

**Economic and Social Commission for Asia and the Pacific**
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**Consideration of regional trends regarding the
transition from school to work****Regional trends regarding education and employment,
particularly the challenges arising from the transition
from school to work****Note by the secretariat***Summary*

At 717 million, or nearly a quarter of the entire working-age population in the region, youth in Asia and the Pacific are a valuable asset for the region in all development aspects, including for economic growth and innovation. With their unique perspectives and adaptability, young people can be key drivers for economic prosperity and a sustainable future.

With the recent adoption of the 2030 Agenda for Sustainable Development, youth have moved to centre stage, with several Sustainable Development Goals and targets specifically referencing young people. This new and universal development framework requires member States take action to implement Goals 4 and 8, which focus on inclusive and quality education for all, the promotion of lifelong learning, increasing youth's skillsets and access to decent work.

Youth is also an important time for forming values, ethics and habits, as well as gaining skills that play a critical role for future development. A basic foundation is necessary, which includes the availability of and access to:

- High-quality and relevant education
- Support for the move from school into the labour market
- Decent job opportunities

This document addresses the challenges many young people face in their school-to-work transition and how countries can assist them in overcoming some of these hurdles. It also includes a proposal for an online interactive Youth Toolbox aimed at inspiring and supporting policymakers and young people with a range of policy options and training modules.

Current regional demographic trends will result in a growing share of older people and a falling share of the working-age population. In this context, smoothing the transition from education into decent jobs will be critical for a prosperous future.

While enrolment rates in secondary and tertiary education in the region have risen significantly in the last decade, there is still a large number of youth who do not complete secondary education. Drop-out rates are closely linked to poverty, indicating that financial assistance to poorer families is required to level the playing field.

* E/ESCAP/CSD(4)/L.1.

The increasing gap between what the education system equips youth for and what is required in the labour market leaves many young people without a decent job and at a high risk of social exclusion.

Currently, approximately 11 per cent of all young people in the region are unemployed, and in some countries the rate of youth unemployment is as much as 10 times that of the adult population. This indicates that youth face disproportionate barriers to employment.

Without access to social protection coverage and employment support services, many youth face disproportionately high risks of ending up in situations of vulnerable employment and underemployment, leaving a large number of young people among the working poor.

To address the challenges youth face in their school-to-work transition, education must be made more relevant and be of higher quality. Schools therefore need to receive adequate resources and be accessible to all young people, irrespective of socioeconomic background and location. In addition to funding, this also requires a greater coordination between employers and educators and a stronger focus on technical and vocational education and training. Entrepreneurship should also be encouraged as a viable option for providing young people with additional employment and society with the chance to benefit from the creative potential of youth. Furthermore, macroeconomic and employment policies, including public employment services, need to be well coordinated so that economic growth generates more decent jobs, preferably in the green sector.

The Committee on Social Development is invited to review the issues presented in this document and provide guidance for the secretariat's future work in the area of youth, particularly in regards to the school-to-work transition.

Contents

	<i>Page</i>
I. Introduction.....	2
II. The school-to-work transition.....	6
III. Challenges for youth entering the labour market.....	9
A. Education.....	9
B. Employment.....	12
IV. Opportunities.....	15
A. Making education and training more relevant.....	15
B. Supporting young people into productive jobs.....	19
C. Youth Toolbox.....	20
V. Conclusions.....	21
VI. Considerations for the Committee.....	22

I. Introduction

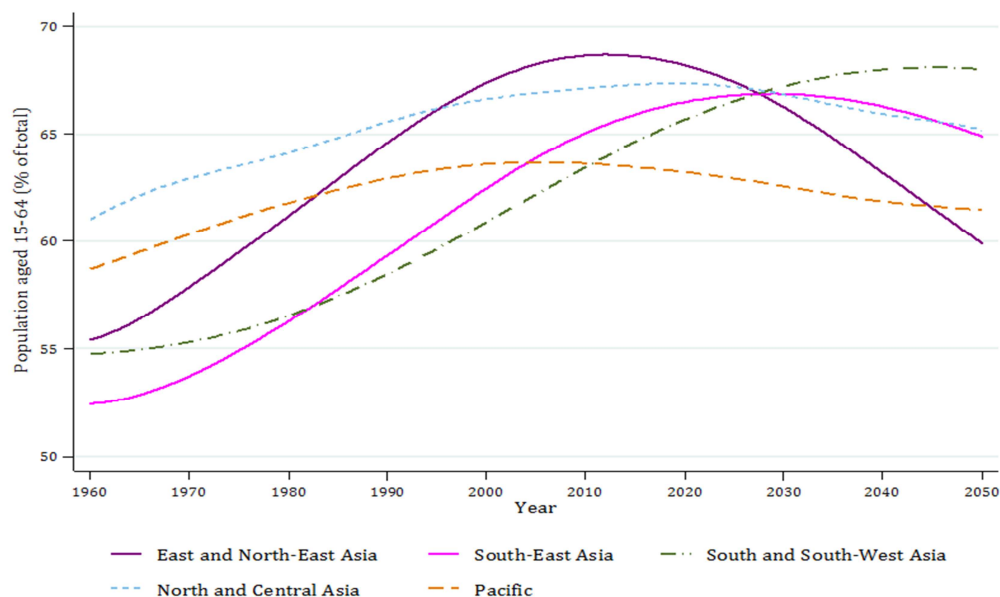
1. In 2014, the youth population in Asia and the Pacific reached 717 million, corresponding to a sizable 17 per cent of the total population, or 24 per cent of the working-age population.¹ Recognizing the importance of fully integrating into the workforce this significant group of productive, adaptable and dynamic people, the 2030 Agenda for Sustainable Development makes explicit references to the needs and rights of young people. Young people can be agents of change in this transformative agenda if actively engaged as equal contributors and implementers and given adequate resources and the space to reach their full potential.

¹ Economic and Social Commission for Asia and the Pacific, Demographic Trends Data 2014, ESCAP Online Statistical Database. Available from www.unescap.org/stat/data/ (accessed November 2015).

2. Current demographic developments indicate that most countries will face a growing share of older people and a falling population share of people of working age. Such a development poses a number of challenges to countries, including labour market shortages, skills mismatches and competitiveness. It is therefore of increasing importance that young people are fully integrated into society and that they participate in the labour market as productive workers. Ensuring a smooth transition from school to decent jobs is critical to achieving these goals.

3. With its large youthful population, South and South-West Asia are currently well positioned to benefit from a demographic dividend arising from a growing share of working-age populations compared to the share of children and older persons.² Considering that in the coming decades most countries in South and South-West Asia will also see their populations beginning to age, it is imperative that youth policies be in place to benefit from the demographic dividend (figure 1).

Figure 1
Demographic dividend: share of working population (aged 15-64), subregions



Source: Calculations by the Economic and Social Commission for Asia and the Pacific (ESCAP) based on the Department of Economic and Social Affairs database. Available from <http://unstats.un.org/unsd/default.htm> (accessed November 2015).

