

Youth Employment in the Asia-Pacific Region: Prospects and Challenges *

I. Context and Issues

The region covered by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) straddles a considerable range of countries stretching from Turkey in the extreme west, through Central Asia to South, Southeast and Northeast Asia, and extending to the Pacific islands in the east. Based on the UN definition of youth as persons between the ages of 15 and 24 years old, the youth segment of the population for this region is estimated to constitute approximately 18 per cent of the total population or over 650 million persons, that is, over 60 percent of the world youth population (see Table 1). Of these, over 200 million are estimated to live in urban areas. Within the region, there is some variation in demographic pattern and socioeconomic development which impacts on youth employment. In Southeast, South and Southwest Asia, the youth population constitutes a higher proportion of the total population or over 19 per cent. Youth comprise a smaller percentage of the total population in North and Central Asia (16.7 per cent), the Pacific (13.5 per cent), and East and Northeast Asia (15.3 per cent). The most populated countries in the region – the People’s Republic of China and India – have nearly 20 per cent of their populations aged 15 to 24 years. By 2030 the youth segment for the region is estimated to grow to exceed over 700 million, constituting almost 15 per cent of the total population (see Table 2). The sheer size of the youth population in the region underscores the magnitude of the challenge that governments and countries face in integrating youth and developing their full potential, most critically perhaps in the area of employment (see ESCAP, “Review of the Human Resources Development Status of Youth in the Asian and Pacific Region”, United Nations, New York, 2001, ST/ESCAP/2135, for a fuller discussion).

Definitive youth unemployment data for the region is not available due to various factors including varying definitions of employment employed by surveys and censuses, often even within the same country. The International Labor Organization promotes a standard definition of employment which specifically includes both payments in kind and in cash and explicitly excludes students and "homemakers" but this attempt at standardization of the definition still leaves scope for individual interpretation. Despite the slipperiness of the concept of work, the substantial areas of ambiguity and international variations in the typology of work performed, it is generally acknowledged that:

- In many countries of the region, youth unemployment constitutes over 30 per cent of total unemployment;
- Youth unemployment is 3 to 4 times higher than non-youth unemployment unemployment among youth affects both educated and uneducated;
- In most developing countries of the region, unemployment is mainly an urban phenomenon whilst underemployment is mainly a rural problem;

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Table 1. Youth population (age 15-24) in the Asian and Pacific region

<i>Region/Year</i>	<i>Youth population projection (Thousands)</i>			<i>Percentage of youth to total population</i>		
	<i>2000</i>	<i>2010</i>	<i>2025</i>	<i>2000</i>	<i>2010</i>	<i>2025</i>
World	1,062,283	1,186,099	1,218,827	17.5	17.4	15.4
Asia and the Pacific	658,988	729,695	697,674	17.6	17.4	14.7
East and North-East Asia	227,743	243,401	201,181	15.3	15.4	11.9
South-East Asia	102,998	110,609	106,513	19.7	18.7	15.4
South and South-West Asia	286,857	334,972	359,968	19.2	19.1	17.1
North and Central Asia	36,755	35,539	24,527	16.7	16.5	11.5
Pacific	4,635	5,173	5,484	15.5	15.3	4

Source: United Nations, *World Population Prospects: The 2000 Revision*.

- Rural youth tend to be less skilled and less well educated than their urban counterparts as well as likely to be more adversely affected by technological changes;
- In some countries, unemployment rates are higher for the more educated than for those who are less educated. However, lack of access to the most basic level of education is the major obstacle depriving many young people of the opportunity to increase the productivity of their human resources potential;
- The role of the public sector in generating employment in many countries is likely to contract as a result of policy reforms aimed at privatization and streamlining the public sector and the emphasis on development of the physical and social infrastructure needed to foster private sector development

Analysis of youth employment and unemployment issues and trends in the Asia-Pacific region also needs to take into account the impact of the Asian financial of 1997 which affected countries in Southeast and East Asia especially, and from which key lessons may be learnt in shaping future policy to mitigate the impact of similar crises. Amongst these lessons are:

