

# Youth Employment Policy in Taiwan: Current Challenges and Institutional Responses

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## 1. Current Challenges in Taiwan

Youth unemployment has emerged as a pressing concern facing nations worldwide. Young people who are not in education, employment, or training—commonly referred to as NEETs—face heightened risks of becoming increasingly marginalized from both the labor market and broader society. Long-term exclusion from productive economic activity not only wastes valuable human resources but also imposes substantial future costs on governments and communities seeking to reintegrate these youth into meaningful work. The consequences extend beyond immediate unemployment statistics, encompassing deteriorating mental and physical health, social disaffection, and reduced lifetime earnings potential. Addressing youth employment challenges requires comprehensive approaches that provide appropriate skills training and support services, helping young people gain advantageous positions at the labor market's starting line while improving their overall well-being and strengthening social cohesion<sup>1</sup>.

Taiwan's overall unemployment situation appears relatively favorable compared to European Union countries. However, unemployment is not evenly distributed across age groups; young people entering the labor market face significantly higher rates of joblessness, largely attributable to their lack of work experience. Taiwan's youth unemployment rate stands at approximately 2.4 times the national average, exceeding the corresponding ratios observed in neighboring East Asian economies, including Japan (1.6 times) and South Korea (2.1 times)<sup>2</sup>. According to the Ministry of Labor's 2024 statistics, while Taiwan's overall unemployment rate was 3.4%, the youth unemployment rate (ages 15–29) reached 7.9%, with the 20–24 age cohort experiencing a particularly acute rate of 11.6%<sup>3</sup>. This persistent disparity has prompted sustained government intervention since 2004, when the Youth Counseling Committee—subsequently restructured as the Youth Development Administration under the Ministry of Education—launched workplace experience programs targeting unemployed graduates aged 15–29 who lack work experience or face education-employment mismatches. These initiatives provide government-subsidized internship allowances and engage enterprises in offering structured training opportunities, enabling youth to acquire

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<sup>1</sup> Chang, Chen-Wei, "Whether 'NEETs' or 'NiNi Youth': The Growing Problem of Youth Unemployment," National Academy for Educational Research Newsletter, No. 82 (February 2014), available at: [https://epaper.naer.edu.tw/edm?edm\\_no=82&content\\_no=2049](https://epaper.naer.edu.tw/edm?edm_no=82&content_no=2049) (last visited February 10, 2026); Liu, Yu-Hsueh, "Youth Unemployment in Taiwan: Trends and Causes," Journal of Community Development Quarterly, No. 146, pp. 77–93 (June 2014).

<sup>2</sup> Ministry of Labor, International Labor Statistics 2024, available at: <https://statdb.mol.gov.tw/html/nat/113/4.%E8%A1%A84-3.pdf> (last visited February 10, 2026).

<sup>3</sup> Id.

practical skills through experiential learning.

Despite substantial government investment in such programs over the years, significant challenges persist in Taiwan's youth labor market. The youth labor force numbered 2.168 million in 2024, representing a continuous four-year decline driven by falling birth rates that reduced the youth civilian population to 3.677 million<sup>4</sup>. The labor force participation rate for youth aged 15–24 stood at only 37.2%, a figure largely attributable to Taiwan's high university enrollment rates and extended schooling periods<sup>5</sup>. In contrast, the 25–29 age group demonstrated a participation rate of 91.9%, surpassing comparable East Asian economies including Japan (91.7%) and South Korea (76.8%)<sup>6</sup>. This pattern suggests that Taiwanese youth do not lack the willingness to enter the workforce upon completing their education; rather, the core of the problem lies not in whether young people participate in the labor market, but in the conditions they encounter upon entry.

Indeed, the structural challenges facing Taiwan's youth employment extend beyond quantitative indicators of labor market access to encompass fundamental disconnects between workplace expectations and labor market realities. According to May 2024 survey data, among unemployed youth who never received job opportunities during their search, the most commonly cited obstacles were inadequate compensation (39.3%), mismatches between qualifications and employer requirements (30.0%), and the inability to find positions in desired occupational categories (18.5%). Even more revealing, among those who received job offers but declined them, 65.1% identified compensation falling short of expectations as the primary reason for rejection, followed by unsuitable working hours (14.2%) and undesirable work locations (10.3%)<sup>7</sup>. These findings collectively indicate that Taiwan's youth employment challenge is fundamentally qualitative in nature—a problem not of insufficient opportunities, but of a persistent gap between the employment conditions available and the expectations of an increasingly educated young workforce.

