability skills are developed through academic and vocational training. This is delivered alongside psychosocial support as well as art, music, and physical activity courses, to build social skills and promote mental health and well-being. To tackle the root causes of the challenges that young people face, the program also works with their families (family coaching) and local communities (neighborhood activists’ training

and networking). Young people codevelop self-growth plans one-on-one with social workers, focusing on their personal and professional journey. These plans include self-monitoring which incentivizes individual responsibility. The program led to a 6% decline in the NEET rate and an 8% increase in the number of youths looking for a job over 3 years, compared with a control group (Park et al. 2020).

Case 2: Nepal Employment Fund

The Nepal Employment Fund was launched in 2008 through a bilateral agreement with Switzerland. The fund provides training and employment placement services to disadvantaged, low-income, and often unemployed, youth. The fund administers

continued on next page

¹⁶ The World Bank evaluated its Youth Economic Inclusion project in Tunisia and found that the social rate of return increased for both the demand-side and supply-side initiatives as a result of the integrated approach (Datta et al. 2018).

Box 3 Continued

various programs through a competitive bidding process. Adopting a differential pricing mechanism, service providers are incentivized by awards if they agree to train (and place) more young people from disadvantaged and vulnerable groups. An evaluation 3 years after participation in the training program demonstrated that nonfarm employment increased by 15%. The program also generated a gain in average monthly earnings of 72%. The employment impact for women was significantly larger than for men. Women aged 16–24 experienced the same improvements as slightly older women (aged 25–35) who are also classified as youth in Nepal as the national definition is 16–40 years of age (World Bank 2016).

Case 3: JobStart, Philippines

JobStart is a full-cycle youth employment facilitation program, administered through municipal Public Employment Service Offices in the Philippines. It targets youth aged 18–24 who are NEET, particularly those from low-income households. It aims to shorten the school-to-work transition of participants. Eligible youth must have a high school education and either no or less than 1 year of work experience. Services span registration, employment assessment, a custom 10-day Life Skills Training Program, one-on-one career coaching, career guidance, and technical skills training. Those ready for a job are referred to employers (wage employment pathway). Hiring subsidies or wage supplements are provided to prequalified employers to cover a young person's nonwage employment cost. Networks of local employers are developed to match job-ready youth with jobs. Internships with employers are offered to those not ready for job referral (training and internship pathway) for up to 3 months, which pays at least 75% of the minimum wage. Following a donor-funded pilot (financed by Asian Development Bank (ADB) and the Government of Canada), the program was institutionalized in the Philippines through a law passed in 2016. The program has supported almost 20,000 youth (over 50% female), with an overall 67% placement rate. With ADB support, the Department of Labor and Employment is developing a national rollout of the program.^a

Case 4: Second Urban Youth Employment Project, Papua New Guinea

The World Bank's \$35 million Second Urban Youth Employment Project in Papua New Guinea (2020–2025) targets at-risk youth in urban centers, typically those engaged in crime and social unrest. The project recognizes the “complex nature of youth employment” and that generally in the country “solutions were either too short or too fragmented to make a difference.” The project has three core interlinked components: Youth Job Corps, skills training, and referral services. The Youth Job Corps component includes 10 days of basic life skills and job readiness

training and 30 days of public works activities aligned to urban development priorities. Youth are engaged to raise awareness of the program and encourage participation in their communities. They can then follow pathways into vocational training and internships and further into jobs, including setting up their own microenterprises (World Bank 2020).

Case 5: Skills and Employability Enhancement Project, Tajikistan

Tajikistan is creating three specialist Job Centers in tourism, agriculture, and energy as part of an employment and labor migration project. Enhanced employment support will include job counseling services to match a person's interests and skills to potential jobs, with a focus on disadvantaged youth and female jobseekers. Job counseling will use updated digital equipment and new aptitude-testing software. Training in soft skills and digital skills will be provided. Training certification and verification will be developed in collaboration with the private sector. The project will also promote broader labor market reform measures, including reclassification of occupations and better employment data. Job Center graduates are expected to be able to earn an annual wage 10% higher than the minimum wage in the targeted sectors. The delivery of services will be gender sensitive, including free childcare services and stipends for young women. The project is financed by the Asian Development Bank and runs from 2020 to 2027 (ADB 2020).