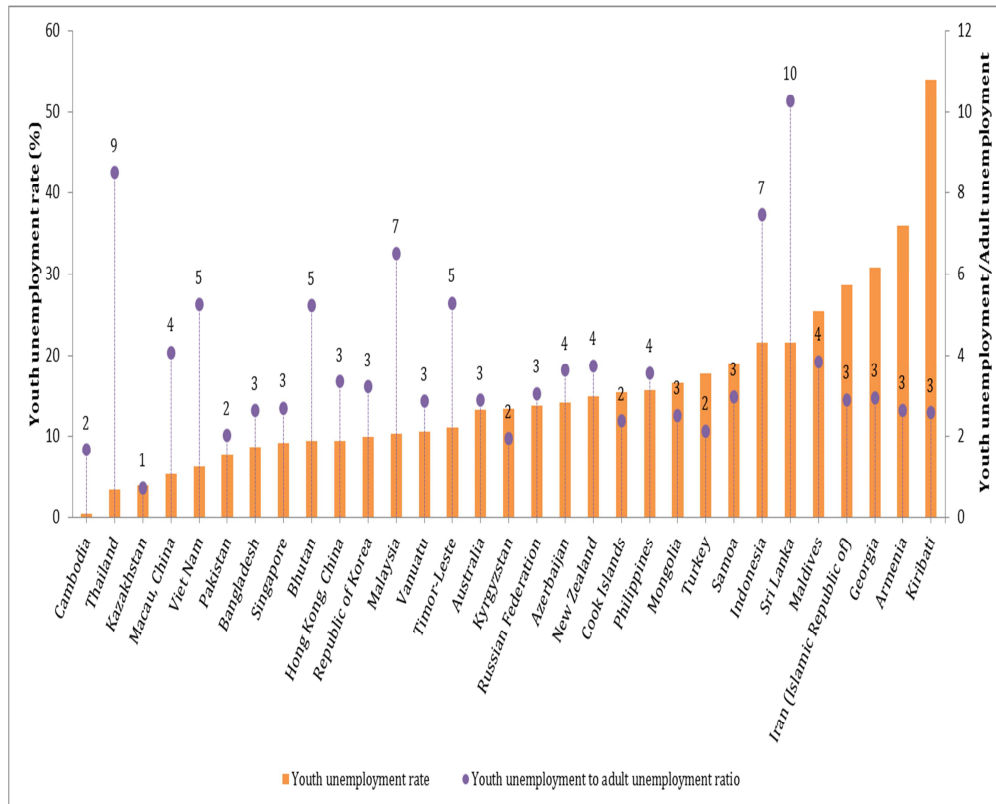
4. Multiple barriers to employment cause youth unemployment to be a major issue in the region. In 2014, the overall regional unemployment rate for youth of 11.3 per cent is, at least partly, indicative of the challenges youth face in their transition from school to work. National youth unemployment rates can be up to 10 times the rate of adults (figure 2).³ However, youth

² Asian Development Bank and Edward Elgar Publishing, *Aging, Economic Growth, and Old-Age Security in Asia* (Manila, 2012). Available from www.adb.org/sites/default/files/publication/30041/aging-economic-growth-asia.pdf.

³ Economic and Social Commission for Asia and the Pacific, *Employment Data 2013*, ESCAP Online Statistical Database. Available from www.unescap.org/stat/data/ (accessed November 2015).

unemployment rates alone do not accurately reveal the true situation. In Thailand and Kazakhstan, for example, relatively low youth unemployment rates have drastically different meanings. While youth in Thailand are nine times more likely to be unemployed than the adult population, youth and adults in Kazakhstan have similar rates of employment. High youth-adult unemployment ratios therefore indicate that youth face disproportionate barriers to employment.

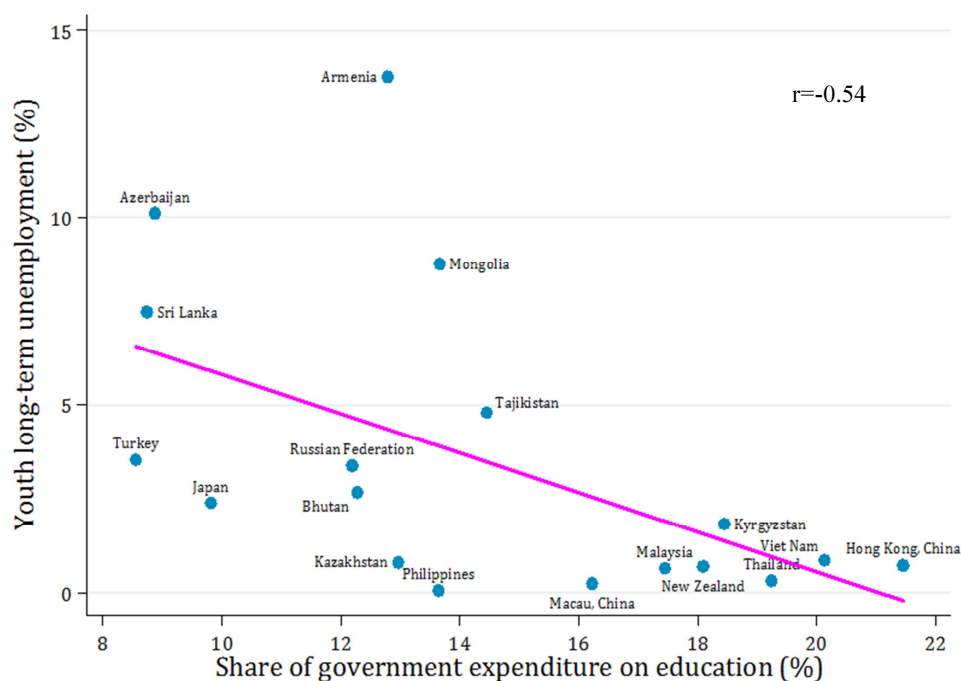
Figure 2
2014 youth unemployment rates and comparison to adult unemployment, selected countries



Source: ESCAP calculations based on data from the International Labour Organization. Available from www.ilo.org/ilostat/ (accessed November 2015).

5. Not only are many young people unemployed but a substantial number of youth have been unemployed for more than 12 months, making long-term unemployment another issue in the school-to-work transition in the region. Inadequate access to education and training makes this problem worse, because the education system has not only failed to prepare youth for the workforce but, once unemployed, young job seekers are often not given sufficient support to make them more employable. Data suggest that there is a link between government expenditures on education and training and incidence of long-term unemployment among youth. This points to the importance of providing comprehensive options for education and training that extend to unemployed persons (figure 3).

Figure 3
Youth long-term unemployment and education expenditures, selected countries, 2006-2012 averages

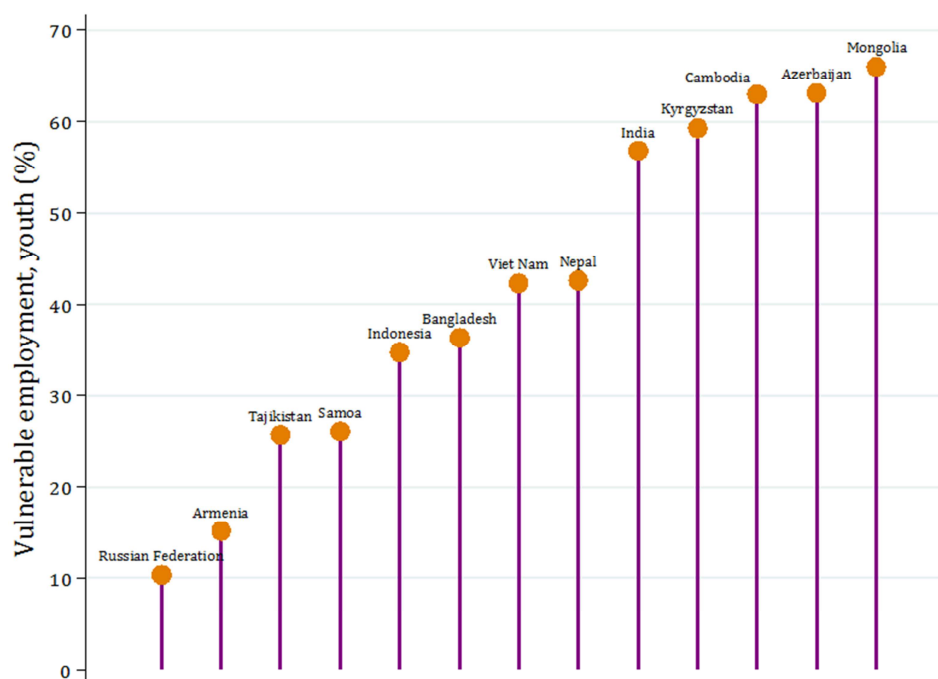


Source: ESCAP calculations based on data from the International Labour Organization. Available from www.ilo.org/ilostat/ (accessed November 2015).

6. Another issue youth face is that youth who are employed are more often in vulnerable employment and thereby less likely to have formal contracts, be covered by social protection or receive adequate remuneration.⁴ Vulnerable employment accounts for 42, 36 and 15 per cent of youth labour in Viet Nam, Bangladesh and Armenia, respectively (figure 4). This adds another important lens for viewing the data: even though youth unemployment is significantly lower in Viet Nam and Bangladesh (less than one quarter) compared to Armenia, close to half of the youth labour force in Viet Nam is engaged in vulnerable employment versus less than one fourth in Armenia.