These findings reflect deeper systemic issues in Taiwan's school-to-work transition mechanisms. The compensation dissatisfaction manifests clearly in job mobility patterns: youth workers recorded a job turnover rate of 10.4% over the previous year, nearly double the overall workforce rate of 5.4%, with compensation inadequacy emerging as the predominant driver of voluntary job changes (33%)<sup>8</sup>. Moreover, only 57.4% of young workers reported satisfaction with wages, while 27.9% indicated plans to change jobs, suggesting widespread dissatisfaction with current employment

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<sup>4</sup> Ministry of Labor, Youth Labor Statistics Report 2024, available at: <https://www.mol.gov.tw/media/ouqphjy0/113%E5%B9%B4%E9%9D%92%E5%B9%B4%E5%8B%9E%E5%8B%95%E7%B5%B1%E8%A8%88.pdf?mediaDL=true> (last visited February 10, 2026).

<sup>5</sup> Id.

<sup>6</sup> Ministry of Labor, International Labor Statistics 2024, available at: <https://statdb.mol.gov.tw/html/nat/113/1.%E8%A1%A81-5.pdf> (last visited February 10, 2026).

<sup>7</sup> Supra note 4.

<sup>8</sup> Id.

arrangements<sup>9</sup>. These patterns indicate that Taiwan's youth employment challenges require policy responses addressing not merely skill development and education-employment alignment, but fundamental issues of compensation structures, work-life balance, and career advancement pathways.

## **2. Beyond the Numbers: Taiwan's Youth Employment in Context**

Despite Taiwan's youth unemployment rate standing at approximately 2.4 times the national average—a ratio that appears alarming in comparative perspective—the absolute magnitude of youth unemployment has not triggered intensive academic scrutiny or alarm comparable to that observed in Southern European countries during the Eurozone crisis. This relative lack of scholarly attention can be attributed to several distinctive characteristics of Taiwan's youth labor market that differentiate it from classical youth unemployment crises.

Most significantly, while the youth-to-overall unemployment ratio appears elevated, Taiwan's absolute youth unemployment rate of 7.9% in 2024 remains moderate by international standards, particularly when compared to youth unemployment rates exceeding 20-30% observed in Greece, Spain, and Italy during their peak crisis periods. Furthermore, Taiwan's youth unemployment exhibits characteristics suggesting relatively efficient labor market matching rather than structural exclusion. Youth unemployment duration averaged only 18.9 weeks in 2024, notably lower than the overall workforce average of 20.8 weeks, indicating that young job seekers typically secure employment relatively quickly once they begin searching<sup>10</sup>. Similarly, the long-term unemployment rate among youth (9.9%) remains below that of the general workforce (12%), suggesting that youth unemployment in Taiwan primarily reflects frictional job search and matching processes rather than prolonged labor market exclusion or discouraged worker effects<sup>11</sup>.

These distinctive characteristics have shaped both academic discourse and policy priorities in Taiwan. Rather than treating youth unemployment as a crisis of labor market access, scholars and policymakers have largely conceptualized the challenge as one of education-employment alignment and job quality optimization. Notably, legal scholarship in Taiwan has devoted relatively limited attention to youth employment as a distinct subject of inquiry, with the existing academic literature predominantly situated within labor economics, education policy, and human resource development frameworks rather than examining the legal and institutional dimensions that shape young workers'

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<sup>9</sup> Id.

<sup>10</sup> Ministry of Labor, Survey Report on Employment Status of Youth Workers Aged 15–29, 2024, available at: <https://www.mol.gov.tw/media/ouqphjy0/113%E5%B9%B4%E9%9D%92%E5%B9%B4%E5%8B%9E%E5%8B%95%E7%B5%B1%E8%A8%88.pdf?mediaDL=true> (last visited February 10, 2026).

