

Japan Labor Issues

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● REPORTS

Japan Current State and Challenges of Youth Employment in Japan

Chihiro IWAWAKI

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Junhyeok MUN

China Youth Employment in China: Current Status, Policy System, and Optimization Paths

Wei FAN

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

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Australia Junior Wage Rates in Context: An Ecosystem Approach to Youth Employment in Australia

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Malaysia Youth Employment in Malaysia: Evaluating Legal and Policy Developments in an Evolving Labour Landscape

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Ike FARIDA

Concluding Discussion The Demographic Paradox and Strategic Policy Axes for Youth Employment

Chikako KANKI

The 9th JILPT Tokyo Comparative Labor Policy Seminar 2026

"Youth Employment and Labor Policy"



Japan Labor Issues

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* Entries are arranged based on the seminar program.

* Responsibility for the opinions expressed in signed reports rests solely with their authors. Publication does not constitute an endorsement of those opinions by the Japan Institute for Labour Policy and Training.

Preface

The 9th JILPT Tokyo Comparative Labor Policy Seminar 2026 “Youth Employment and Labor Policy”

According to the ILO’s *Global Employment Trends for Youth 2024*, the youth employment situation has improved as economies have recovered from the COVID-19 pandemic. In Asia and the Pacific, the youth unemployment rate fell to 13.9 per cent in 2023, below the pre-pandemic five-year average of 14.3 per cent. However, regional disparities remain significant, with youth unemployment reaching a record high of 14.5 per cent in East Asia.

At the same time, many young people in the Asia-Pacific region continue to face unstable and low-paid employment, including informal work. Although access to education has expanded, many still struggle to find jobs after graduation, and 20.4 per cent of young people are classified as NEETs (not in employment, education, or training). In addition, as digitalization and AI reshape labor markets, skills mismatches and the need for effective vocational training have become increasingly important policy concerns.

Against this backdrop, the Japan Institute for Labour Policy and Training (JILPT) held the 9th Tokyo Comparative Labor Policy Seminar on 26 March 2026 under the theme “Youth Employment and Labor Policy.” The seminar provided an opportunity to share information and insights on the current employment situation of young people in each country and region, policies to support the transition from education to work, and measures to create and sustain employment opportunities for young people.

In the following pages, readers will find nine excellent reports presented by researchers from across the Asia-Pacific region, addressing key challenges and possible solutions in labor law and policy related to youth employment. This volume also includes concluding remarks by Professor Chikako Kanki, which synthesize the principal findings and policy implications emerging from the nine reports.

On this occasion, JILPT would like to express its sincere gratitude to Professor Jean-Michel Servais, President of the International Society for Labour and Social Security Law (ISLSSL), for his insightful keynote lecture. JILPT is also grateful to the session chairs, Professor Takashi Araki and Professor Hideyuki Morito, for their valuable contributions. Finally, JILPT extends its deep appreciation to Professor Chikako Kanki for her outstanding contribution in chairing the concluding session and bringing the discussions together.

Current State and Challenges of Youth Employment in Japan

Chihiro IWAWAKI

- I. Introduction
- II. Quantitative improvements in youth employment amid a shrinking youth population
- III. Challenge 1: Drawbacks of the simultaneous recruitment system for new graduates
- IV. Challenge 2: The increase in jobs that are less likely to lead to career development
- V. Challenge 3: Young people facing difficulties in working
- VI. Initiatives to address the challenges
- VII. Conclusion

I. Introduction

This article reviews the current state and challenges of youth employment in Japan (the term “youth” used herein refers to the 15–34 age group as defined under Japanese labour policy), and the labour policies related to them, focusing on the relationship between school-to-work transition and the structure of the labour market.

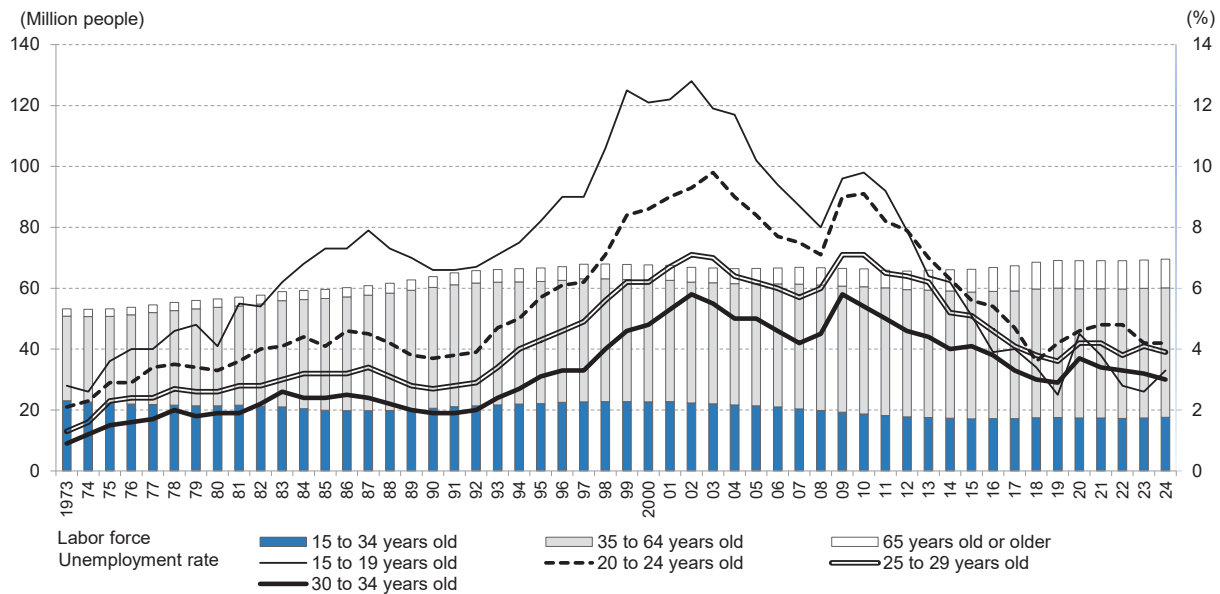
II. Quantitative improvements in youth employment amid a shrinking youth population

First, this section outlines the current state of youth employment in Japan using macro statistics. In Japan, the collapse of the bubble economy in the early 1990s destabilized young people’s careers, and the growing number of young people who became non-regular employees or without jobs came to be recognized as a *social problem*. However, in recent years, against the backdrop of a shortage of young workers due to the declining birthrate and aging population, the employment situation for young people has improved in *quantitative* terms.

Japan’s population entered a decline phase around 2010, decreasing by 5 million over the past 20 years.¹ As labour force participation among older adults and women increased, the total labour force reached 69.57 million in 2024—the highest level in the past 50 years—but the labour force has also aged considerably. Figure 1 shows the trends in the labour force by age group and the youth unemployment rate, based on the Labour Force Survey. The share of those aged 15–34 in the labour force remained above 40% throughout the early 1970s, when the postwar baby boomer generation (born 1947–1949) were young adults. However, by around 2000, when their children became young adults, this share had fallen to about 30% and declined further to 25.3% in 2024.

Thus, young workers became scarcer in the labour market, and this trend coincided with other factors, such as the retirement of the baby boomer generation and the economic recovery driven by monetary easing. As a result, the youth unemployment rate began to decline rapidly from the mid-2000s. The unemployment rate

1. From 128 million in 2004 to 123 million in 2024 (Source: *Population Estimates*).



Source: Labour Force Survey:

Labor force = Number of employed people + Number of unemployed people

Unemployment rate = Number of unemployed people ÷ Labor force × 100 (%)

Figure 1. Labour force population by age group and youth unemployment rates

for those aged 20 to 24, the age group including many new graduates, peaked at 9.8% in 2003 but stood at just 4.2% in 2024. While the global financial crisis in 2009 and the COVID-19 pandemic beginning in 2020 temporarily pushed the unemployment rate higher, the impact of these events did not last.