⁴ International Labour Organization, “Vulnerable employment and poverty on the rise, Interview with ILO Chief of Employment Trends Unit”, 26 January 2010. Available from www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_120470/lang-en/index.htm.

Figure 4
Share of youth in vulnerable employment, selected countries^a



Source: ESCAP calculations based on data from the International Labour Organization. Available from www.ilo.org/ilostat/ (accessed November 2015).

^a Based on latest available year: Russian Federation, 2012; Armenia, 2012; Tajikistan, 2007; Samoa, 2012; Indonesia, 2010; Bangladesh, 2013; Viet Nam, 2012; Nepal, 2013; India, 2004; Kyrgyzstan, 2013; Cambodia, 2012; Azerbaijan, 2005; Mongolia, 2006.

II. The school-to-work transition

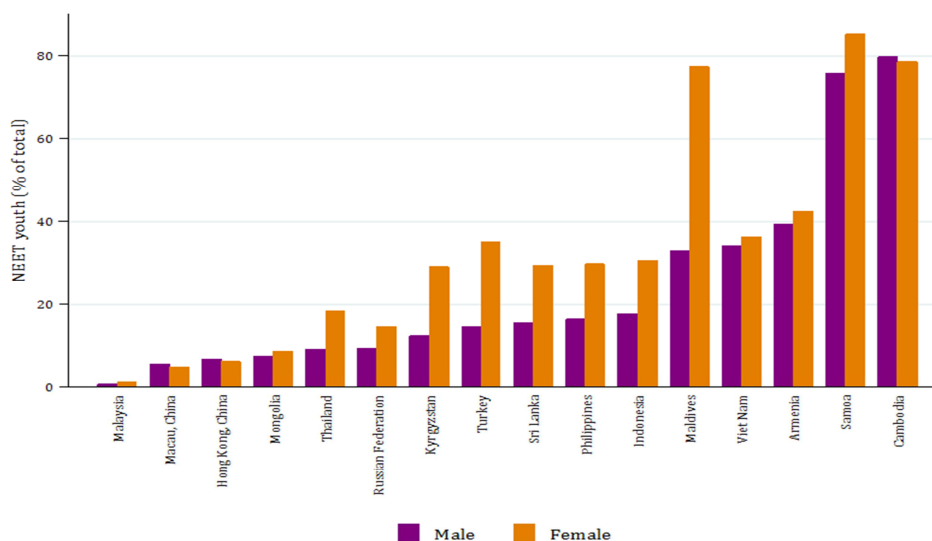
7. A critical juncture for all young people is their transition into employment after completing school. While enrolled in school, young people must gain both high-quality life skills and skills that increase their employability. Thus education systems must be closely linked to current and future labour market demands and requirements. In many countries, this fails to happen. Survey results from 8,600 hiring managers in Asia and the Pacific found that 51 per cent of employers had difficulty finding young graduates with adequate skills, as compared to the global average of 35 per cent.⁵ This survey also indicated that skills mismatch was not a problem specific to developing countries in the region, as 85 per cent of employers in Japan and 51 per cent in New Zealand could not find properly skilled young graduates.

8. The deficiency of decent employment opportunities, coupled with the absence of universal social protection schemes, leaves a disproportionately large number of young people among the working poor and underemployed.

⁵ Manpower Group, *2013 Talent Shortage Survey: Research Results* (Milwaukee, 2013). Available from www.manpowergroup.com/wps/wcm/connect/587d2b45-c47a-4647-a7c1-e7a74f68fb85/2013_Talent_Shortage_Survey_Results_US_high+res.pdf?MOD=AJPERES.

9. All too often youth spend a substantial amount of time in transition, meaning not in employment, education or training, which can have serious ramifications, including frustration and discouragement.⁶ Figure 5 highlights the diversity and complexity of the region, thus demonstrating that policies must be tailored to the individual circumstances of the country. The gender differential, which is most apparent in Kyrgyzstan, the Maldives and Turkey, makes successful transitions from school to work even harder for young women, who face substantial societal pressure to start a family and often receive lower compensation for the same work as young men.⁷

Figure 5
Share of youth not in employment, education, or training, selected countries^a



Source: ESCAP calculations based on the International Labour Organization database. Available from www.ilo.org/ilostat/ (accessed November 2015).

Note: NEET, not in employment, education or training.

^a Based on latest available year: Armenia, 2013; Cambodia, 2008; Hong Kong, China, 2014; Indonesia, 2013; Kyrgyzstan, 2014; Macau, China, 2013; Malaysia, 2014; Maldives, 2010; Mongolia, 2014; Philippines, 2014; Russian Federation, 2014; Samoa, 2012; Sri Lanka, 2010; Thailand, 2014; Turkey, 2014; Viet Nam, 2014.

10. The amount of time spent between completing school and finding a productive satisfactory job is crucial for future prospects. For example, only 8 per cent of Mongolian youth are not in employment, education or training, but on average it takes Mongolian youth close to seven years to find satisfactory employment.⁸ Therefore, even when youth are employed, it does not guarantee that the work they are engaged in is decent or of their choice.

⁶ United Nations Educational, Scientific and Cultural Organization, “School-to-work transition information bases”, Asia-Pacific Education System Review Series No. 6 (Bangkok, 2013). Available from <http://unesdoc.unesco.org/images/0021/002166/216661e.pdf>.

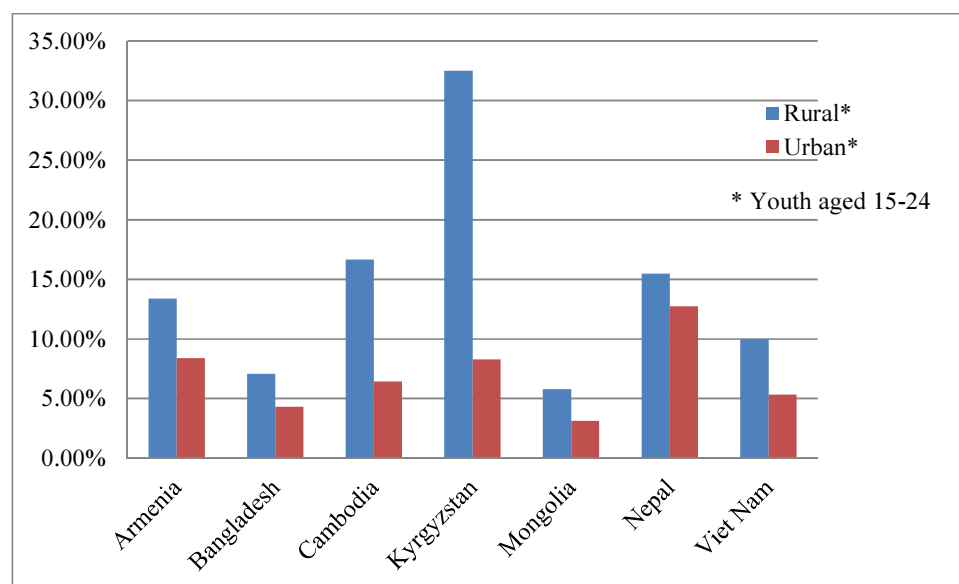
⁷ United Nations Girls’ Education Initiative, *The Gender Dimensions of the School-to-Work Transition: Follow-up Study*, 2012. Available from www.ungei.org/files/stw_gender_dimensions.pdf.

⁸ Makiko Matsumoto and Sara Elder, “Characterizing the school-to-work transitions of young men and women: evidence from the ILO school-to-work transition surveys”, Employment Working Paper No. 51 (Geneva, International Labour Organization, 2010). Available from www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_141016.pdf.

11. Time-related underemployment is defined as people currently working less than the national standard for full-time employment with a desire and readiness to work more. As a result of this type of underemployment, many young people cannot meet their cost of living, indicated by high shares of in-work poverty. In 2013, the rate of working poor youth, calculated on the basis of national poverty lines, was as high as 21 per cent in developing countries such as Georgia and persisted even in highly developed economies such as Hong Kong, China, at a rate of 8 per cent.⁹ Many youth are therefore forced to seek other means to earn an income, often in another informal and precarious job (figure 6).¹⁰ This global trend remains particularly pressing for the region as many countries lack comprehensive social protection systems.