Case 6: Harambee Youth Employment Accelerator, South Africa

A leading approach outside Asia is from South Africa. Established in 2011, Harambee is a leading youth employment accelerator in South Africa that is now providing lessons for similar activities in other countries. By working with partner employers, Harambee helps disadvantaged youth overcome the multiple forces of entry-level exclusion and make successful transitions into first and subsequent formal jobs (Altbeker 2015). There is a specific focus on ‘bounce back,’ i.e., continuing to provide support to youth who fall out of a first job and into unemployment or inactivity. Positive results led to a collaboration with government to take the model to scale as part of the public employment service. Harambee is now a lead delivery partner for the Presidential Youth Employment Intervention. The model shows that providing publicly certified skills assessments to both jobseekers and hiring firms increases employment by 5% (relative to a control group) and earnings by 34%. It also improves job seeking by tailoring the search to jobs aligned with a person's highest skills. Firms gave 11% more interview invitations to applications that included skills certification, relative to those not certified (Carranza et al. 2020).

^a For more information on the JobStart program, go to <https://www.adb.org/sites/default/files/project-documents/49117/49117-004-rrp-en.pdf>; <https://www.adb.org/sites/default/files/publication/396081/adb-brief-084-youth-not-employment.pdf>; and <https://www.dole.gov.ph/jobstart-philippines-program/>.

Source: Authors.

Start with understanding the different dimensions of the local context that constrain youth's readiness and access to work. Program design needs to begin with an assessment of the varied dynamics of the target youth's local context, noting the complexity of their stage of life transition: the economic, social, cultural, and personal challenges that hinder smooth transitions into the world of work. Strong diagnostics are important: they can reduce the risk that integrated approaches for youth may fail to identify proper priorities or become “solutions to poorly diagnosed problems,” resulting in a “shotgun approach” that “may lead to inefficient program components.... We believe employment programs fail because they are based on faulty assumptions and diagnosis ... [and therefore] rapid, accurate diagnosis in each context is key” (Blattman and Ralston 2015). Diagnostics do not need to start from scratch and can build on existing analytical work (Datta et al. 2018).

Coordinate multiple stakeholders in line with the complexity of young people's needs. Integrated programs require collaboration across a broad range of partners. For example, labor intermediation depends on educating employers to spot talent for business growth and improve hiring practices, as well as supporting training providers and employment services to guide youth in navigating job search and work experiences. The Vision Plan Program in the Republic of Korea (case study 1) works with community groups and young people's families to tackle key personal and social constraints among target youth. This reflects the complexity in the issues that hold back young people from making successful transitions into and within the labor market.

Profile the individual constraints of target youth and tailor support accordingly. Youth should not be considered a homogeneous group. Each young person has multiple and intersectional characteristics and experiences—from level of education to sexual orientation to household income—and these affect their prospects in the labor market. Programs need to profile the individual constraints of youth and provide a personalized combination of support. Full assessment is best conducted in collaboration with multiple stakeholders. In more innovative youth employment programs and services, digital technologies help to diagnose the needs of young people and improve targeting and profiling by combining biometric and spatial data with real-time labor market information (ILO 2020).

Engage young people in designing their support package and in wider policy reform. Including young people in the development of their career support plan can improve their motivation and commitment. Employment services for youth are shifting towards codesign of labor market “journey maps” by young jobseekers and advisers (Aliva 2021). More broadly, engaging local youth in the design and implementation of programs and policies that affect them can increase relevance and accountability. The motto should be: nothing for youth without youth (YEF 2021). More work is needed to evaluate the effectiveness of different engagement modalities and build knowledge of how participatory approaches contribute to improved support for youth.

Young people are no longer passive recipients of services and beneficiaries of policies. The young generations are interested in working with public agencies to create and produce results, including involvement in policy design and evaluation.

—Aliva 2021

Align program design with the aspirations of youth.

Aspirations can be overlooked, but are emerging as an important determinant of program success for young people, in particular in the early stages of their labor market experience. Programs that align support with young people's aspirations about their future work and life journey are more likely to be successful than when expectations and goals are ignored (Gardiner and Goedhuys 2020). Programs may need to address mismatches between the employment young people think they can acquire and what is realistic for those people given their attributes and current labor market opportunities. Aspirations that are too high or too low can lead to frustration and increase the likelihood of disengagement. Recommended mechanisms include career counseling, soft skills development, and the use of role models. Reasonable aspirations motivate effort and action (Gardiner and Goedhuys 2020).