The employment situation for new graduates also remains favorable. According to the Ministry of Health, Labour and Welfare (MHLW) (2025a), which tabulated job openings and applications data collected by public employment security offices, the job openings-to-applicants ratio for students graduating from high school in March 2025 was 3.98. Furthermore, 99.2% of new high school graduates seeking employment found jobs by the end of the month of graduation. Regarding university graduates, the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and MHLW (2025b) conducted a sample survey of higher education institutions and reported that 98.0% of job seekers who graduated from university in March 2025 had secured employment by the end of their graduation month.

However, these findings are merely superficial, as they focus solely on the *quantitative* aspect of youth employment. Examining the employment situation of young people from a *qualitative* perspective reveals that various structural challenges remain. Below, three of these challenges are discussed: the drawbacks of the simultaneous recruitment system for new graduates; the increase in jobs that are less likely to lead to career development; and young people facing difficulties in working.

III. Challenge 1: Drawbacks of the simultaneous recruitment system for new graduates

1. Overview and advantages of the simultaneous recruitment system for new graduates

The first challenge concerns the drawbacks of the simultaneous recruitment system for new graduates. Compared with Western countries, Japan industrialized relatively late, and a highly fluid occupation-based

labour market did not develop. As a result, a system of employment management that relies on an internal labour market has become widely established as a norm, mainly in manufacturing industries and among large firms, since the period of rapid economic growth from the mid-1950s to the mid-1970s. Under this system of employment management, employers provide seniority-based wages and slow promotions in order to motivate employees to develop a long-term commitment to their jobs, while responding to changes in labour supply and demand through in-house training and flexible personnel transfers. Accordingly, firms hire young people—regarded as highly trainable—as regular employees (full-time workers with permanent labour contracts) upon graduation, without a predefined job description. In other words, the simultaneous recruitment system for new graduates constitutes the entry point to this employment management practice (Hamaguchi 2024).

Meanwhile, in Japan, a unique institutional system was developed from the period of postwar reconstruction through the period of rapid economic growth to help adjust labour supply and demand and to prevent the exploitation of young people by firms. Within this system, organizations such as schools and public employment security offices still act as intermediaries between firms and new graduates. As the simultaneous recruitment system for new graduates and the institutional linkage with schools and administrative authorities worked effectively in enabling most young people to find stable jobs smoothly upon graduation, the youth unemployment rate in Japan remained low compared with those in other developed countries for many years since the period of rapid economic growth. For firms, this system was a low-cost, efficient employment management method. It allowed for planned annual recruitment and training, and when combined with the mandatory retirement system, enabled stable mid-to-long-term personnel management.

2. A social structure that makes it difficult to start over

However, since the mid-1990s, it became clear that the simultaneous recruitment system for new graduates is one factor contributing to a social structure in which it is difficult for young people to *start over* once they deviate from the *typical* life course.

Japanese firms tend to adjust employment by reducing the recruitment of new graduates during economic downturns. Consequently, young people's early careers are strongly influenced by the economic climate at the time of their graduation. Young people who failed to secure regular employment smoothly upon graduation often continue their job search after graduation or work as non-regular employees while either applying in subsequent years as previous-year graduates for positions in the simultaneous recruitment system for new graduates, or applying for mid-career positions that arise locally to fill vacancies or to meet specific labour demand. However, under the former, new graduates of the relevant year are given precedence, while under the latter, sufficient work experience and readily applicable skills are emphasized. As a result, young people who are neither new graduates nor experienced workers are placed at a disadvantage in both hiring frameworks.²

In Japan, which is characterized by an internal labour market, opportunities for developing occupational abilities are concentrated in company-based training, and those who receive such training tend to be regular

2. As a result, the unemployment rate declined more gradually in the 2010s among those aged 25–29 and 30–34 than among those aged 15–19 and 20–24, which include many new graduates (Figure 1).

employees, who are regarded as legitimate members of the firms.³ Since public vocational training programs are not widely available, and the duties assigned to non-regular employees are often simple, young people in non-regular employment or without jobs have limited opportunities to develop occupational abilities. Even when the economy recovers, increases in regular employee job openings often target new graduates and skilled mid-career workers. As a result, even when these young people are fortunate enough to obtain regular employment, they tend to enter low-skill occupations—such as sales, services, and manual jobs—in small and medium-sized enterprises (SMEs) or labour-intensive industries, where the *quality of employment* is often poor (Iwawaki 2023).

This applies not only to young people who failed to secure employment smoothly upon graduation but also to those who deviated from the *typical* life course, such as school dropouts or young people who left regular employment early before gaining sufficient experience valued in the career change market. In summary, the simultaneous recruitment system for new graduates has the following structural flaws: young people's early careers are heavily influenced by the economic situation at the time of graduation—essentially *luck*—and it is difficult for them to start over. In fact, these negative features of the system caused the greatest damage to people who graduated from school between 1993 and 2004 (those born between 1975 and 1985 in the case of high school graduates and between 1970 and 1980 in the case of university graduates), because this was a period in which the school-to-work transition was particularly difficult. These people, the so-called “Employment Ice Age Generation,” are now in their 40s or 50s, but continue to find it difficult to build stable careers compared with other generations. To prevent the emergence of another generation facing similar challenges, it is necessary to ease the rigidity of this recruitment system so that high-quality employment opportunities for young people do not become excessively concentrated at the time of graduation. In addition, support should be strengthened both to provide incentives to firms to train and hire young people who are no longer new graduates and to expand skills development opportunities for young people in non-regular employment or without jobs.

3. The excessively early start of the recruitment process and the neglect of academic studies

Furthermore, the structure of the simultaneous recruitment system for new graduates—where firms recruit students graduating in the same year *en masse*—creates an incentive to start recruitment publicity and selection activities earlier in an attempt to secure promising students ahead of competitors. As a result, job-hunting activities start earlier and continue for a longer period, interfering with academic studies, which has become a significant concern.

In firms adopting this simultaneous recruitment system for new graduates, it is common for the human resources department, rather than the heads of individual business divisions, to identify labour needs on a company-wide basis and to be responsible for recruitment, training, and job assignment. Generally, the human resources department recruits soon-to-be graduates in broad job categories—typically clerical and technical positions. After being hired upon graduation, new recruits are first given basic training and then assigned to individual divisions in accordance with their aptitudes and the divisions' labour demand. They then receive on-the-job training under the supervision of the heads of their respective divisions. Since Japanese firms have

3. Based on the Employment Status Survey, the Japan Institute for Labour Policy and Training (JILPT) (2025c) estimated the status of skills development among those aged 15–34 and found that, in response to the question, “Did you engage in training or self-development useful for your work during the past year?”, the share of respondents who answered, “I participated in programs provided by my employer” was 43.9% among regular employees, 33.4% among contract employees/entrusted employees, and 15.0% among part-time workers/temporary workers.

relied on this internal labour market model, they tend to prioritize general skills associated with trainability, rather than skills directly linked to specific duties, during the recruitment and selection process.⁴

Given this corporate reality, Japanese school education has primarily focused on developing foundational academic skills and trainability, and curricula have centered on general education rooted in broad knowledge and universal disciplines. The emphasis on technical and vocational education within schools has remained low, with the acquisition of specific occupational knowledge and skills entrusted to in-company training. This division of roles between schools and companies has persisted. If companies place little importance on evaluating students' academic achievements, they are able to lock in students early in their school years. For universities, providing support focused on job-hunting techniques is more likely to lead to successful employment outcomes than enhancing the relevance between specialized education and work.

Thus, Japan's unique employment management practice, which starts with the simultaneous recruitment system for new graduates, is premised on the low vocational relevance of school education and reproduces it, thereby serving as an institutional environment that leads to the early start of the recruitment process and the neglect of academic studies. In order to maintain international competitiveness amid the progress of the knowledge-based society, it is an urgent task to strengthen the relevance between education and work and to create an environment where young people can concentrate on their studies while being aware of the connection between their career paths and what they learn in school.