<sup>11</sup> Id.

entry into and progression within formal employment. Government policies consequently emphasize employment facilitation and skill matching rather than job creation or demand-side interventions, reflecting an implicit diagnosis that sufficient employment opportunities exist but require better matching mechanisms between youth capabilities and employer needs.

This policy orientation is further reinforced by Taiwan's exceptionally high rates of educational attainment. As of the end of 2024, among the population aged 15 and above (20.66 million persons, representing 88.3% of the total population), the literacy rate reached 99.3%. Educational attainment has shifted dramatically toward tertiary credentials: individuals holding college degrees or above numbered 10.45 million, constituting 50.6% of the literate population aged 15 and above. This proportion has exhibited a consistent upward trend, increasing by 1.78 million persons (+20.6%) over the past decade, with university degree holders alone increasing by 1.30 million (+25.7%). The concentration of tertiary education is particularly pronounced among younger cohorts: the 25–29 age group recorded the highest proportion of tertiary degree holders at 81.8%, while across the 25–54 age range, more than 10% held graduate degrees<sup>12</sup>.

Taiwan's tertiary education attainment substantially exceeds international benchmarks. According to the latest OECD statistics, the average tertiary education rate among the 25–64 population across member countries stood at 41% in 2023, while Taiwan had already reached 58% by the end of that year. Among major economies, only Canada (63%) surpassed Taiwan's rate, with all other comparable nations recording lower proportions<sup>13</sup>. Yet while this educational profile might appear as a formidable competitive advantage in the global knowledge economy, the rapid and large-scale expansion of higher education has simultaneously generated significant structural imbalances between educational supply and labor market demand. The proliferation of tertiary credentials has outpaced the economy's capacity to absorb highly educated workers, resulting in widespread credential inflation, occupational downgrading, and persistent education-employment mismatches<sup>14</sup>. These phenomena reveal that Taiwan's youth employment challenge extends well beyond conventional unemployment metrics to encompass fundamental questions of human capital utilization and labor market efficiency.

It is precisely this structural diagnosis that has reshaped the central policy concern—from whether youth can find employment to whether the employment they secure effectively utilizes their educational investments and provides compensation and career development opportunities

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<sup>12</sup> Ministry of the Interior, Statistics on Educational Attainment of the Population Aged 15 and Above, available at: <https://statis.moi.gov.tw/micst/webMain.aspx?k=menuy> (last visited February 10, 2026).

<sup>13</sup> Ministry of the Interior, Weekly Bulletin of Interior Statistics, Week 14, 2025, available at: [https://www.moi.gov.tw/News\\_Content.aspx?n=2905&s=326827](https://www.moi.gov.tw/News_Content.aspx?n=2905&s=326827) (last visited February 10, 2026).

<sup>14</sup> Tu, Ying-Yi, "An Analysis of Youth Unemployment," *Taiwan Economic Forum*, Vol. 145, pp. 17–21 (January 2013) Wu, Chung-Yu & Lin, Chia-Hui, "New Challenges for Youth Perceived Employment," *Taiwan Economic Forecast and Policy (Jingji Qianzhan)*, No. 183, pp. 23–24 (May 2019).

commensurate with their qualifications. This reorientation explains the government's emphasis on facilitating entry into "key industries," promoting industry-academia collaboration, and establishing competency-based certification systems—all measures designed not to create jobs per se, but to ensure that an increasingly credentialed young workforce can access employment that appropriately rewards and deploys their human capital.

### 3. Policy Framework and Institutional Responses in Taiwan

In response to these multifaceted challenges, Taiwan's government has developed a comprehensive policy architecture. To facilitate youth employment transitions and address rapid changes in technology, industry, and labor markets affecting the new generation, Taiwan's Executive Yuan approved the "Investing in Youth Employment Program(1st)" on May 31, 2019, covering the period from 2019 to 2022. This comprehensive initiative allocated NT\$9.5 billion over four years, coordinating resources across eight ministries under the Ministry of Labor's leadership. The program implemented 48 measures across four strategic dimensions—industry trends, career planning, skill development, and employment services—providing differentiated services tailored to youth needs at various life stages, with the aim of increasing Taiwan's youth employment rate<sup>15</sup>.