12. Time-related underemployment is particularly serious in rural areas because of the lack of productive employment opportunities, which fuels migration to urban centres. High levels of migration to urban centres, in turn, lead to a myriad of challenges, including strained resources and the risk of social unrest.¹¹

Figure 6
Share of youth in time-related underemployment, selected countries^a



Source: ESCAP calculations based on the youthSTATS database. Available from www.ilo.org/ilostat/faces/help_home/youthstats?_adf.ctrl-state=4agshiws9_471&_afLoop=1454613226320454 (accessed November 2015).

^a Based on latest available year: Armenia, 2012; Bangladesh, 2013; Cambodia, 2012; Kyrgyzstan, 2013; Mongolia, 2006; Nepal, 2013; Viet Nam, 2012.

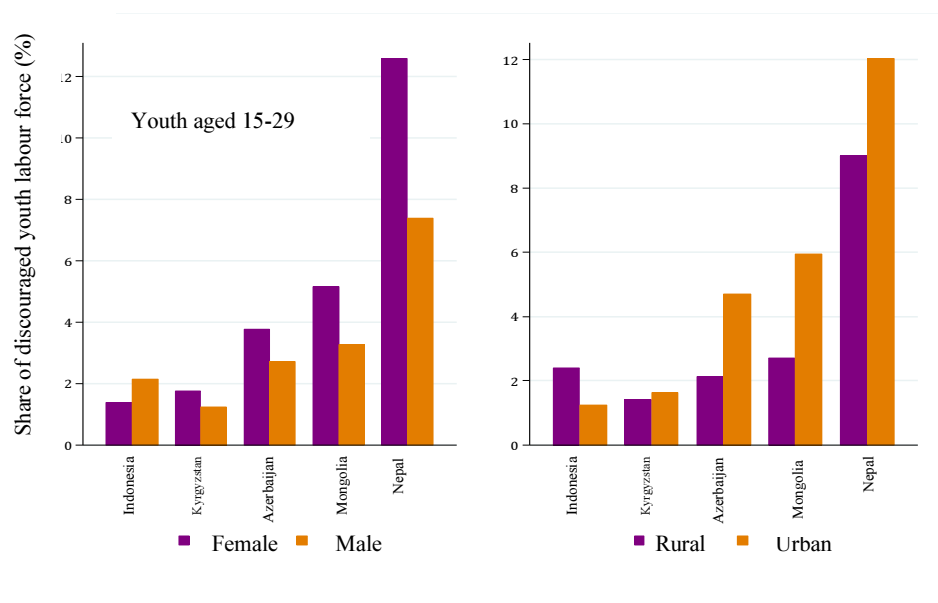
⁹ International Labour Organization, Share of employed persons living below the nationally defined poverty line by sex and age, youthSTATS database. Available from www.ilo.org/ilostat/faces/help_home/youthstats?_adf.ctrl-state=4agshiws9_471&_afLoop=1353960236897567 (accessed November 2015).

¹⁰ Erin Shehu and Björn Nilsson, "Informal employment among youth: evidence from 20 school-to-work transition surveys", Work4Youth Publication Series No. 8 (Geneva, International Labour Organization, 2014). Available from www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_234911.pdf.

¹¹ United Nations, Economic and Social Commission for Asia and the Pacific, *Switched On: Youth at the Heart of Sustainable Development in Asia and the Pacific* (ST/ESCAP/2744).

13. Discouragement is another consequence of an unsuccessful or difficult transition to a decent job. Unlike individuals not in employment, education or training, discouraged job seekers are defined as those who have given up looking for employment altogether. Figure 7 shows a higher share of discouragement among young women and youth in urban areas, which demonstrates the importance of developing targeted youth policies that address these issues. Unlike their adult counterparts, youth lack the social networks and experience to overcome discouragement, resulting in serious long-term consequences, including chronic inactivity. Such data also provide insight into which groups experience the most difficulties in transitioning from school to work, which is a starting point for policy analysis and action to address aspects of discouragement specific to youth.

Figure 7
Discouraged youth job seekers as a share of youth labour force, selected countries^a



Source: ESCAP calculations based on the youthSTATS database. Available from www.ilo.org/ilostat/faces/help_home/youthstats?_adf.ctrl-state=4agshiws9_471&_afLoop=1353960236897567 (accessed November 2015).

^a Based on latest available year: Azerbaijan, 2005; Indonesia, 2010; Kyrgyzstan, 2007; Mongolia, 2006; Nepal, 2013.

III. Challenges for youth entering the labour market

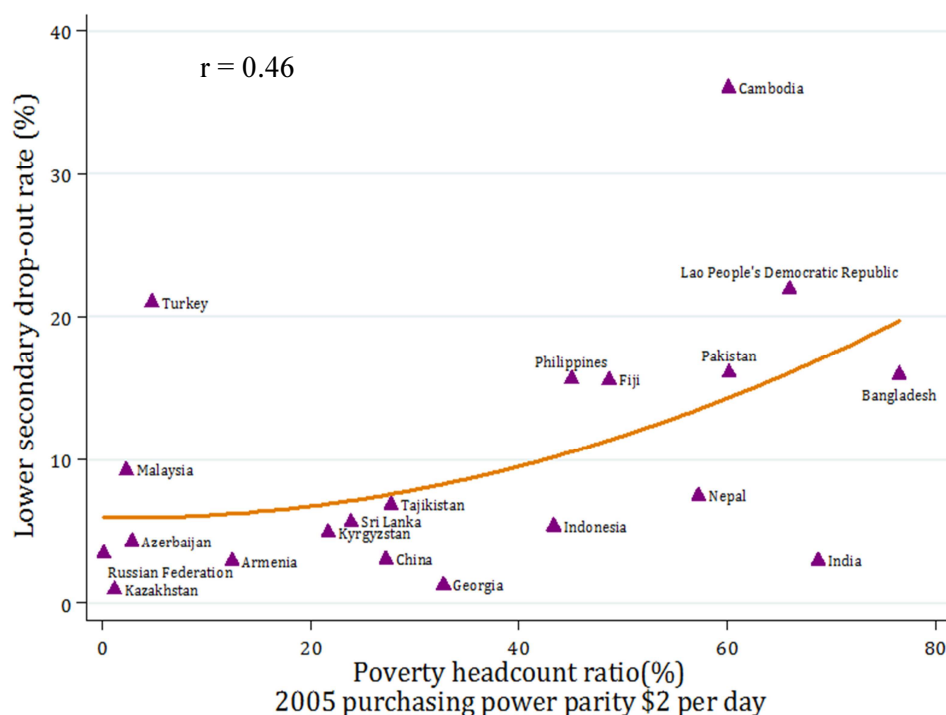
A. Education

14. From 2000 to 2010, enrolment in secondary and tertiary education in the region rose from 52 and 14 per cent to 64 and 25 per cent, respectively.¹² While this rise is undoubtedly a positive development, it also indicates that a large number of youth in the region still do not complete secondary education and that the majority still do not have the opportunity to participate in higher education. Poverty and low family income are key reasons that youth leave

¹² United Nations, Economic and Social Commission for Asia and the Pacific, *Statistical Yearbook for Asia and the Pacific 2012* (ST/ESCAP/2647). Available from www.unescap.org/stat/data/syb2012/.

school early.¹³ This is also confirmed by statistical correlation, which shows that as poverty rises so does the drop-out rate (figure 8). Without necessary financial assistance many youth in the poorer countries will not be able to access education and thereby have unequal opportunities to gain the necessary skills to find decent employment.

Figure 8
Effect of poverty on drop-out rate, selected countries^a



Source: ESCAP calculations based on the United Nations Educational, Scientific and Cultural Organization Institute for Statistics database. Available from data.uis.unesco.org/ (accessed November 2015).

^a Based on latest available year: Armenia, 2008; Azerbaijan, 2008; Bangladesh, 2010; Cambodia, 2007; China, 2009; Fiji, 2003; Georgia, 2009; India, 2010; Indonesia, 2011; Kazakhstan, 2009; Kyrgyzstan, 2011; Lao People's Democratic Republic, 2008; Malaysia, 2009; Nepal, 2010; Pakistan, 2008; Philippines, 2006; Russian Federation, 2008; Sri Lanka, 2010; Tajikistan, 2009; Turkey, 2010.