IV. Challenge 2: The increase in jobs that are less likely to lead to career development

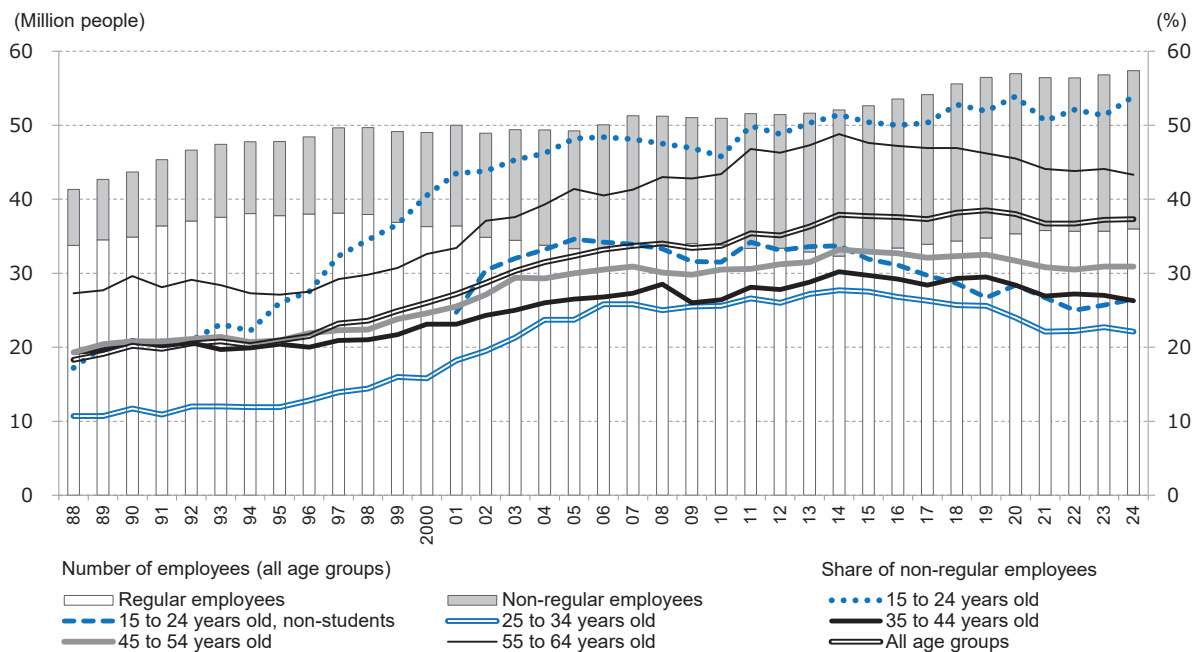
The second challenge is the growing number of young people spending their formative years in jobs that are less likely to lead to career development. Below, this topic is discussed in two categories: "non-regular employment" and "regular employment with problematic working conditions or workplace environments."

1. Establishment of a social structure premised on the existence of non-regular employees

Figure 2 shows the trends in the number of employed people across all age groups (including students, but excluding executives), based on the Labour Force Survey, as well as the share of non-regular employees among all employed people, broken down by age group.⁵ The total number of employed people in Japan has shown a long-term upward trend, but a breakdown reveals that the increase has primarily come from non-regular employees. The number of non-regular employees, which was around nine million in the early 1990s, continued to grow and has remained stable at around 21 million since around 2018 to the present. In contrast, the number of regular employees in 2024 was 36 million, roughly the same level as in the early 1990s. The share of non-regular employees among all employed people across all age groups shifted from an upward trend to a plateau around 2014 and has since remained at a high level in the high 30% range. Against the backdrop of globalization and the shift toward a post-industrial society, firms have continuously pursued greater employment flexibility. As a result, today, Japan has become a society that cannot function without the labour of non-regular employees.

4. The above describes typical employment management practices among companies that use the simultaneous recruitment system for new graduates. In Japan, there are also companies that hire few young people, or do not use this new-graduate recruitment system at all. Furthermore, even among companies that do use it, those hiring for highly specialized occupations may place greater emphasis on the skills required for specific duties.

5. The Labour Force Survey distinguishes between "regular employees" and "non-regular employees" according to how employees are referred to at their workplaces. In this article, "regular employees" refers to those classified as "regular employees," and "non-regular employees" refers to all others.



Source: Labour Force Survey. Data until 2001 are drawn from the February waves of the Special Survey of the Labour Force Survey. Data from 2002 onward are the January–March average from the Detailed Tabulation of the Labour Force Survey. The number of employees includes students and excludes executives. Share of non-regular employees = Number of non-regular employees ÷ (Number of regular employees + Number of non-regular employees).

Figure 2. Numbers of employees by employment type and shares of non-regular employees among all employees by age group

Non-regular jobs were once held mainly by married women and students, and most young people were able to move into regular employment upon graduation. However, since the 1990s, as more companies reduced new graduate recruitment, the number of young people who continued their job search after graduation or entered non-regular employment increased. Figure 2 shows that the share of non-regular employees among those aged 15 to 24 and 25 to 34 rose steeply from the mid-1990s to the mid-2000s compared with that for all age groups. From the 2010s, demand for young labour increased as the young population declined, and the share of non-regular employees among young people began to fall. However, among those aged 25 to 34, the share of non-regular employees in 2024 (22.1%) remains high compared with its 1990 level (11.7%).

As mentioned earlier, the youth unemployment rate has declined significantly from the mid-2000s to the present. However, the *quantitative* improvement in youth employment during this period resulted from increased demand for both regular and non-regular employment. It did not signify a return to a society in which most young people worked as regular employees. In Japan, disparities exist between regular employees—legitimate members of an organization—and those in other types of employment, not only in job stability and working hours but also in wage levels⁶ and opportunities for skills development. Working

6. A comparison of monthly scheduled cash earnings between regular and non-regular employees among full-time employees aged 20–24 with university degrees shows a gap of 36,000 yen for men and 41,000 yen for women, with regular employees earning more in both cases. This gap between employment types widens with age (based on the Basic Survey on Wage Structure; all industries, private establishments with 10 or more employees, scheduled cash earnings for ordinary workers).

as a non-regular employee during youth not only increases vulnerability to poverty but also negatively affects the accumulation of human capital. It is necessary to correct the unreasonable disparities in treatment between regular and non-regular employees and to support the transition of non-regular employees to regular employment.

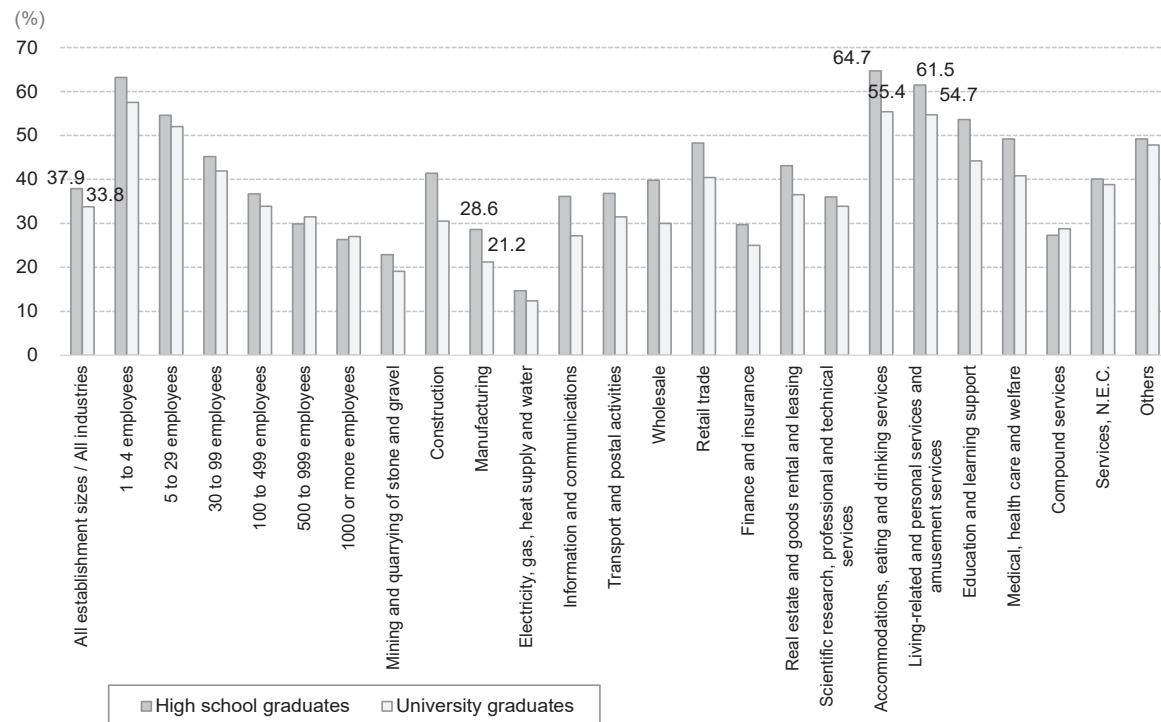
2. Disparities in the quality of employment among regular employees