Building on this strategic framework, Taiwan's government has developed targeted interventions for five distinct youth groups: students, first-time job seekers, long-term unemployed youth, employed youth, and non-standard workers.

**For students** still in education, the government emphasizes career guidance and employment preparation through multiple channels. High school students receive subsidies for workplace visits to facilitate understanding of employment environments and career preparation. Universities and colleges have established dedicated career counseling service points, integrating career guidance and employment services while coordinating public and private sector resources to organize diverse workplace experience programs. These initiatives enable students to accumulate practical career experience while still enrolled. Additionally, indigenous youth receive support for returning to their hometowns for work-study experiences, encouraging post-graduation employment in their communities. The government has expanded high-quality industry-academia cooperation programs, increasing training quotas by 5% annually to bridge academic education with practical experience and facilitate school-to-work transitions.

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<sup>15</sup> Ministry of Labor, Investing in Youth Employment Program (2019–2022), available at: [https://special.taiwanjobs.gov.tw/Internet/2019/youth\\_jobs/date/%E6%8A%95%E8%B3%87%E9%9D%92%E5%B9%B4%E5%B0%B1%E6%A5%AD%E6%96%B9%E6%A1%88\(108-111%E5%B9%B4\)\(%E6%A0%B8%E5%AE%9A%E6%9C%AC\)-%E6%96%87%E6%9C%AC.pdf](https://special.taiwanjobs.gov.tw/Internet/2019/youth_jobs/date/%E6%8A%95%E8%B3%87%E9%9D%92%E5%B9%B4%E5%B0%B1%E6%A5%AD%E6%96%B9%E6%A1%88(108-111%E5%B9%B4)(%E6%A0%B8%E5%AE%9A%E6%9C%AC)-%E6%96%87%E6%9C%AC.pdf) (last visited February 10, 2026).

**For first-time job seekers**, interventions begin before graduation and continue post-graduation. Universities proactively identify graduating students' employment intentions and provide targeted assistance, tracking graduate outcomes and proactively contacting unemployed youth receiving employment services. The government subsidizes 80% of training costs (up to NT\$100,000) for youth participating in training programs related to the "5+2 Innovative Industries" initiative, enabling them to become the talent required for key industry transformation and upgrading.

**For youth unemployed for six months or longer**, the government implements intensive support mechanisms. The "Work Card" (career resume) system integrates employment counseling, vocational training, and certification records to assess youth employment capabilities. In-depth employment counseling helps youth identify career goals and demonstrate competitive advantages during job searches. Youth who successfully find employment within three months of counseling and maintain continuous employment for at least three months receive a NT\$30,000 job search reward. Additionally, the government facilitates three-month "workplace experience and adaptation" placements at enterprises or organizations, providing monthly subsidies of NT\$23,100 during the placement period.

**For employed youth**, policies focus on continuous skill development. The government collaborates with universities, vocational training institutions, and foundations to offer courses aligned with industry development, subsidizing up to NT\$70,000 in training costs per youth over three years for self-directed learning. When enterprises send employees aged 29 or under for external training courses, the government covers 70% of training expenses.

**For youth in non-standard employment** (temporary or part-time work), conversion programs aim to transition workers into regular employment. The government subsidizes enterprises up to NT\$45,000 to provide three-to-six-month "hire-then-train" on-the-job training programs at no cost to participants, strengthening vocational skills and facilitating conversion to regular employee status upon successful retention. The government also encourages user enterprises to convert dispatched workers to regular employees through best practice sharing sessions, recognition programs, and on-site consulting services, promoting equal treatment of dispatched workers.

The first-phase program yielded measurable results in reducing youth unemployment. Over its four-year implementation period, the program assisted approximately 750,000 young people in securing employment. Despite the severe disruptions caused by the COVID-19 pandemic during this period, the unemployment rate for youth aged 15–29 declined from 8.75% in 2019 to 8.38% in 2022, reaching its lowest level since the 1997–98 Asian Financial Crisis<sup>16</sup>.