Relevance and quality of education and training

15. In many countries, youth who complete secondary and higher education are not necessarily better prepared for today's labour market demands.¹⁴ A prime example is the Republic of Korea, a nation that enjoys one of the highest rates globally of enrolment in university education. However, 40 per cent of these students are unable to find a job upon

¹³ Mignonne Breier, "From 'financial considerations' to 'poverty': towards a reconceptualization of the role of finances in higher education student drop out", *Higher Education*, vol. 60, No. 6 (December 2010), pp. 657-670.

¹⁴ United Nations, Economic and Social Commission for Asia and the Pacific, *Statistical Yearbook for Asia and the Pacific 2012 (ST/ESCAP/2647)*. Available from www.unescap.org/stat/data/syb2012/.

graduation.¹⁵ Such a situation indicates that what was learned in secondary and tertiary education did not adequately prepare students for the job market. In response to this global trend, Sustainable Development Goal 4, target 4, commits countries to substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

16. The mismatch between what is taught in school and the demands of the labour market¹⁶ has serious economic and social implications. For companies, it also restricts their competitiveness and chances for growth.

17. Education must be relevant and of high quality in order to resolve the skills mismatch and fully use the capacity of young people. Too often, schools are strained for resources and teachers use outdated material (or might not be properly trained), resulting in suboptimum performance of students.¹⁷ Schools are also frequently inaccessible to many students either because of location or cost, effectively lowering enrolment rates. These basic issues create major impediments to students' preparation for joining the workforce. An important means to, at least partly, solve the situation is to have a stronger focus on technical and vocational education and training.

18. Enrolment in technical and vocational education and training institutions varies greatly across the region, with rates as high as 50 per cent in Uzbekistan and as low as 1 per cent in the Lao People's Democratic Republic.¹⁸ A myriad of reasons contribute to this variation, including the public's perception that this type of education and training is less prestigious or a less valuable alternative to traditional tertiary education.¹⁹ Political will is another factor, as some Governments put more emphasis on technical and vocational education and training, which then results in more sophisticated programmes that attract higher enrolment rates.²⁰

19. As a result of the recent rise in demand for education, many institutions are already operating at maximum capacity and are thus less motivated to monitor or improve their programmes.²¹ Without healthy competition or pressure from their Governments, these institutions do not see the benefit to improving their systems when they have already achieved high enrolment rates. Therefore, monitoring and evaluating these programmes, in addition to government regulation, is important to ensuring optimum performance.

¹⁵ United Nations Educational, Scientific and Cultural Organization, "School-to-work transition information bases", Asia-Pacific Education System Review Series No. 6 (Bangkok, 2013). Available from <http://unesdoc.unesco.org/images/0021/002166/216661e.pdf>.

¹⁶ ManpowerGroup, *2013 Talent Shortage Survey: Research Results* (Milwaukee, 2013). Available from www.manpowergroup.com/wps/wcm/connect/587d2b45-c47a-4647-a7c1-e7a74f68fb85/2013_Talent_Shortage_Survey_Results_US_high+res.pdf?MOD=AJPERES.

¹⁷ United Nations Educational, Scientific and Cultural Organization, "Expanding TVET at the secondary education level", Asia-Pacific Education System Review Series No. 7 (Bangkok, 2013). Available from <http://unesdoc.unesco.org/images/0022/002262/226220E.pdf>.

¹⁸ Ibid.

¹⁹ Organization for Economic Cooperation and Development, *Skills Development Pathways in Asia* (Paris, 2012).

²⁰ Ibid.

²¹ United Nations Educational, Scientific and Cultural Organization, "School-to-work transition information bases", Asia-Pacific Education System Review Series No. 6 (Bangkok, 2013). Available from <http://unesdoc.unesco.org/images/0021/002166/216661e.pdf>.

20. Another shortfall of current education systems is the lack of support for youth entrepreneurship. It is important to provide opportunities for students interested in starting their own business to gain valuable skills and knowledge related to entrepreneurship. Such skills should include knowledge about legal frameworks and the processes involved in starting a business, as well as information about financial services and management. Making entrepreneurship a viable option for youth provides young people with an additional employment option and gives society the chance to benefit from the creative potential of youth to establish new, useful enterprises.

B. Employment

1. Access to information and financial institutions

21. Accurate labour market information is required for policymakers to correctly identify potential structural issues within the labour market and to devise appropriate employment, education and economic policies. Educators also need this information in order to revise their curricula and courses to better meet modern labour market demands and better equip students to become competitive actors in the labour market. As the job market becomes increasingly complex, accurate and up-to-date labour market information is vital, as are reliable forecasts of future labour market needs, such as anticipated shortages in certain occupations.²²

22. Without better access to labour market information, educators tend to rely on traditional models of teaching that might not be relevant to current labour market demands, which then leads to a skill mismatch. Involving employers in determining future demand for labour helps to generate skills and knowledge that correspond to their needs and thereby increases young people's employability. Despite the fact that small and medium-sized enterprises are a major source of employment in countries throughout Asia and the Pacific, many employers are not involved in this process.²³ The end result is a labour market with low efficiency, wherein all parties experience a net loss, most acutely youth who are then unable to find gainful employment.²⁴

23. A core problem in these labour market malfunctions is information asymmetry, where youth, employers, educators and policymakers all have different information (or lack it). As a result there is no coordination between employment and education policies.²⁵

24. Students also require up-to-date labour market information in order to be able to choose an education that results in a productive job.²⁶ In addition to providing this information, it is necessary that Governments supplement it

²² Misbah Tanveer Choudhry, Enrico Marelli and Marcello Signorelli, "Youth unemployment rate and impact of financial crises", *International Journal of Manpower*, vol. 33, No. 1 (June 2012), pp. 76-95.

²³ International Labour Organization, *Jobs and Skills for Youth: Review of Policies for Youth Employment of Indonesia* (Geneva, 2015).

²⁴ Dawn Schell, Flo Follero-Pugh and Denise Lloyd, *Making Sense of Labour Market Information* (ASPECT, 2010).

²⁵ World Economic Forum, *Matching Skills and Labour Market Needs: Building Social Partnerships for Better Skills and Better Jobs, Davos-Klosters, Switzerland, 22-25 January 2014* (Geneva, 2014).

²⁶ Shanti Jagannathan, "Skills for inclusive and sustainable growth in developing Asia and the Pacific", ADB Briefs, No. 10 (Manila, Asian Development Bank, 2012).

with more valuable, relevant and state-of-the-art tools to interpret and understand the information. This could include teaching youth how to evaluate the costs and benefits of different kinds of education and training, thereby empowering them to make better choices for their future.

25. Emblematic of the deficiency of such information is the trend whereby most youth rely on social networks instead of public employment services. Studies show that in North and Central Asian countries, such as Azerbaijan, even though using information from public employment services results in finding higher paying jobs faster, most youth prefer social networks.²⁷ Therefore, it is important to not only provide public employment services but to also promote these services and build youth's trust in them as an effective means to finding employment.

26. As a result of the lack of adequate information, many youth have unrealistic expectations about their future career, which proper career counselling could help resolve through special assistance and more tailored information.²⁸ Grouping students into specific streams has the advantage of providing more targeted services applicable to individual needs.

27. Reasons for the limited labour market information available for youth include the lack of capacity, legislation, awareness and cooperation. Limited experience conducting surveys and analysing the resulting data form a major barrier to increasing and improving information on the issue.²⁹ Simply increasing the amount of education and training opportunities for youth does not automatically enhance their employability.

28. While most countries in the region conduct some form of labour force surveys, several developing countries, including Bangladesh, Cambodia and the Lao People's Democratic Republic do not do so, leading to potentially wrong information and, in turn, ineffective policies and programmes.³⁰

29. Many young people would prefer to start their own businesses but lack access to credit.³¹ In Indonesia, for example, 87 per cent of young entrepreneurs in the clothing industry relied on self-financing for their initial investment, and 96 per cent of capital access was mainly characterized by

²⁷ Makiko Matsumoto and Sara Elder, "Characterizing the school-to-work transitions of young men and women: evidence from the ILO school-to-work transition surveys", Employment Working Paper No. 51 (Geneva, International Labour Organization, 2010). Available from www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_141016.pdf.

²⁸ Lin Lean Lim, "Building an Asia-Pacific youth employment coalition: reviewing past policies and the way forward", ILO Asia-Pacific Working Paper Series (Geneva, 2011).