Incorporate strong monitoring and follow-up and adapt to young people's experiences.

A strong monitoring system is essential for successful youth employment programs. It increases the likelihood that young participants complete their training or other program targets, achieve good results, and avoid unintended consequences (Datta et al. 2018). Sourcing feedback directly from participants helps ensure support is accessible, relevant, and useful (ILO 2018). Program experience shows that developing feedback loops with youth can help challenge assumptions that sometimes distort program design. These assumptions may include the extent to which young people use social media to search for jobs, are enabled in their household to go out to work, or can overcome mobility constraints.

A WAY FORWARD FOR YOUTH EMPLOYMENT

Building from the discussion of effective youth employment initiatives, this brief now focuses on the key role for governments in promoting positive labor market outcomes for youth. It highlights policy considerations that underpin the implementation of an integrated support ecosystem to advance youth employment. It then sets out priorities for an inclusive COVID-19 recovery, including the important contribution by development partners.

Policy Considerations

Governments need a dedicated policy focus on youth employment to help ensure young people, especially vulnerable youth segments, can actively participate in the labor market. This is promoted as part of the Sustainable Development Goals.¹⁷ First, as discussed, it is important for governments to help in creating an enabling business environment to stimulate demand for labor, including for hard-to-reach groups. Adequate government capacity for youth employment policy is a key underlying condition. This includes the policy and institutional fundamentals of macroeconomic stability; strong infrastructure; effective financial, education, and health systems; and the rule of law (Goldin et al. 2015). As a result, tackling the youth employment challenge is more difficult in fragile and conflict-affected states or during times of socioeconomic stress.

Governments can spur both job creation and policy engagement by the private sector. Enabling the creation and growth of firms will increase the availability of jobs. The private sector can also play an important role in implementing youth employment programs (Box 4).¹⁸ For supply-side programs, business is a critical stakeholder in the development of industry-relevant training curricula and in employment services such as job matching. For demand-side programs, firms can take up subsidy schemes and other incentives to hire and train young workers. Cross-sector collaboration between the public and private sectors and with civil society works best.

To deliver integrated youth employment support, governments also need to embed an aligned, interministerial policy approach that cuts across education, health (including mental health), finance, business, labor, and other areas (Box 5).

Box 4: Large Companies Investing in Youth Employment Initiatives

Standard Chartered, an international bank, has established a \$75 million initiative called FutureMakers. It convenes stakeholders across youth employment, entrepreneurship, and education to support the labor market integration of disadvantaged youth in 35 countries.

Citi Foundation, an arm of the Citigroup financial conglomerate, is a founding partner and colead of the regional Youth Co-Lab entrepreneurship initiative. This is one part of the Foundation's \$35 million economic opportunity program for low-income and underserved youth in Asia and the Pacific.^a

^a ADB. 2021. *A Mapping of Youth Job Matching Models and Practices in Asia and the Pacific*. Consultant's Report. Manila (TA 6533). Source: Authors.

Box 5: Governments with Integrated Youth Policy Approaches

The Republic of Korea has developed cross-government institutional arrangements to support “nurturing youth.” A Youth Policy Adjustment Committee coordinates a 5-year youth development plan and monitors and evaluates youth-relevant policies.^a The committee is under the Ministry of Gender Equality and Family. At local government level, Local Youth Nurture Committees deliberate on major youth policies under the jurisdiction of the mayor or governor. Special meetings are held each year, with experts in the field of youth development and with young people, for setting, implementing, and inspecting youth policies across levels of government (KLRI 2016).

Australia's Department of Education, Skills and Employment gained responsibility for youth affairs, including youth transitions, in March 2021. The department now takes a “pathways approach” to youth, from schooling into employment, and is positioned to deliver on youth aspects of whole-of-government priorities in areas such as mental health. The education minister's title was changed to Minister for Education and Youth to reflect the broader mandate. The government released a National Youth Policy Framework in August 2021, following consultations with young Australians (DESE 2021). The framework has a “strong focus on what young people need to successfully transition into adulthood while maintaining their mental health and wellbeing” (DESE n.d.).