Now that the youth population has decreased significantly, becoming a regular employee is no longer as difficult for new generations as it was for older generations. One emerging challenge today is the *quality of employment* as regular employees. The *quality of employment* has come to be recognized as a challenge for the following reasons: the presence of firms that treat young people as disposable labour under harsh working conditions, which has become a social problem since the early 2000s; and the gradual increase in the number of young people who obtain regular employment at graduation but leave their jobs early. The Japan Institute for Labour Policy and Training (JILPT) (2025a) analyzed data from its online survey and revealed that the reasons young people leave their first regular jobs include long working hours, low wages, insufficient training and communication in the workplace, and interpersonal problems such as harassment. It also showed that young people with shorter tenure before leaving their jobs are more likely to cite these reasons. The quality of employment is closely linked to young people's retention in the workplace and is a crucial factor determining whether they can build their careers in a stable environment.

According to MHLW's statistics based on employment insurance data, the rate of new graduates who leave their first jobs within three years (the "early job separation rate")⁷ remained high during the prolonged economic downturn from the mid-1990s to the mid-2000s: approximately 50% for high school graduates, about 40% for graduates of junior colleges and similar institutions, and around 35% for university graduates. In recent years, as the economy has remained strong, the rate has leveled off at a somewhat lower level in some educational categories. For those who graduated in March 2022, the most recent data available in this source, the rate was 37.9% for high school graduates, 44.5% for graduates of junior college and similar institutions, and 33.8% for university graduates. Nevertheless, the fact that 30% to 50% of new graduates leave their jobs early has persisted for a long period. This early job separation rate tends to be higher in smaller business establishments and in labour-intensive personal service industries such as accommodations and eating and drinking services, living-related and personal services and amusement services, retail trade, medical, health care and welfare, and education and learning support. Conversely, it tends to be lower in larger business establishments and in industries such as manufacturing, infrastructure sectors, and finance and insurance (Figure 3). This trend is observed consistently every year, regardless of economic conditions, because these employers tend to implement employment management practices that encourage young workers to leave, as pointed out in previous studies.

First, SMEs often struggle to allocate sufficient resources to training young workers or improving their working conditions due to chronic labour shortages and financial constraints. Labour-intensive personal service industries face similar challenges. Drawing on Esping-Andersen's (1993, 1999) theory of post-industrial society, Iwawaki (2022) conducted a secondary analysis of data from the Survey on Employment of Young People and found the following. Among young regular employees who were hired as new graduates, those working in service industries related to household tasks and leisure—such as accommodations and eating and drinking services, and living-related and personal services and amusement services—work longer hours and earn lower wages than their counterparts in other industries. These industries also tend not

7. MHLW press release on job separation among new graduates (March 2022 graduates), October 24, 2025.



Source: Created based on the MHLW press release on job separation among new graduates (March 2022 graduates), October 24, 2025, by calculating the number of new employees who are estimated to be new graduates by educational attainment using the data on newly insured people whose applications for employment insurance were filed by their workplace with the public employment security offices (date of birth, date and reason for acquisition of eligibility), and then calculating the number and rate of those who left their job based on the date of job separation.

Figure 3. Job separation rate within three years among new graduates who completed school in March 2022 (by business establishment size, industry, and educational attainment)

to expect such young regular employees to remain in their jobs for a long period and instead expect them to engage in self-development rather than providing training from a long-term perspective. In care-related service industries, such as education, and medical, health care and welfare, young regular employees hired as new graduates likewise tend to work longer hours and to receive only short-term training programs. In these labour-intensive industries, working hours are likely to be longer in order to compensate for low labour productivity, while low levels of required skills and low barriers to entry, coupled with limits on what households—the main customers—can afford to pay for services, contribute to low wages. Amid the shift to a post-industrial society, the aging population, and the rise of dual-income households, demand for care, household, and leisure services is increasing. Although more and more young people are entering these industries, chronic labour shortages limit the capacity of workplaces to train young workers. Poor working conditions and environments in these industries drive young employees to leave their jobs, and high job separation rates discourage companies from investing in training young employees, creating a vicious cycle.

SMEs and labour-intensive personal service industries, where young workers exhibit high job separation rates, tend to hire young people who are less competitive in the labour market such as young women and those without a university degree (Iwawaki 2022). Furthermore, in a mid-career hiring market that values work experience, it is difficult for workers to move from SMEs and labour-intensive service industries

to large corporations and knowledge-intensive industries (JILPT, 2025b). To stabilize young people's careers regardless of gender or educational attainment, it is necessary to call on employers to improve their employment management and also to provide support for job changes—such as job placement services and opportunities for skills development outside the workplace—for young people working in low-quality employment settings.

V. Challenge 3: Young people facing difficulties in working

The third challenge concerns young people facing difficulties in working. The following discussion is based on the results of a secondary analysis of the Employment Status Survey conducted by JILPT (2025c).

When youth employment began to be recognized as a *social problem* in the mid-1990s, young people labeled as “freeters”⁸ (broadly, young people out of school and in part-time work) and “NEETs”⁹ (broadly, young people not in education, employment, or training) drew significant social attention. These groups have remained key target groups for employment support in Japan's labour policies to this day. However, the number of freeters (Figure 4) peaked at 2.51 million in 2002 and has since declined, dropping to 1.23 million in 2022. This significant decrease stems from improved employment conditions resulting from a shrinking young labour force and favorable economic conditions.

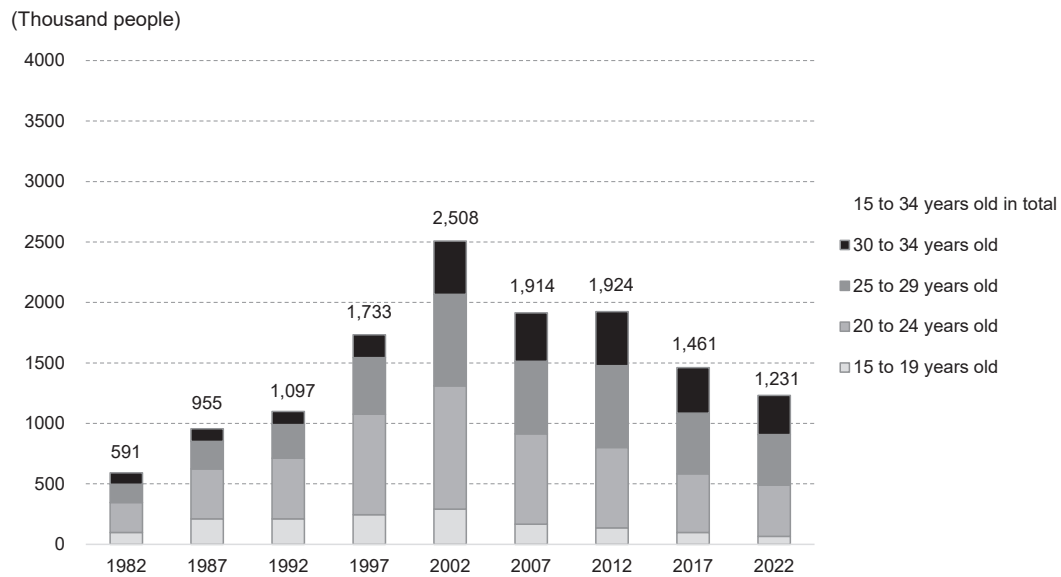
Meanwhile, the number of NEETs has remained around 550,000 since 2007, despite the decline in the youth population (Figure 5). The share of NEETs among non-students aged 15 to 34, which was about 2% in the 1990s, gradually expanded, reaching the 3% range in 2012 and remaining high, at 3.3% in 2022. The fact that the share of NEETs does not decrease even under favorable economic conditions suggests that they face difficulties in working itself rather than merely a shortage of job opportunities.