²⁹ United Nations Educational, Scientific and Cultural Organization, "School-to-work transition information bases", Asia-Pacific Education System Review Series No. 6 (Bangkok, 2013). Available from <http://unesdoc.unesco.org/images/0021/002166/216661e.pdf>.

³⁰ Ibid.

³¹ Richard Curtain, "Promoting youth employment through information and communication technologies (ICT): best practices examples in Asia and the Pacific", working paper prepared for the International Labour Organization/Japan Tripartite Regional Meeting on Youth Employment in Asia and the Pacific (Bangkok, International Labour Organization, 2002).

trial and error.³² Such a situation is problematic for a variety of reasons, namely, relying on self-finance means that youth from poorer backgrounds face greater challenges in becoming entrepreneurs.

2. Poor labour conditions

30. Informal employment almost inevitably lacks regulation and oversight, often leading to hazardous working conditions and exploitation. Despite laws against informal businesses in many countries in Asia and the Pacific, informal employment remains a pervasive issue for much of the population, including youth. For example, in Cambodia informal employment accounts for 98.3 per cent of total youth employment. For Viet Nam and Samoa those numbers are 76.4 and 67.7 per cent, respectively.³³

31. The call to ensure decent labour conditions for youth is evident in Sustainable Development Goal 8, target 5, which aims to 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, by 2030. To protect the right of young men and women to decent, productive work, it is imperative that Governments and employers take action. Accomplishing this requires not only the creation of relevant legislation but also judicious enforcement.

32. Vulnerability is one of the main factors that drive individuals into informal labour; sources of vulnerability are numerous and often compounding, including gender, level of education, age, health and ethnicity. Young women often face multiple challenges because of social stigma and thus are much more likely to end up in informal jobs.³⁴

33. In Viet Nam, 95.4 per cent of all youth with disabilities were employed in the informal sector, as compared to 75.4 per cent of youth with no disability.³⁵ Similarly, in India the corresponding figure for young people with disabilities was 87 per cent.³⁶

34. Moreover, a previous unemployment history further increases the risk of youth entering the informal sector.³⁷ This cycle of moving between unemployment and informal work is even more common when no employment support system, including unemployment benefits, is in place.

35. Pressure to support not only themselves but also their families is another factor that pushes youth towards informal employment and accepting any employment regardless of the conditions.

³² Aloysius Gunadi Brata, "Financial inclusion for youth entrepreneur in creative industry: a case of youth entrepreneurs in clothing industry in Yogyakarta, Indonesia", *BWTB Bulletin*, No.2 (December 2010).

³³ Erin Shehu and Björn Nilsson, "Informal employment among youth: evidence from 20 school-to-work transition surveys", Work4Youth Publication Series No. 8 (Geneva, International Labour Organization, 2014). Available from www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_234911.pdf.

³⁴ Ibid.

³⁵ Ibid.

³⁶ World Health Organization, *World Report on Disability* (Geneva, 2011).

³⁷ Ibid.

36. In more traditional societies, youth are expected to marry and start a family at a young age,³⁸ and for young women, marriage is often prioritized over education and employment.³⁹ Research in South and South-West Asia indicates that, when society puts more emphasis on marriage, higher levels of education and work experience reduce or delay a woman's "chance" of getting married and thereby disincentivize her pursuit of education or employment.⁴⁰ Similarly, the younger the woman is when she marries, the lower her chance of obtaining an education.⁴¹ In many parts of the region, particularly in less developed rural societies, change is slow to happen and these circumstances remain a reality for many young women and men.

37. The lack of decent job opportunities also leads to large numbers of young people seeking employment abroad. For example, in Nepal approximately 150,000 youth are employed abroad, or roughly half of the youth workforce.⁴² Similarly, in the Philippines, youth account for 8.2 per cent of the total Filipino population working overseas. This number increases to 24.8 per cent for people aged 25 to 29 years. This means that there are more than 700,000 Filipinos between the ages of 15 and 29 working abroad.⁴³ Despite substandard working conditions and higher risks of exploitation and abuse as compared to adult migrant workers, many young people are still drawn to work abroad because of comparatively higher wages and the chance to send back remittances to families, who often rely on them for their subsistence.⁴⁴

IV. Opportunities

A. Making education and training more relevant

38. In order to rectify the skills mismatch, education and training must be both high quality and relevant. This requires committed skilled teachers, a forward-looking curriculum that adapts to changes in the labour market, real-world training, and greater coordination between employers and educators.

39. It also requires that macroeconomic and employment policies are well coordinated so that economic growth generates new decent jobs, preferably in the green sector. It further requires Governments to introduce and strengthen existing public employment support services, such as active labour market programmes, to avoid young people getting trapped in unemployment or underemployment.

³⁸ Lin Lean Lim, "Building an Asia-Pacific youth employment coalition: reviewing past policies and the way forward", ILO Asia-Pacific Working Paper Series (Geneva, International Labour Organization, 2011).

³⁹ Daniel Egel and Djavad Salehi-Isfahani, "Youth transitions to employment and marriage in Iran: evidence from the school to work transition survey", *Middle East Development Journal*, vol. 2, No. 1 (2010), pp. 89-120.

⁴⁰ Ibid.

⁴¹ Lin Lean Lim, "Building an Asia-Pacific youth employment coalition: reviewing past policies and the way forward", ILO Asia-Pacific Working Paper Series (Geneva, International Labour Organization, 2011).

⁴² Makiko Matsumoto and Sara Elder, "Characterizing the school-to-work transitions of young men and women: evidence from the ILO school-to-work transition surveys", Employment Working Paper No. 51 (Geneva, International Labour Organization, 2010). Available from www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_141016.pdf.

⁴³ Philippines, Philippine Statistics Authority, *2014 Survey on Overseas Filipinos*, (Quezon City, 2015).

⁴⁴ Ahmad Ahsan and others, *International Migration and Development in East Asia and the Pacific* (Washington, D.C., World Bank Group, 2014).

40. Obviously, high-quality, relevant education and training alone cannot solve all the issues related to the school-to-work transition, but they can help youth gain valuable skills and knowledge that will make them more employable and better prepared to enter the workforce. In addition to preparing youth for employment in existing businesses and organizations, offering information, training, education, resources and opportunities related to entrepreneurship would give youth a viable alternative to traditional employment. Youth entrepreneurship is increasingly pervasive across the region, with examples abounding in urban and rural areas, in large nations such as China and in small Pacific island countries such as Palau.⁴⁵ In order for youth to be able to start their own businesses they need access to financial resources, including small loans, insurance, savings accounts and payment methods, which is why institutional support is critical to supporting youth entrepreneurship.⁴⁶ The importance of supporting opportunities for youth entrepreneurship is affirmed in Sustainable Development Goals 4 and 8, which strengthens this call for action. Such opportunities would not only empower youth and contribute to a more successful school-to-work transition, they would also increase national employment creation. The following paragraphs will highlight different educational approaches countries in the region are taking to facilitate young people's transition from school into productive jobs.

1. Technical and vocational education and training

41. Technical and vocational education and training can be an effective means to making curricula more relevant to labour market demands and thereby better preparing youth for employment.

42. The region abounds with examples of education and training programmes whose quality and relevance help prepare youth for opportunities in existing businesses. Some countries have a long history of this type of education and training; for example, in Sri Lanka, technical education began more than 100 years ago in 1893.⁴⁷ In other countries, such as Cambodia, technical and vocational education and training is relatively new but fervently embraced as a much-needed means to improve the quality of the workforce, which is relatively young, with 70 per cent of the population under 30 years old.⁴⁸

43. Many Pacific island countries have successfully introduced curricula with a greater emphasis on employable skills. A field study in Palau found that the success of technical and vocational education and training in the country was partly the result of linking together primary, secondary and tertiary technical and vocational education and training, thereby building positive synergy. In Fiji, reports indicate that enterprise education programmes can be highly effective. These programmes put an emphasis on student-centred learning rather than teacher-centric learning. Over a two-year period,

⁴⁵ World Health Organization, *World Report on Disability* (Geneva, 2011); and International Labour Organization, *Indonesia: Labour market information systems and services* (Jakarta, 2014).