^a Information presented at ILO–UNDP regional webinar, ‘Youth Employment and Entrepreneurship in Asia-Pacific: Lessons for a Human-centred Recovery,’ 6 October 2021.

Source: Authors.

The main lesson learned over the past decades and during the COVID-19 crisis is the need for integrated policy responses.

—Barford, Coutts, and Sahai 2021

Governments have different options for creating an institutional arrangement to foster aligned policymaking for youth employment. These options, which are not mutually exclusive, include (i) embedding youth as a crosscutting priority across departments or ministries with a mechanism for interministerial or interdepartmental coordination under a government-wide youth policy, (ii) assigning an existing ministry with responsibility for youth, and (iii) creating a dedicated ministry or department for youth. Defining the

¹⁷ Indicator 8.b.1 is: “Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy.” For more information, go to <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=>

¹⁸ Note that the 3ie systematic review (Kluve et al. 2017) did not find any clear indication about the impact that public, private, or civil society implementers bring to the table.

structure of decentralization at the national, state or province, and city levels is also important. Further, to facilitate integrated policymaking, governments need to allocate dedicated youth employment budgeting and track a range of indicators to monitor progress, including youth levels of working poverty, mental health, and digital access. In general, through the COVID-19 pandemic, there has been an uplift in interministerial policy coordination on youth employment initiatives (Barford, Coutts, and Sahai 2021).

Priorities for an Inclusive COVID-19 Recovery

The COVID-19 pandemic has exposed the complexities of the youth employment challenge. Governments need comprehensive and well-coordinated responses to reset the labor market prospects of youth. Near-term recovery priorities for governments to assist youth include job creation measures, active labor market policies (that are holistic and personalized), and improved working conditions (especially for informal workers). A focus on vulnerable youth will help address inequalities that have emerged or worsened during the pandemic. Medium-term investments can center on structural and labor market transformation, with a focus on inclusivity and specific sectors with potential for substantial youth job creation. These areas could include—but are not limited to—the digital, green, blue, care, and orange (i.e., creative) economies.¹⁹ Other investment mechanisms include support for youth entrepreneurship and eco-sustainable businesses.

Young people are best supported with a balance of general labor market policy measures and youth-specific measures. General measures can benefit youth as well as other age cohorts, whereas youth-specific measures directly target the needs of young people. For example, many governments have directed support to sectors heavily affected by the pandemic (e.g., tourism in Indonesia and elsewhere, garments in Cambodia), which are significant employers of young people (even if a specific intent to target youth was not part of the decision-making). Box 6 highlights selected youth-specific measures in five economies in the region. As a joint ADB-ILO report on youth employment and COVID-19 states:

To support young people specifically during periods of constrained fiscal resources, such as the COVID-19 pandemic, governments need to balance (i) the inclusion of youth in wider labor market and economic recovery measures with (ii) youth-targeted interventions to maximize efficiency in the allocation of resources.

—ADB and ILO 2020

Box 6: Youth-Targeted Employment Measures During the COVID-19 Pandemic

The **Republic of Korea** introduced a range of coronavirus disease (COVID-19) budget adjustments that included employment for 550,000 young people, assistance for those on low incomes, retraining for redundant workers, and wage support for small merchants. In addition, the young jobseekers' allowance was enhanced (Barford, Coutts, and Sahai 2021). A cash-transfer pilot scheme for 24-year-olds launched in April 2019 in Gyeonggi Province is also providing financial assistance during the crisis, as well as generating lessons for the potential of providing Universal Basic Income on a wide scale (BIEN 2021).

The **Philippine** government used its annual citizen consultation platform, *Sulong Pilipinas*,^a to identify priorities for its COVID-19 recovery strategy, and 400 young leaders joined the consultation. Within the agreed policy package was a program to upskill and reskill temporarily laid-off workers, including the provision of online courses, which can benefit youth.

^a For more information, go to <https://sulongpilipinas.dof.gov.ph>.

^b This was catalyzed by ADB funding: <https://www.adb.org/news/adb-500-million-loan-help-protect-poor-strengthen-pakistans-covid-19-health-and-economic>.