According to JILPT (2025c), among NEETs, the shares of junior high school graduates and high school graduates, as well as the dropout rate, are substantially higher than among the overall population of the same age group. Among NEETs, those with junior high school and high school graduates are more likely than those with higher educational attainment to have no work experience or to have experienced long periods of non-employment. In other words, those who leave school education at an earlier stage face a higher risk of becoming a NEET and are more likely to experience prolonged difficulties in making the transition to employment. These findings suggest that difficulties in adapting to school may be related to later exclusion from work, that is, becoming a NEET.

According to a MEXT survey, the share of elementary and junior high school students with school non-attendance has been increasing for the past 10 years since 2014 (Figure 6). Furthermore, while the number of high school students has been declining continuously since 1990, the share of correspondence-course students among high school students has been on an upward trend, reaching 9.5% in 2025 (Figure 7). Children who struggled to adapt to *standard* school life—characterized by daily attendance and participation in group activities—from the compulsory education stage proceed to the next level of education without resolving these difficulties. Correspondence-course high schools function as a safety net for these students. Furthermore, if adequate support is not provided by the time they graduate from high school, they may find it

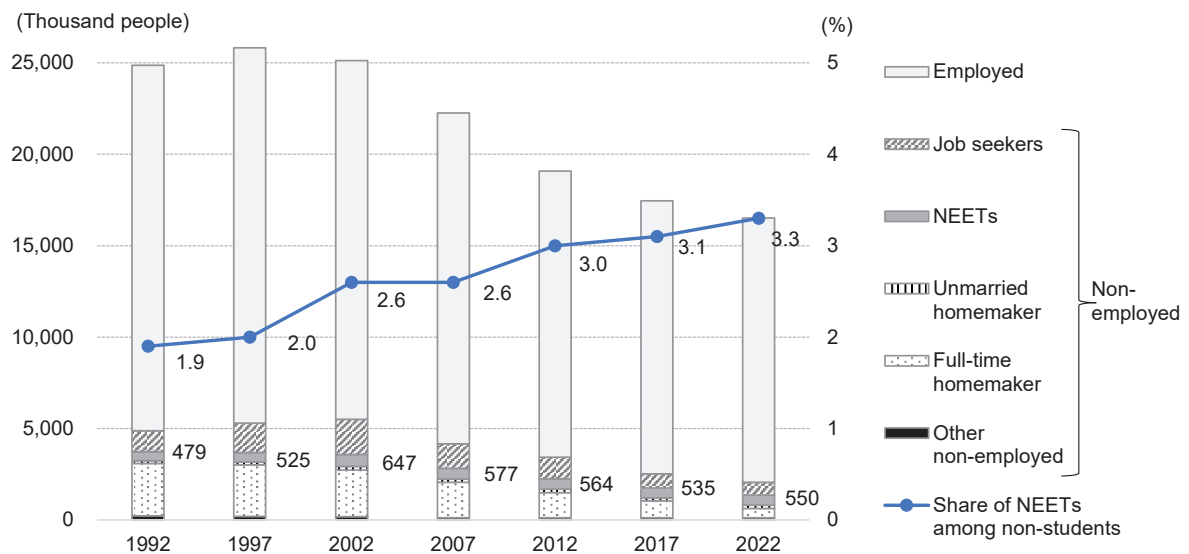
8. In this article, following the definitions used by JILPT (2025c), the term “freeter” refers to people aged 15 to 34 who are not attending school (in the case of women, limited to those who are unmarried) and who are either working under the label of “part-timer” or “arubaito” (both referring to part-time workers), or are unemployed, do not perform housework, are not attending school, and wish to work as a “part-timer” or “arubaito.”

9. In this article, following the definitions used by JILPT (2025c), the term “NEET” refers to people aged 15 to 34 without jobs who are not seeking work, have graduated from school, are not attending school, have no spouse, and do not perform housework.



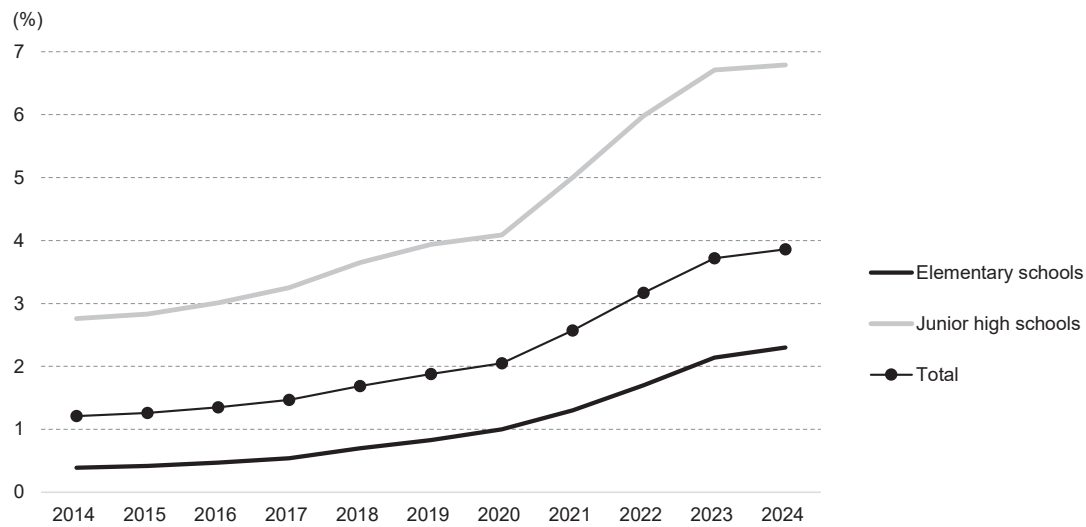
Source: Created by the author based on JILPT (2025c).

Figure 4. Number of “freeters” by age group (broadly, young people out of school and in part-time work)



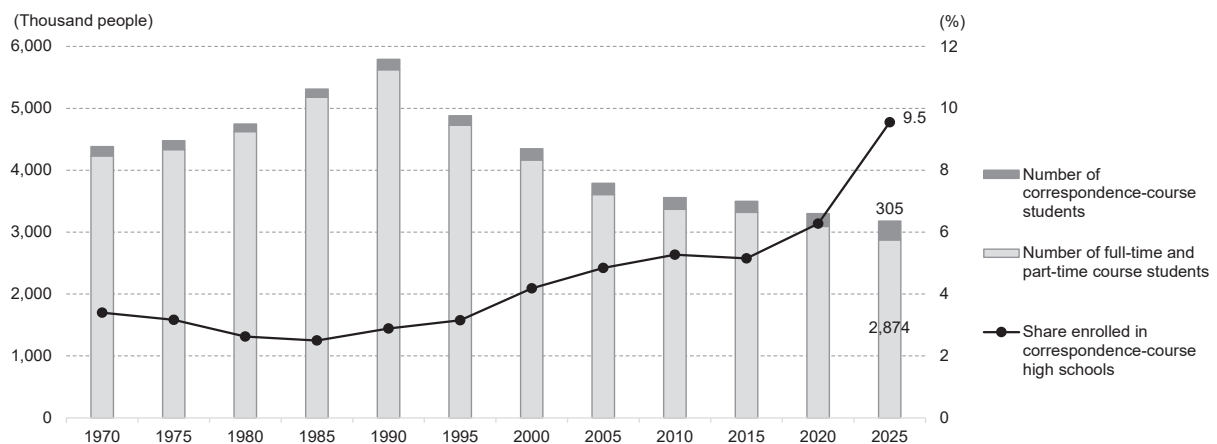
Source: Created by the author based on JILPT (2025c).

Figure 5. Number of non-students by labour force status and share of NEETs among non-students (aged 15 to 34)



Source: MEXT, Survey on Various Problems Related to Student Guidance, Including Problematic Behavior and School Non-Attendance.