- Labor markets are hit harder than output and tends to recover more slowly; During 1999, which was a year of recovery, unemployment rates were still rising in Indonesia (6.4 per cent) and Malaysia (3.4 per cent) and were only slightly below record year-earlier levels in the Republic of Korea (6.3 per cent), the Philippines (9.7 per cent) and Thailand (4.2 per cent);
- Shocks to the labor market range from the burden being most borne by immigrant labor (Malaysia); internal migrants (Thailand); female-headed households in Indonesia and Republic of Korea; and unskilled and informal sector workers and young workers in all countries;
- Policies to reach vulnerable groups in such a crisis have to be designed with the specific groups and their characteristics and preferences in mind, otherwise they will tend to favor unemployed male household heads (for a fuller discussion see S Horton

and D. Mazumber: “Vulnerable groups and the labor market: The aftermath of the Asian financial crises”, paper prepared for the World Bank/ILO/Japanese Ministry of Labor/Japan Institute of Labor Seminar, Tokyo, October 1999; and G. Betcherman and R. Islam: “The economic crisis and East Asia labor markets: An overview” in Betcherman and Islam, East Asia labor markets and the economic crisis: Impacts, responses and lessons (ILO and World Bank, 2000)

II. Good Practices in the Region

There is a large number and wide range of good practice in generating youth employment in the region ranging from labor market interventions implemented by governments to public-private sector partnerships and to self-help and self-employment initiatives. Two examples of good practices are discussed here. The first focuses on the rural and traditional agricultural context within which the majority of youth in the region are to be found and which they have to grapple with, in terms of their livelihoods and future prospects. It is drawn from work conducted by UNESCAP which is the UN focal point for youth in the Asian Pacific region. The second focuses on the new information and communications technologies (ICT) context that is reshaping much of the world, and where the gross disparity in particular in the spread of the Internet, and the social and economic benefits arising from it, has become a key source of concern. The growth of ICT raises important issues of access and exclusion by geography, education, income, gender, language and age, and is of particular relevance to the present generation of youth whose lives will be considerably more dominated by the pervasive ‘digital divide’ than that of the older generation.

Successful case replication

The objective of this project carried out by UNESCAP was to use the "Success-Case-Replication" (SCR) methodology to promote sustainable employment and sustainable organizations for the rural poor (for a full discussion, see ESCAP, Cost Effective Employment Promotion for the Rural Poor, United Nations, New York, 2000, ST/ESCAP/2064) and Jan B. Orsini, Success Case Replication: A manual for increasing farmer household income by mobilizing successful farmers and groups to train their peers, ESCAP/FAO Inter-country project, Bangkok, July 2000) The methodology is based on two main principles:

- (a) Locate villagers or groups, who have achieved a high success rate in their enterprises;
- (b) Utilize the 'successful villager' or 'groups' to train their less well-off fellow villagers

This approach differs from conventional employment training in that it uses the successful villagers or groups to impart the training to the target poor. It does not use professional or government agency trainers to conduct the training. The methodology employs nine distinct steps:

1. Locate success cases;
2. Evaluate if the success is 'replicable' (net return and market capacity);

3. Assess trainer's 'willingness' to train.;
4. Establish a practical 'hands-on' training program;
5. Select trainees carefully;
6. Supervise the training;
7. Arrange follow-up assistance for trainees;
8. Achieve secondary 'multiplications' following first level successes;
9. Keep cost/benefit records.

The project was implemented from June 1994 to November 1998 in Bhutan, Philippines, Lao People's Democratic Republic, Sri Lanka, Mongolia, Thailand, Nepal and Viet Nam. In each country, three different agencies were requested to join the project. These agencies consisted of (a) a government extension or rural development agency, (b) an NGO with experience and a good record in rural development work and (c) a rural bank serving the rural poor. In several countries, the above 'ideal' combination could not be achieved but some variation has produced useful results.