Source: Authors.

In **Malaysia**, the government supported the training and hiring of 300,000 unemployed youth by providing financial incentives to firms. It also created a \$487 million skilling and reskilling fund targeted at 200,000 out-of-work young people (ADB and ILO 2020).

In **Pakistan**, the government increased support to its preexisting *Kamyab Jawan* - Youth Entrepreneurship Scheme, which provides subsidized financing to new and existing young entrepreneurs via accredited financial institutions.^b *Kamyab Jawan* also provides training for youth in Industry 4.0 skills and funds bodies for youth policymaking and civic engagement such as the National Youth Council.

At 56 locations of the New Graduates Public Employment Service Offices in **Japan**, targeted consultation services have been offered since April 2020, specifically for young people who lost job offers as a result of the pandemic. Services span counseling, job-matching, and mental health support (OECD 2021).

¹⁹ These five sectors will be the focus of the biennial flagship ILO publication on youth, entitled *Global Employment Trends for Youth 2022*.

Engaging young people in policy design and delivery can help strengthen the relevance and accountability of measures to stimulate youth employment. Robust monitoring is required to determine how both general and targeted programs affect youth and how they can be strengthened. Knowledge is limited about what works to support youth employment during a crisis and in the recovery phase. A number of governments across Asia and the Pacific have implemented policies and programs that target youth in response to the pandemic's economic impacts. These will be valuable to evaluate. The extent and type of initiatives have been determined by contextual and institutional factors, including containment measures, vaccination rates, existing labor market institutions, fiscal stimulus capacity, and the preexisting youth employment support system. A lack of measures tailored to the most vulnerable youth groups has been identified, such as young migrant workers, which may entrench preexisting disadvantages (Barford, Coutts, and Sahai 2021).

Development partners have a critical role to play in supporting an inclusive recovery through resource mobilization and policy action as well as knowledge generation and exchange. Key areas for assistance for young workers include creating fiscal space for youth employment support, helping design an enabling policy and regulatory environment, building capacity for the design and implementation of youth-relevant recovery measures, and supporting employment through infrastructure building projects. The ILO has launched a Global Accelerator for Jobs and Social Protection to enhance multilateral cooperation through ambitious goals in financial commitments and technical coordination, with a focus on vulnerable groups, including youth.²⁰ The World Bank's Solutions for Youth Employment (S4YE) is mobilizing new knowledge on important aspects of crisis response programming for future learning.²¹ ADB is supporting governments to invest in human capital development and labor productivity as economies recover from the pandemic. This includes support for initiatives such as the Boosting Productivity Through Human Capital Development Program in Indonesia, which includes actions to boost youth employability and employment.²²

CONCLUSION

Improving youth labor market outcomes require integrated and targeted initiatives. The evidence about what works has grown in recent years and highlights the need for multidimensional and participatory approaches that respond to the complex issues underlying the youth employment challenge.

The COVID-19 pandemic has highlighted the vulnerabilities of young people in the labor market, especially for already-disadvantaged cohorts such as young women, young migrants, and youth living in working poverty. In a region where the interaction of a large youth cohort with a fast-aging population will be central to inclusive growth and social cohesion, responding to the differentiated needs of youth is critical. Avoiding a jobless recovery will take significant and targeted actions by governments and other stakeholders. COVID-19 recovery planning creates a window of opportunity for all stakeholders to strengthen labor market support for youth.

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²⁰ The Accelerator is being set up with an aim to generate at least 400 million jobs, targeting the green and care economies. It further aims to extend social protection floors to about 4 billion people (adults and children) not covered by current provision by 2030. The Accelerator will concentrate on countries in fragile situations, low- middle- income countries and small island developing states. https://www.un.org/sites/un2.un.org/files/sg_policy_brief_on_jobs_and_social_protection_sept_2021.pdf.

²¹ S4YE is a multi-stakeholder partnership that brings together donors, governments, foundations, private sector companies, nongovernment organizations, and youth. The partnership supports catalytic programs and builds knowledge to increase the number of young people engaged in productive work. <https://www.s4ye.org/about-s4ye>.

²² For more information on the program, go to <https://www.adb.org/projects/54461-001/main>.

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Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 8632 4444
Fax +63 2 8636 2444

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