Figure 6. Share of elementary and junior high school students with school non-attendance



Source: School Basic Survey.

* High school students = Correspondence course students + Full-time and part-time course students

Figure 7. Number of high school students and share enrolled in correspondence-course high schools

difficult to progress to higher education or transition into employment, increasing the likelihood that they will remain socially withdrawn for extended periods as NEETs or *hikikomori*.¹⁰ Leaving this situation unaddressed

10. The term *hikikomori* refers to a state in which, as a result of various factors, a person avoids social participation, such as schooling, employment, or socializing, and remains primarily at home for generally six months or longer (including cases in which the person goes out without interacting with others) (MHLW 2010).

risks contributing to the “8050 problem” (where parents in their 80s financially and practically support their children in their 50s), which symbolizes the risk of long-term intergenerational dependency and vulnerability of both aging parents and their children. The situation of NEETs involves overlapping issues, such as maladaptation to school life, difficulties in transition to employment, and social withdrawal. Multifaceted support covering education, welfare, and labour is therefore essential.

VI. Initiatives to address the challenges

This section introduces representative initiatives aimed at addressing the challenges in youth employment in Japan highlighted in this article.

1. Establishing the foundations for youth employment support

When youth employment issues first emerged in the mid-1990s, the prevailing narrative tended to blame individual youth for lacking aptitude or effort. However, since the “employment ice age” period (1993–2004), the understanding of social structural factors behind these issues has gradually become more widespread. The Plan to Encourage Youth’s Independence and Challenges, formulated by the government in 2003, acknowledged for the first time that young people’s difficulties in obtaining stable employment were a structural problem of society. According to that plan, career education was expanded, and based on a German model, a Japanese version of a dual system that integrates vocational training at schools with training in companies was introduced, along with live-in vocational training facilities that promote young people’s independence (which have since been discontinued). Furthermore, Regional Youth Support Stations, commonly known as *Saposute*, were set up to provide assistance to NEETs, and Hello Work for Young People and Hello Work for New Graduates (“Hello Work” refers to Japan’s public employment security offices) were also established. To support employers, the government implemented the Trial Employment Program for Young People, which provided subsidies to employers who hired freeters or new graduates without employment on a trial basis to encourage the transition to regular employment.

However, these were temporary measures, and there were always concerns that they might be discontinued. Therefore, in order to establish a legal framework for providing support for youth employment as a permanent system rather than a temporary economic stimulus measure, the Youth Employment Promotion Act was enacted in 2015. Under this Act, the responsibilities of employers, designated local public entities, employment agencies, and other relevant parties were defined to ensure that young people can make appropriate career choices and obtain employment opportunities that match their abilities and aspirations. The Act also provided for collaboration and cooperation among these stakeholders. Specifically, in addition to establishing youth employment support agencies, the Act introduced the following measures.

- 1) Companies recruiting new graduates are required to provide prospective applicants with accurate information not only on working conditions such as wages and working hours, but also on recruitment and hiring status, education and training, and employment management status (e.g., job separation rate, overtime hours, number of days of paid leave taken, status of childcare leave uptake).
- 2) A new system was introduced under which job openings for new graduates submitted by business establishments found to have violated certain labour-related laws and regulations will not be accepted by public employment security offices (Hello Work) for a certain period of time.
- 3) A system was established to certify SMEs that are actively hiring and training young people and have excellent youth employment management, as Youth Yell Certified Companies and to provide them with financial incentives.

In addition, although it does not specifically target young people, the Japanese government has been advancing the Action Plan for the Realization of Work Style Reform since 2017. Against the backdrop of labour shortages caused by Japan's declining birthrate and aging population, this plan aims to improve workers' health and quality of life, raise productivity, and achieve sustainable economic growth. The plan presented nine topics for discussion and 19 specific measures, including "addressing long working hours," "ensuring fair treatment regardless of employment type," "creating environments conducive to flexible ways of working," and "promoting diversity (including creating environments where young people can play an active role)," on the basis of which various initiatives have been implemented. This plan is expected to contribute particularly to addressing the issue of jobs that are less likely to lead to career development, one of the challenges highlighted in this article.

2. Reviewing career education and hiring rules

This article has argued that the low vocational relevance of education creates an environment that leads to the early start of the recruitment process and the neglect of academic studies. Both labour policy and education policy have worked to address this issue.

First, in order to improve the connection between school education and vocational life, the expansion of career education began in the early 2000s. Following the establishment of the legal basis through amendments to the Basic Act on Education (2006) and the School Education Act (2007), the Central Council for Education, in its 2011 report, defined the term "career education" as "education that promotes career development by fostering the abilities and attitudes that form the foundation necessary for each individual to become socially and vocationally independent." As its basic policy, it also stated that: "career education should be systematically promoted from early childhood education to higher education. As its core, it should reliably cultivate basic and general abilities, while enriching practical and experiential activities with an emphasis on links with society and the world of work." In 2017 and 2018, the curriculum guidelines for junior high schools and high schools were revised, with guidance linking subject content to future social and vocational life, as well as workplace experience activities in collaboration with local businesses.

In higher education, educational activities through industry-academia collaboration and regional partnerships, along with work experience opportunities, such as internship programs, have expanded in recent years. The Japanese government initially positioned internship programs as "educational activities" rather than "recruitment/job-hunting activities," warning against the practice of early student recruitment being conducted under the guise of "internship." However, in response to strong demands from industry and the anticipated educational benefits, starting with graduates of March 2025, companies can use student information obtained through internship programs for their recruitment and selection processes when they target university students and other higher education students, provided that certain conditions are met. These include conducting internship programs during periods least likely to interfere with academic studies and ensuring that the programs involve work experience of a certain minimum duration. The expansion of internship programs is expected to promote students' self-understanding and occupational understanding, thereby improving matching between students and jobs. On the other hand, it carries the risk of accelerating the start of recruitment activities and widening disparities among students in access to internship opportunities. Therefore, internship programs must be implemented carefully from the perspectives of fairness and transparency.

Furthermore, a long-standing tug-of-war between industry and academia over recruitment and selection schedules continues to this day. In Japan, the practice of recruiting and hiring new high school graduates through schools has long been maintained, and agreements on recruitment and selection dates have been

made at the prefectural level among government, schools, and industry. By contrast, the recruitment and hiring of university students graduating in a given year have basically taken place in a free market, but from 1953 onward, universities and business organizations made agreements on recruitment and selection dates so as not to interfere with students' academic studies. However, because these agreements were not legally binding, many firms did not comply with them. As a result, they were repeatedly abandoned when labour demand increased and revived when it declined. After the Japan Business Federation (Keidanren), the most influential business organization in Japan, announced that it would no longer formulate guidelines on recruitment and selection, the government has set rules since 2021 on the recruitment and selection schedules for university students graduating in a given year.

3. Support for the transition to regular employment

To address the issue that opportunities for inexperienced young people to obtain quality employment are overly concentrated at the time of graduation, the government has, under the Youth Employment Promotion Act, included among the measures to be taken by employers and others in the recruitment and hiring of young people a requirement that employers make efforts to allow graduates to apply for new-graduate positions for at least three years after leaving school when recruiting new graduates.

In addition, to provide opportunities for young people who have deviated from the *typical* life course to start over, specialized support offices have been established, such as Hello Work for New Graduates, targeting new school graduates and those who graduated within approximately three years, and Hello Work for Young People, broadly targeting young people aged under approximately 35 who aim to transition to regular employment. These agencies provide not only job listings and guidance on job-hunting but also tailored support, such as aptitude testing, career counseling, and referrals to vocational training programs to meet young people's needs.

Next, as opportunities for skills development outside the workplace, national and local governments offer various training programs at public vocational training institutions including vocational training for job seekers ("Hello Training"). Furthermore, in 2011, the Job Seeker Support System was established for people, including young people, who are in unstable employment over the long term. Under this system, those who meet the eligibility requirements can receive benefits while participating in training programs, enabling people who are unemployed or in non-regular employment to develop their skills while maintaining stable livelihoods and to aim for a transition to regular employment.