⁴⁶ United Nations, Economic and Social Commission for Asia and the Pacific, *Switched On: Youth at the Heart of Sustainable Development in Asia and the Pacific* (ST/ESCAP/2744).

⁴⁷ Shyamal Majumdar, ed., *Emerging challenges and trends in TVET in the Asia-Pacific region* (Rotterdam, Sense Publishers, 2011).

⁴⁸ I-Hsuan Cheng, "Case studies of integrated pedagogy in vocational education: a three-tier approach to empowering vulnerable youth in urban Cambodia", *International Journal of Educational Development*, vol. 30, No. 4 (July 2010).

the Government of Fiji implemented enterprise education programmes in 59 schools throughout the country, and 80 per cent were found to be successful and sustainable.⁴⁹

44. Education and training programmes can also help implement the 2030 Agenda for Sustainable Development by promoting knowledge and skills for a green economy. Sustainable Development Goal 4, target 7, aims to ensure that all learners acquire the knowledge and skills needed to promote sustainable development, and Goal 8 aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. In order for the green transition to take place, more people need to be educated about sustainability and equipped with the necessary skills to work in the green economy. Through education and training with a focus on sustainability, youth will possess skills that are increasingly important in a world that is constantly looking for ways to be more sustainable.

45. Although green technical and vocational education and training is still an emerging field, positive examples exist in the region, such as the Australian Green Skills Agreement.⁵⁰ This agreement aims to build people's capacity in skills useful to the green economy by specifically targeting vocational education and training. For example, complementary programmes for 500 Australian vocational education and training practitioners were supported and 80 national scholarships for sustainable development were provided. The TAFE Development Centre, recently renamed the VET Development Centre, has also run professional development courses dealing with how to incorporate green skills into technical and vocational education and training.⁵¹

46. The Republic of Korea is another prime example of country that is combining a green economy and promoting sustainability in technical and vocational education and training.⁵² It is projected that green jobs in the Republic of Korea will grow by 6 per cent (compared to the average growth rate of total jobs at 1.3 per cent) over the next few years and will generate approximately 950,000 new jobs in renewable energy by 2030.⁵³ In an effort to ensure that an appropriately trained workforce is available to meet these new jobs, the Government is working together with Korea Polytechnics (the main agency involved in structuring the country's technical and vocational education and training) and has already implemented sustainability-related technical and vocational education and training programmes and courses at 38 campuses across the nation.⁵⁴ In the country's second largest city, Busan,

⁴⁹ Epeli Tokai and Jennie Teasdale, eds., "The role of TVET in Pacific secondary schools: new visions, new pathways", *The PRIDE Project Pacific Education Series No. 7* (Suva, Institute of Education, University of the South Pacific, 2009).

⁵⁰ Shanti Jagannathan, "Skills for inclusive and sustainable growth in developing Asia and the Pacific", ADB Briefs, No. 10 (Manila, Asian Development Bank, 2012).

⁵¹ TAFE Directors Australia, *The Australian Green Skills Agreement: Policy and Industry Context, Institutional Response and Green Skills Delivery* (Ultimo, Australia, 2012).

⁵² The Export-Import Bank of Korea, Asian Development Bank and Korea Research Institute for Vocational Education and Training, *Education and Skills for Inclusive Growth and Green Jobs: [Republic of] Korea's Experiences on Education and Skills for Green Jobs* (Seoul, 2012).

⁵³ Shanti Jagannathan, "Skills for inclusive and sustainable growth in developing Asia and the Pacific", ADB Briefs, No. 10 (Manila, Asian Development Bank, 2012).

⁵⁴ Ibid.

the local government also set up the first high school in the country that specializes in renewable energy education, the Busan Energy Science High School.⁵⁵ Efforts such as these serve as positive examples for the region and the world of how to involve youth in the green transition.

2. Entrepreneurship

47. Introducing entrepreneurship knowledge and skills into the education system has also proven successful in some member States in the region.

48. A study on youth entrepreneurship in Indonesia, Japan, the Republic of Korea, Taiwan Province of China and Thailand found that the most significant factors in predicting the success of young people as entrepreneurs were self-efficacy, capital access, information access and social networks.⁵⁶ Self-efficacy could be increased by providing more leadership opportunities for youth, which would then increase their self-confidence and thus embolden them to consider starting their own business. Strong institutional support is necessary to enable equitable access to capital so that young people from all socioeconomic backgrounds, not only the wealthy, have the opportunity to start their own businesses. Access to information regarding entrepreneurship would be aided by more relevant technical and vocational education and training and greater access to labour market information. Social networks could be strengthened by providing youth with forums and conferences focusing on entrepreneurship, which has been successful in the region, for example, with the World Youth Alliance Asia Pacific Emerging Leaders Conference.

49. According to a study on youth entrepreneurship in Malaysia, 63 per cent of the participants had received formal business training or education.⁵⁷ Such findings support the need to include topics of import to entrepreneurship in education and training.

50. Entrepreneurship has also been shown to be an effective means for boosting rural youth employment and providing opportunities for young women. A highly successful example of rural entrepreneurship in the region is the Amul Model in India, which started with only eight local communities and is now one of the largest producers of dairy products in the country, with 240,000 members in 840 villages.⁵⁸

51. One of the greatest challenges for raising the profile of entrepreneurship in rural areas, especially among young women, is increasing awareness of entrepreneurship as a viable option for employment.⁵⁹ Therefore, special efforts must be made to ensure that women have access to information and education on entrepreneurship, so that they are able to

⁵⁵ The Export-Import Bank of Korea, Asian Development Bank and Korea Research Institute for Vocational Education and Training, *Education and Skills for Inclusive Growth and Green Jobs: [Republic of] Korea's Experiences on Education and Skills for Green Jobs* (Seoul, 2012).

⁵⁶ Nurul Indarti, Rokhima Rostiani and Tur Nastiti, "Underlying factors of entrepreneurial intentions among Asian students", *The South East Asian Journal of Management*, vol. IV, No. 2 (October 2010).

⁵⁷ Chan Kim Ling, Sivapalan Selvadurai and Bahiyah Abdul Hamid, "Malay youth entrepreneurship in Malaysia: an empirical update", *Geografia Online Malaysian Journal of Society and Space*, vol. 5, No. 2 (April 2009).

⁵⁸ Jyoti Bahl, "Status of women entrepreneurship in rural India", *Asian Journal of Multidimensional Research*, vol. 1, No. 2 (July 2012).

⁵⁹ Ibid.

register a company in their own name and know their rights and responsibilities as a business owner. Structured correctly, entrepreneurship has the potential to empower rural youth and women through a meaningful chance to contribute to society and to be economically independent.

B. Supporting young people into productive jobs

52. While higher education attainment reduces the risk of informal employment, it is not an end-all solution to the problem. A global study of the effects of education on informality found that only 14 per cent of youth without primary education were able to find formal employment, as compared to 51 per cent of young people with tertiary education.⁶⁰ Such figures suggest that by attaining a higher level of education, youth have skills that are better suited to formal employment.

Public employment services and active labour market policies

53. Public employment services often take the form of employment centres created by the Government. These services support jobseekers in finding work and correcting skills mismatches and are an important part of reducing unemployment and underemployment. The employment support provided includes information about available jobs, job-matching services, and education and training opportunities.

54. While these services have been around for many years in most Organization for Economic Cooperation and Development countries, several countries in the region have also developed similar services, often with positive results. For example, between 2000 and 2010, 25 employment promotion units were established in cities across Mongolia.⁶¹ In the Republic of Korea, the Government established a one-stop-shop system, with 96 centres staffed by approximately 4,000 employees who provide information and support, including services related to tertiary opportunities, technical and vocational education and training, and career counselling.⁶²

55. The Government of Indonesia has also taken active steps to increase people's access to employment support services, with 441 public employment offices across the country as of 2010. The Government also gives special permission to certain private employment agencies, known as Lembaga Penempatan Tenaga Kerja Swasta, to assist in job matching, with 97 agencies approved throughout Indonesia.⁶³ Japan has a long tradition of active labour market policies. The Employment Insurance Scheme started in 1947 and includes two methods for reducing unemployment, with the focus on employers rather than employees. The scheme provides subsidies to employers who keep employees during times of economic hardship and also provides subsidies to employers that provide skills upgrading and training for their employees. Starting in 2000, the Japanese Government introduced labour market policies specifically targeted at young people to address skills

⁶⁰ Ibid.