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<sup>16</sup> Ministry of Labor, Youth Labor Statistics Report 2022, available at: <https://www.mol.gov.tw/media/kehpk2a2/111%E5%B9%B4%E9%9D%92%E5%B9%B4%E5%8B%9E%E>

Building upon the initial program's foundation, the Ministry of Labor launched the second phase of the "Investing in Youth Employment Program" (2023-2026) in May 2023, formalized through the "Implementation Plan for Connecting Key Industry Talent Needs with Youth Employment" promulgated on August 7, 2023. This expanded initiative coordinates resources across 11 ministries, with a significantly increased budget of NT\$16 billion aimed at assisting 800,000 young people in securing employment. The second phase focuses on five core issues—career development, labor supply and demand, youth unemployment, youth wages, and non-standard employment<sup>17</sup>.

The five strategic objectives provide a comprehensive framework for strengthening youth employment and career development while optimizing compensation structures. The first objective, "Setting Direction," assists youth in clarifying career paths, understanding industries, recognizing occupational options, and strengthening workplace adaptation capabilities. This includes enhancing career counseling functions at universities and colleges, promoting occupational exploration, providing employment consultation and career guidance, and establishing dedicated Youth Career Development Centers as specialized service points.

The second objective, "Increasing Talent Supply," aligns human resource allocation with industry policy priorities by identifying demand-side needs and adjusting supply-side configurations. This involves surveying key industry workforce requirements, facilitating youth entry into priority sectors, constructing occupational competency standards (defined as the combination of abilities required to complete specific occupations or job categories), and promoting competency certification systems.

The third objective, "Promoting Employment," develops targeted strategies for first-time job seekers, including encouraging active job searching, directing youth toward industries facing labor shortages, tracking employment flows, providing entrepreneurship counseling, assisting disadvantaged groups in securing employment, strengthening inter-ministerial case referral mechanisms, and facilitating intergenerational collaboration between young and senior workers.

The fourth objective, "Securing Better Wages," establishes youth understanding of key industries while helping them overcome technical employment barriers. Strategies include adjusting university departmental offerings to match industry workforce needs, expanding high-quality industry-

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<sup>17</sup> Ministry of Labor, Investing in Youth Employment Program Phase II (2023–2026), available at: [https://youth.taiwanjobs.gov.tw/Files/Program\\_File/73607d49-72a5-4d18-8233-fb7018e0edc2\\_\\_%E6%8A%95%E8%B3%87%E9%9D%92%E5%B9%B4%E5%B0%B1%E6%A5%AD%E6%96%B9%E6%A1%88%E7%AC%AC%E4%BA%8C%E6%9C%9F\(112-115%E5%B9%B4\)%E6%96%87%E6%9C%AC.pdf](https://youth.taiwanjobs.gov.tw/Files/Program_File/73607d49-72a5-4d18-8233-fb7018e0edc2__%E6%8A%95%E8%B3%87%E9%9D%92%E5%B9%B4%E5%B0%B1%E6%A5%AD%E6%96%B9%E6%A1%88%E7%AC%AC%E4%BA%8C%E6%9C%9F(112-115%E5%B9%B4)%E6%96%87%E6%9C%AC.pdf) (last visited February 10, 2026).

academia partnerships, guiding cross-disciplinary learning and digital talent cultivation, providing training courses aligned with industry trends and labor market demands, and supporting youth in strengthening industry-required competencies.

The fifth objective, "Converting to Regular Employment," enhances employment services and provides job transition assistance through employment promotion workshops, workplace learning and readaptation opportunities, employer hiring incentives, and expanded employment opportunities.