Furthermore, various subsidy programs have also been introduced to expand employment opportunities, not limited to young people. Typical examples include the Trial Employment Subsidy, which provides grants to employers that hire job seekers with insufficient work experience on a trial basis for a fixed period, with the aim of transitioning them to permanent employment under open-ended contracts, and the Career Advancement Subsidy (Career-up Subsidy), which supports employers that convert non-regular employees (e.g., fixed-term or part-time workers) to regular employees or undertake measures to improve the treatment of non-regular employees.

4. Support for young people facing difficulties in working

Support for young people facing difficulties in working is provided through Regional Youth Support Stations, commonly known as "*Saposute*," under a program commissioned by MHLW.¹¹ These Support Stations offer comprehensive and staged support to people aged 15 to 49 with concerns related to work, from

11. MHLW, "Regional Youth Support Stations (*Saposute*)," <https://saposute-net.mhlw.go.jp/> (last accessed on January 9, 2026).

being out of employment to finding a job and settling into the workplace. Services include the development of individual support plans with career consultants, communication training, workplace experience, support for re-learning, and outreach support. In FY2024, there were 179 Support Stations nationwide, with a total of 494,669 service uses and 17,000 newly registered users. They also provide follow-up consultations after finding employment, with an employment-or-other-positive-outcome rate of 73.7%.

The issue of *hikikomori* (social withdrawal) gained recognition in the late 1980s, with social support expanding in the 1990s. Today, as part of the government's measures to address loneliness and isolation, community-based support for *hikikomori* is being enhanced so that individuals experiencing *hikikomori* and their families can access counseling and support locally.¹² The FY2025 budget for these initiatives amounts to 1.78 billion yen. This budget supports initiatives such as establishing consultation desks in 303 municipalities nationwide, backed by prefectural governments. There are also support agencies operated by NPOs and private companies. These agencies have social workers and other qualified specialists on staff who identify individual needs and connect people to appropriate medical, welfare, or administrative services.

VII. Conclusion

This article examined the current state and challenges of youth employment in Japan in relation to demographic changes, the employment system, and education and welfare. Against the backdrop of a declining youth population, significant improvements have been observed in quantitative indicators, such as the unemployment rate and the job placement rates for job-seeking new graduates. However, significant qualitative challenges remain.

First, while the simultaneous recruitment system for new graduates has facilitated a smooth school-to-work transition for many young people, it has also created a social structure in which it is difficult for those who have deviated from the typical life course to start over. Furthermore, the employment management practice based on an internal labour market, which starts with this recruitment system, has weakened the connection between school education and work. This practice also serves as an institutional environment that leads to the early start of the recruitment process and the neglect of academic studies.

Next, a considerable number of young people continue to be employed in jobs that are less likely to lead to career development, such as non-regular employment and even regular employment with poor working conditions and workplace environments. Particularly in SMEs and labour-intensive personal service industries, a vicious cycle has emerged in which long working hours, low wages, and insufficient education and training lead to early job separation among young workers. This contributes to disparities in career development opportunities by gender and educational background and cannot be overlooked.

Furthermore, the existence of young people facing difficulties in working, such as NEETs and *hikikomori*, indicates that complex challenges—such as educational inclusion, transition to employment, and access to welfare and healthcare support—can persist from youth into middle age.

The various labour policies presented in this article have had some effect in addressing these challenges. However, to correct the structural distortions surrounding youth employment, it is essential not only to move beyond piecemeal and symptomatic support, but also to address the increasingly diverse and complex challenges faced by young people and to build a comprehensive support system that spans education, labour, welfare, and healthcare. Issues surrounding youth employment are critical challenges affecting

12. MHLW, "Initiatives for Hikikomori Support," https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/hukushi_kaigo/seikatsuhogo/hikikomori/index.html (last accessed on January 9, 2026).

the sustainability of Japanese society as its population declines. It is imperative to listen to the voices of young people as well as those who were once young, and to realize a society in which they can still have opportunities to try again and grow even after experiencing setbacks and detours.

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A Tug-of-War? Current Policy Issues Surrounding Youth Employment in South Korea

Junhyeok MUN

- I. Defining “youth” within the South Korean legal framework
- II. Legal and policy approach to youth employment
- III. A tug-of-war? Ongoing debate on youth employment
- IV. Beyond the “Squid Game,” toward decent work for all

I. Defining “youth” within the South Korean legal framework

In the Korean legal system, the definition and age range of “youth” (青年) vary depending on the legislative purpose. Under the Special Act on the Promotion of Youth Employment (PYE Act) and its presidential decree, the term “youth” means a person who desires to be employed and is between 15 and 34 years of age.

The floor age, 15, aligns with the minimum age for employment set by the Labor Standards Act (LSA) and ILO conventions. Under the Constitution and LSA, minor employees (aged 15 to 18) are entitled to special protection, particularly regarding maximum working hours and hazardous conditions.

But the age range up to 34 is considerably broader than the generally accepted notion in the international community (under 24 or 29). The inclusion of individuals in their early 30s as “youth” reflects the structural characteristics of the Korean labor market. South Korea maintains an almost 100% high school enrollment rate (99.7% in 2025) and, as noted in recent OECD indicators, has the highest tertiary education attainment rate among OECD countries (69.69% among those aged 25 to 34 years, as of 2023). According to a recent survey (Ministry of Data and Statistics 2025), the average duration for university graduates (including those from two-year colleges) to complete their degrees is 4 years and 4 months.¹

As a result, the average age for completing formal education is notably high, which has directly contributed to a steady rise in the age of first-time employment. A comparative analysis of birth cohorts in 2024 reveals this trend clearly; while the average entry age into the labor market was 22.12 for those born between 1975 and 1979, it significantly rose to 23.36 for the 1990–1994 birth cohort. This delay creates a domino effect, pushing back the ages of marriage and childbirth, which exacerbates population decline.

Due to the prolonged decline in fertility rates since the 1980s, South Korea’s youth population has experienced a steady and significant contraction. Specifically, the population aged 19 to 34² has dropped from 12.88 million in 2000 to 10.40 million in 2024. In terms of the total population share, this represents a sharp decline from 28.3% to 20.2% over the past two decades, and it is projected to fall to 10.8% in 2050.

1. There is a notable gender gap, with men taking 5 years and 1 month, largely due to mandatory military service (typically 18–21 months) compared to 3 years and 10 months for women.
 2. The Framework Act on Youth defines youth as those aged 19–34.

II. Legal and policy approach to youth employment

1. The state's duty to promote youth employment: PYE Act

Youth unemployment emerged as a distinct socioeconomic challenge in South Korea in the early 2000s, and as a response to structural youth unemployment, the government enacted the Special Act on Resolving Youth Unemployment in 2004. In 2009, the name of the law was officially changed to its current title, the PYE Act.

Under the PYE Act, state and local governments shall establish and implement measures including forecasts for the supply and demand of human resources, fact-finding surveys on unemployed youth, vocational guidance, job placement services, and vocational skills development training, and shall endeavor to create social and economic environments to promote the employment of unemployed youth.

While most provisions of the PYE Act are framed as “best-effort” obligations or supportive measures by the government, there are specific clauses that impose binding legal mandates, such as the mandatory youth hiring quota for public institutions. Under Article 5, Government-funded Public Institutions, conceptually similar to Japan’s Independent Administrative Institutions (独立行政法人), are required to hire unemployed youth at a rate of at least 3% of their total regular workforce each year. This mandate reflects the high level of preference among the youth for public institutions, which is driven by higher wage levels and exceptional job security.

To ensure compliance, the government directly incorporates failure to meet the mandatory quota into the annual management performance evaluation of public institutions. This results in significant administrative and financial disadvantages to the institutions, such as budget reductions by the government and cuts in performance-based bonuses for employees. As of 2025, the compliance rate among target institutions reached 84.6% (391 institutions), resulting in the recruitment of approximately 25,000 young individuals under this mandatory quota system.