⁶¹ Shyamal Majumdar, ed., *Emerging challenges and trends in TVET in the Asia-Pacific region* (Rotterdam, Sense Publishers, 2011).

⁶² Republic of Korea, Ministry of Employment and Labour, Korea Employment Information Service, *Development and Evaluation of the Public Employment Service in South Korea* (Seoul, 2012).

⁶³ International Labour Organization, *Indonesia: Labour market information systems and services* (Jakarta, 2014). Available from www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcms_318224.pdf.

mismatches through public vocational training as well as job-finding support, including career fairs.⁶⁴ The case of Japan highlights the importance of engaging all stakeholders with targeted policies, including employers and employees and youth and other vulnerable sectors of society.

56. The Government of Viet Nam has also made concerted efforts to introduce active labour market policies targeted at youth, such as the Employment Services for Young People programme, which focuses on creating jobs for young people through job consultation and training. A useful lesson learned through this programme is the importance of involving the business sector and social organizations. In this case, cooperation with the Viet Nam Youth Union was particularly important in improving the effectiveness of its youth-targeted programmes.⁶⁵

57. Maximizing the potential benefits of entrepreneurship requires formal access to capital and financial institutions. A solution to barriers to youth entrepreneurship that is increasingly gaining traction in the region is microfinance. Several organizations have been created with the aim of increasing microfinancing to youth, such as Indonesia's Microfinance Innovation Centre for Resources and Alternatives. The Centre provides outreach services to a variety of people, including youth, and conducts research on the development of microfinance in Indonesia.⁶⁶

C. Youth Toolbox

58. The Economic and Social Commission for Asia and the Pacific (ESCAP) is currently developing a Youth Toolbox to enhance information sharing and communication and collaboration between policymakers and young people. Capitalizing on the power of current information and communications technologies as well as the Commission's experience in building such platforms, such as the Social Protection Toolbox, the Youth Toolbox will serve as a repository of knowledge, experiences and good practices, with the aim of providing policymakers with a comprehensive resource for developing inclusive and responsive youth policies in a process that optimizes engagement of youth-led organizations. It may also make use of social media to engage the participation of a range of stakeholders, thereby increasing the amount and diversity of knowledge and views. The Youth Toolbox also aims to be interactive by including, for example, training modules, opinion polls and message postings. Each of these levels will be specifically tailored to the needs of policymakers and youth, so that relevant content for both parties is available (figure 9).

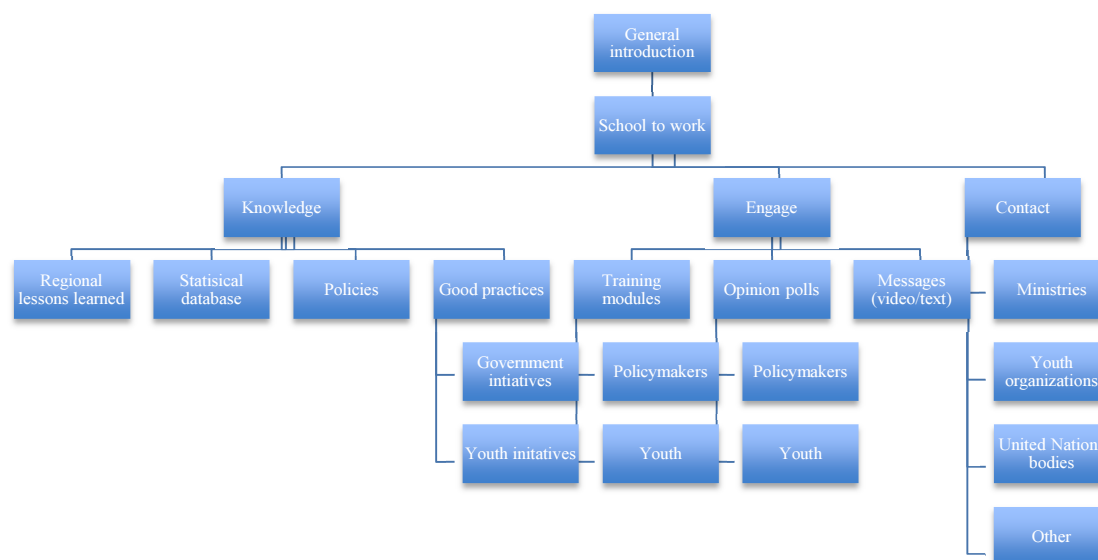
59. Through these means, it is hoped that knowledge will be enhanced and learning and sharing of experiences will take place. The Youth Toolbox will also provide a contact database of all relevant United Nations bodies/agencies, government ministries and youth organizations, thereby providing users with a practical means of finding more information and becoming further involved.

⁶⁴ Yasuhiro Kamimura and Naoko Soma, "Active labour market policies in Japan: a shift away from the company-centred model?", *Journal of Asian Public Policy*, vol. 6, No. 1 (February 2013).

⁶⁵ Ruud Dorenbos, Deon Tanzer and Ilse Vossen, "Active labour market policies for youth employment in Asia and the Pacific: traditional approaches and innovative programmes", working paper prepared for the International Labour Organization/Japan Tripartite Regional Meeting on Youth Employment in Asia and the Pacific (Bangkok, International Labour Organization, 2002).

⁶⁶ Ibid.

Figure 9
Proposed structure for the Youth Toolbox



V. Conclusions

60. In a region as diverse as Asia and the Pacific, there cannot be a single solution to any issue, and certainly this is true for young people's school-to-work transition. Current and future population dynamics have a substantial impact on both youth and the society they live in. Population trends indicate that, in the coming decades, for most of the region any youth bulge will disappear as fertility rates continue to fall and people live longer. No matter the state of the demographics, youth are important to society, and the demographic dividend can only be realized if youth are actively engaged in productive work. In rapidly ageing societies, youth's contribution to the economy is and will be increasingly vital for maintaining or advancing development.

61. The main obstacles facing young people in the region are related to the functioning of labour markets and education systems. Labour market malfunctions, information asymmetry, skills mismatches, informal employment and a lack of entrepreneurship opportunities hamper young people's ability to make informed decisions about their future. At the same time, without this information, policymakers are not able to accurately analyse the needs of their population and thereby design effective policies and programmes. The lack of high-quality, relevant education also leads to insufficient opportunities to obtain sought-after skills and the knowledge required to be gainfully employed. These issues, in combination with the fact that not enough decent jobs have been created despite impressive economic growth, lead to a deficit of decent work in many countries, giving young people no choice but to enter the informal sector. Barriers to financial services, including credit, further hinder young entrepreneurs.

62. Many youth, failing to smoothly transition from school to work, end up discouraged and lacking the means to earn a living and to lead dignified lives, with potentially serious implications for the societies they live in. Large numbers of discouraged youth without appropriate employment, education or training may lead to increased levels of crime and, in some cases, even social

unrest.⁶⁷ By investing in youth and increasing the attention given to relevant quality education and the transition to decent work, all relevant stakeholders can shape a better future for all. Youth need to be an active and integral part of the way forward.

VI. Considerations for the Committee

63. The Committee on Social Development is invited to provide guidance with regard to the secretariat's work addressing the challenges faced by youth arising from the school-to-work transition, in particular the following:

(a) Sharing good practices on new and innovative approaches to facilitate young people's transition from school to work;

(b) Identifying regional priorities and areas for policy support, research and capacity-building needs and opportunities for multi-stakeholder and South-South cooperation with regard to enhancing education and employment prospects for youth in Asia and the Pacific;

(c) Defining the broad programmatic direction of the work of the secretariat on youth, given the mandates of the 2030 Agenda for Sustainable Development and steps to accomplish the Sustainable Development Goals, particularly Goals 4 and 8, as well as providing guidance in implementing the World Programme of Action for Youth to the Year 2000 and Beyond, the United Nations System-wide Action Plan on Youth and other relevant frameworks;

(d) Reviewing the Youth Toolbox, with a view to strengthening the evidence base and national capacities for the formulation of inclusive and responsive youth policies.

⁶⁷ David E. Bloom, "Youth in the balance", *Finance and Development*, vol. 49, No. 1 (March 2012), pp.7-11.