Each participating agency agreed to conduct three to four years' of field trials with the "Success-Case-Replication" methodology and to keep careful cost/benefit records of the results in order to evaluate the impact of the project as well as its cost-effectiveness. Costs included the monetary value for the time devoted to the project by their field staff and the costs for the training for the target families. The benefits were measured as the net income gained by the successful families during the first year they marketed their new product.

A total of 3,332 families were trained in income earning activities using the SCR methodology. Of these, 2,359 were successful in their new enterprises, yielding a success rate of 71 per cent. The average income gain for these families was US\$449 per annum, which often more than doubled the family income.

The cost/benefit analysis contrasted the costs spent on finding success cases and conducting the training, with net income gained by the successful families over the first year they marketed their new products. Overall, the 16 agencies spent a total of US\$87,271 to conduct the SCR training which generated a total of US\$1,058,067 in increased income for the rural poor. In other words on average each dollar spent on SCR generated twelve dollars of net income for the poor. This is equal to an internal rate of return of 1,200 per cent, an exceptional figure in rural development efforts. The highest cost/benefit ratio was 1:54, which was achieved by the three agencies in Sri Lanka. This high ratio was achieved due to the multiple generations of trainees that were trained by the first few successful generations of trainees. In the case of mushroom replication, over 300 families have been trained, in 13 different generations, since the onset of the project.

The lowest cost/benefit ratio was 1:4 which was achieved in Bhutan. This low ratio was not caused by low gains in income for the trainees, rather, by the very high costs for the training, which was highly subsidized by the government of Bhutan.

The number of families trained varied from a low of 11 for the Purwanchal Grameen Bikas Bank in Nepal to a high of 2,267 for the Ministry of Labor, Invalids and Social Affairs in

Viet Nam. Where the number of trainees was low , the results should not be taken as indicative of how the methodology may perform on a larger scale. For those agencies that achieved limited performance, either in the number of trainees or in the cost/benefit ratio, a further set of field trials, in a gradual expansion phase, was recommended. In Viet Nam, the expansion phase had already reached over 2,000 families when the project ended, indicating that the SCR methodology can perform well on a larger scale.

Participants to the regional evaluation seminar of the project adopted the following recommendations:

(a) Agencies that had achieved a reasonable cost/benefit ratio in their field trials should incorporate this employment promotion methodology in their on going programs without, necessarily, having to seek additional funding;

(b) The participants recommended that the SCR methodology be disseminated to other ESCAP member countries because it is a 'supportive' methodology, which can enhance the rate at which 'best practices' are adopted by the poor.

It may be noted that youth groups are regarded as particularly suitable to target the SCR methodology in view of the fact that they are likely to be risk takers as well as to possess more entrepreneurial skills.

Addressing the digital divide

New employment and entrepreneurial opportunities for young people in the region can be found involving the use of the new ICT in the service sector and focusing on domestic markets (this discussion is based on the paper by Richard Curtain, “Promoting youth employment through information and communication technologies (ICT): Best practices examples in Asia and the Pacific”, ILP/Japan Tripartite Regional Meeting on Youth Employment in Asia and the Pacific, Bangkok, 27 February-1 March 2002).

The ILO, in a paper entitled Generating decent work for young people notes that some developing countries have been able to create employment for thousands of women and men through community-access points and telecenters.

Such facilities can also offer small and micro-enterprises that do not have their own private facilities, the opportunity to use ICT for business purposes. Young people are particularly well placed to take advantage of such growth areas.

In some countries in the region, telecenters are being set up through public and private initiatives in telephone shops, schools, libraries, community centers, police stations, and clinics. Sharing the expense of equipment, skills and access amongst an ever-increasing number of users also helps to cut costs and make these services viable in remote areas. India, for example, has seen rapid growth in 'cyber kiosks' which provide access to social communication as well as business support services for underprivileged groups. These 'internet kiosks' are often upgraded STD (Subscriber Trunk Dialing) booths that are widely found in all parts of the countryside in India. These are small street shops, offering access to public phones for long distance calls. They number about 300,000 and have generated more than 600,000 jobs.