#### **4. Institutional Constraints on Youth Hiring**

While the policy framework described above addresses supply-side challenges through skill development, career guidance, and employment facilitation, demand-side institutional rigidities embedded in Taiwan's employment protection framework may further constrain youth labor market entry. Taiwan's Labor Standards Act adopts a just-cause dismissal protection regime, under which employers are prohibited from terminating employment relationships without legally cognizable grounds. While this framework serves the legitimate purpose of protecting incumbent workers from arbitrary dismissal, it may simultaneously generate disincentive effects on initial hiring decisions—particularly with respect to inexperienced young workers whose productivity and organizational fit remain highly uncertain at the point of recruitment. Employers confronting high exit costs under a strict dismissal regime may respond rationally by adopting more conservative hiring criteria, intensifying screening requirements, or delaying formal engagement, all of which would disproportionately disadvantage labor market entrants relative to experienced workers with more established productivity records.

Although the probationary period mechanism ostensibly provides employers with a transitional window to evaluate new hires, it offers limited structural relief. While judicial practice generally acknowledges that employers enjoy broader discretion in assessing employee suitability during the probationary period, the standards governing permissible dismissal at this stage remain subject to case-by-case adjudication, and court outcomes are not always consistent or predictable. This lack of ex ante certainty means that employers cannot reliably gauge, at the point of hiring, the extent to which the probationary period will effectively mitigate the commitment risk of a new engagement. The practical effect is that the probationary mechanism tempers but does not eliminate the institutional disincentive to hire unproven workers.

One might expect that fixed-term employment contracts would serve as an alternative mechanism for managing this hiring uncertainty, enabling employers to engage young workers on a trial basis with clearly defined exit provisions. However, Article 9 of the Labor Standards Act imposes

stringent entry-gate controls on fixed-term contracting, restricting its permissible use to four enumerated categories of work: temporary, short-term, seasonal, and project-specific employment. Employment relationships that fall outside these categories are presumptively classified as open-ended contracts, irrespective of the parties' contractual designation. This legislative design reflects a deliberate policy choice to prevent the systematic substitution of fixed-term arrangements for regular employment—a concern well-founded given comparative evidence from other jurisdictions—but it simultaneously forecloses the use of fixed-term contracts as a legitimate matching instrument for managing the bilateral uncertainty inherent in youth hiring.

The combined effect of stringent dismissal protection and restricted fixed-term contracting thus creates a dual institutional constraint on youth hiring that operates alongside the supply-side imbalances and educational mismatches examined in earlier sections. Employers unable to easily exit an unsuitable employment relationship, and equally unable to structure it as a fixed-term engagement, may rationally respond by raising hiring thresholds or channeling demand toward experienced workers—disadvantaging young labor market entrants accordingly. This analysis, it should be acknowledged, remains largely deductive; empirical investigation into whether Taiwan's employment protection regime measurably constrains youth hiring has yet to be undertaken. Yet if the foregoing institutional logic holds, it would suggest that the government's current policy emphasis on better matching between educated youth and industry demand, while necessary, may not fully address youth employment difficulties so long as the legal architecture continues to impose significant hiring risk on employers contemplating the engagement of unproven workers.

## **5. Conclusion and Ongoing Considerations**

Taiwan's youth employment challenge defies simple characterization. As the foregoing analysis demonstrates, the challenge is neither a crisis of labor market access in the classical sense—Taiwan's absolute youth unemployment rates and unemployment durations remain comparatively moderate—nor a problem reducible to any single causal factor. Rather, it constitutes a multidimensional phenomenon arising from the intersection of structural, educational, and institutional forces that collectively shape the conditions under which young workers enter and navigate formal employment.

Taiwan's extraordinary rates of tertiary educational attainment have not translated proportionally into improved employment quality. Rapid credential expansion has outpaced the labor market's absorptive capacity, generating endemic overeducation, occupational downgrading, and persistent wage dissatisfaction. The government's policy response—embodied in two successive phases of the "Investing in Youth Employment Program"—has accordingly prioritized supply-side alignment, and its emphasis on employment quality rather than mere job creation is broadly consistent with the distinctive profile of Taiwan's youth labor market. Yet as this paper has suggested, the efficacy of

such supply-side measures may be attenuated by demand-side institutional rigidities—particularly within the employment protection framework—that have thus far received limited scholarly attention in the Taiwanese context. Whether these institutional constraints account for residual difficulties that successive policy programs have been unable to resolve remains an open and important question for future research.