Presently the Indian Ministry of Information Technology has ambitious plans to convert over 6,000,000 public call offices (PCOs) into public 'tele-info-centers' offering a variety of services such as Internet browsing, fax communications, e-mail services and long distance phone calls. The Maharashtra State government has plans to link 40,000 villages with Agronet, a specially developed software package for farmers, which aims to provide the latest information on agriculture.

Communal access to Internet facilities through telecenters or Internet kiosks also offers opportunities for the informal sector workers such as plumbers, vendors, roadside restaurant owners or garment makers to obtain information on markets or administrative procedures and to publicize their services to a wider clientele. Communal access to the Internet is also useful for self-employed professionals such as journalists and accountants. These professionals may not have the funds to purchase equipment and technical support to communicate with distant clients.

Telecenters or Internet kiosks offer a good opportunity as they involve fairly low start-up costs. Equipment costs in India are about US\$10,000 and the telecom service provider's investment in a telephone line is about US\$1,000. Young people especially have a particular advantage in being able to set up such enterprises because of their computer literacy and familiarity with maintaining computer hardware which are required to operate such kiosks.

In this connection, it may be noted that UNESCO has produced a user-friendly manual on how to set up several different types of community-based Telecentres. Aimed at telecom operators, NGOs, community groups, local government or someone wanting to establish a small business, the manual outlines how to set up four types of telecentres. At the most basic level, 'micro telecentres' use only pay phones and possibly a smart card reader and a receipt printer. They are usually housed in a shop or other business and some are outdoor kiosks. 'Mini telecentres' usually offer a single phone (possibly mobile phone) with a three-in-one scanner/printer/copier, a fax machine a PC with a printer, Internet access and a call meter. A 'telecentre' offers a number of phone lines, a call management system, fax machine, photocopier, several PCs with a printer, Internet access and perhaps a scanner. Finally a 'full service telecentre' offers many phone lines and multimedia PCs with Internet access. Other equipment can include a high-volume black and white and/or colour printer, a scanner, a digital camera, a video camera, a TV, an overhead projector, a photocopier, a laminator, meeting rooms and a video-conferencing room.

III. Critical Areas that Need Attention

The major challenges (and related critical areas) that governments and other stakeholders face in promoting youth employment in the region vary in their specific detail according to the stage of social and economic development of the country, the condition of labor markets and the vigor and dynamism of the private sector in generating new employment opportunities. At the same time, there are common themes and problem areas that cut across country specific processes. These generally have to do with the success or lack of success of countries in enhancing the access, equity and quality of employment for their young population.

Some critical issues that need attention in developing the regional action plan to promote youth employment are:

1. What are the resources necessary for governments to invest in education and vocational training to enhance employment prospects for young people and how can the impact of these investments be enhanced?
2. How can governments and other stakeholders best address the lack of educational and related employment opportunities for the more disadvantaged subgroups of youths – girls and young women, migrants, refugees, displaced persons, street children, indigenous youth minorities, young people in rural areas and young people with disabilities - so that they can be given improved access to opportunities? The issue of equal access is also related to the concern with poverty alleviation, especially of marginalized groups.
3. What are the major steps that governments can take to make it easier to start and run businesses and enterprises, especially in rural areas, to provide more and better jobs for young men and women?
4. To what extent do governments need to further emphasize employment creation in macroeconomic policy and what kinds of public-private sector partnerships are best suited to deliver on this?
5. What are the key steps necessary for governments to provide opportunities for young people to acquire ICT literacy and technical skills in ICT, and how can ICT industries be fast-tracked to provide employment and entrepreneurial opportunities for young people?
6. What policies are necessary to ensure a healthy young workforce especially given the high HIV-infection rates and the growing trend of drug use among youth that affects productivity?