2. Vocational training and support for transition

The National Lifelong Vocational Skills Development Act establishes a legal framework requiring the State and local governments to implement policy measures that support the vocational growth of citizens, including youth, throughout their lives. To enhance employment stability and job creation, the government is authorized to provide financial subsidies to both training providers and participants. This includes the issuance of vocational skills development accounts by the Minister of Employment and Labor to facilitate autonomous training. The Act also empowers the government to provide subsidies and loans for vocational projects conducted by business owners’ associations and employee organizations. Furthermore, it serves as the statutory basis for the State, local governments, or educational foundations to establish and operate “Korea Polytechnics,” which are colleges dedicated to training essential industrial personnel and supporting continuous skill development.

To support the transition from education to occupation, an official “field placement” system is in operation, enabling students from specialized high schools, colleges, and universities to acquire practical experience within industrial settings.³

Specialized high schools implement vocational curricula specifically designed to cultivate professional

3. Its legal foundation is the Vocational Education and Training Promotion Act and Industrial Education Enhancement and Industry-Academia-Research Cooperation Promotion Act.

talent. Currently, approximately 18% of all high school entrants enroll in these specialized high schools. Furthermore, for third-year students at these schools, the government operates an employment-oriented field placement program, which serves as a direct bridge to formal recruitment and long-term career placement. Universities also implement a “Field Placement Semester System,” through which students can earn academic credits for their practical training in industrial settings.

However, there have been persistent criticisms that the field placement system was being exploited merely as a source of cheap labor—avoiding minimum labor standards—and was failing to fulfill its original educational objectives.

In response to these concerns, significant institutional reforms have been implemented to strengthen student protections and ensure the quality of training. For high school students, it is now mandatory to execute a formal field placement agreement with the company in advance. If the host company violates the terms of the agreement or operates the program in a manner inconsistent with its original educational objectives, the agreement may be terminated and the company may be fined by the government. To ensure a stable training environment, the government provides financial support to high school students in the form of a field placement grant, amounting to 60,000 KRW per day (up to a maximum of 3.6 million KRW).

In the case of university students, the “Field Placement Semester System” requires that job-related educational sessions account for at least 10% of the total training hours. For the remaining hours spent on practical tasks, the host company must pay students a field placement stipend equivalent to (at least) the minimum wage.

Furthermore, to guarantee the safety of these students, special application provisions have been established under the Industrial Accident Compensation Insurance Act (Article 123, since 2007) and the Occupational Safety and Health Act (Article 166-2, since 2020); since 2023, protection against workplace harassment and violence has also been extended to these students. These measures ensure they receive statutory protection despite their legal status as students.

And the Future-Tomorrow Work Experience Program is a flagship government-led initiative designed to bridge the gap between academic education and the labor market by providing youth with diverse, field-based career opportunities. As the Korean recruitment landscape shifts toward experience-based hiring, this program facilitates various tracks, ranging from short-term corporate exploration to multi-month internships, hosted by private companies and public institutions. To incentivize participation and ensure stability, the government provides direct financial support in the form of training stipends (400,000 KRW per week) to the participants, while also covering administrative and mentoring costs for the host organizations.

For On-the-Job Training Support, the Work-Study Combination system, which provides apprenticeship-style field training for employees, is implemented pursuant to the Act on Work-Study Combination at Industrial Sites.

Under this framework, apprentice-employees undergo a comprehensive training process that integrates both field-based practical education and theoretical instruction. Upon the successful completion of these training modules, participants are eligible to acquire National Vocational Qualifications. To facilitate the stable operation of this system, the government provides financial support to both participants and companies, covering the direct costs of training and providing training incentive allowances (200,000 KRW per month) to encourage long-term participation and professional development.

Regarding working conditions, the statutory minimum wage (10,320 KRW/hour for 2026) is mandatory for all employees, including those on apprenticeship; however, a 10% reduction is permitted for the initial three months, provided the employment contract is for a duration of at least one year. But this reduction is strictly prohibited for short-term workers on contracts for less than one year or for those engaged in “simple

manual labor” requiring no specialized training.

3. Vocational guidance and livelihood support for youth

The Korean unemployment safety net has traditionally been centered on the Employment Insurance system. However, eligibility for unemployment benefits (Job Seeker’s Allowance) requires a contribution period of at least 180 days within the 18 months preceding unemployment. This structural requirement inevitably excluded first-time job seekers—particularly the youth generation—who lacked sufficient prior work experience to qualify for benefits.

To bridge this gap in the social safety net, the Act on the Encouragement of Employment of Job Seekers and the Support of Their Livelihood Stability was enacted in 2020.

Under this Act, the Minister of Employment and Labor oversees the formulation of an Individual Action Plan (IAP) in collaboration with each recipient. Based on the IAP, the government provides a comprehensive suite of Employment Support Programs, including professional career counseling and vocational training. Furthermore, Job Search Support Programs, such as active job referrals and matching services, are provided to facilitate rapid entry into the labor market.

To ensure the effectiveness of these programs and alleviate the financial burden on job seekers, the Act mandates the payment of a Job Search Promotion Allowance. This allowance, amounting to 600,000 KRW per month for up to six months (totaling 3.6 million KRW), is contingent upon the recipient’s faithful implementation of the agreed-upon IAP. In addition to this primary allowance, the framework includes support for employment activity expenses and a specialized Employment Success Bonus of 1.5 million KRW (the first third is paid at six months, and the remaining two-thirds at 12 months of continuous employment).

Furthermore, to provide targeted assistance to university students and recent graduates, the government operates the University Job Plus Center program in close collaboration with universities nationwide. As of 2025, 121 centers are in operation across South Korea, providing comprehensive career counseling, job matching, and industry-specific training programs tailored to both enrolled students and local youth in the community.

4. Job creation and employment support measures

The labor market for Korean youth is characterized by a significant structural mismatch (OECD 2019). Because many job seekers are highly educated, competition for the scarce supply of high-tier jobs is intense. However, SMEs, which possess a substantial demand for labor, suffer from chronic recruitment difficulties. This imbalance highlights the urgent necessity for targeted SME employment support programs.⁴

A primary instrument under this Act is the employment subsidies (Youth Job Leap Grant) to SMEs. Under this program, the government provides an employment incentive of up to 7.2 million KRW to SMEs that hire youth unemployed for over four months as full-time employees. Simultaneously, to encourage long-term career stability, youth who maintain employment for at least 18 months are eligible for direct support of up to 4.8 million KRW. Starting in 2026, the government has introduced additional support for regional preference, which aims to curb the over-concentration of the youth workforce in the metropolitan area (Government of the Republic of Korea 2026).

And to encourage long-term retention and asset formation among young employees, the government operates the Performance Compensation Fund for Youth Workers and Core Personnel of SMEs. These

4. The legal foundation for addressing the labor mismatch is the Special Act on Support for Human Resources of Small and Medium Enterprises enacted in 2003.

initiatives function as a matching fund model, where a specified portion of an employee's monthly savings is matched by an employer's contribution over a maturity period of three or five years. To encourage corporate participation, the government allows employers to treat their contributions as fully deductible business expenses and provides additional tax credits.

And to bridge the disposable income gap, young employees at SMEs are entitled to a 90% reduction in individual income tax for a period of five years. Furthermore, the “Durunuri” Social Insurance Support project targets micro-enterprises with fewer than 10 employees to lower the barriers to the formal social safety net. For new subscribers earning an average monthly wage of less than 2.7 million KRW, the government subsidizes 80% of both Employment Insurance and National Pension premiums for up to 36 months.

III. A tug-of-war? Ongoing debate on youth employment

1. Current situation of youth employment

In the 2026 government budget, the allocation for youth employment support has been set at 2.6064 trillion KRW (approximately \$1.78 billion USD). This represents an increase of over 150 billion KRW compared to the previous fiscal year, reflecting the government's prioritized commitment to alleviating the structural hurdles faced by young job seekers.

Despite recent extensive policy interventions, as of January 2026, the South Korean youth labor market (ages 15–29) is facing a sustained downturn, with the employment rate falling to 43.6%—marking a continuous 21-month decline—while the unemployment rate has risen to 6.8%, and the extended unemployment rate has reached a staggering 16.6%. But the employment rate for those aged 30–34 has risen steadily to 80.4% by 2024 (76.1% in 2020) (National Statistical Research Institute 2025).

This trend is driven by the prevailing shift toward experience-oriented recruitment, which has led to a continuous decline in the hiring of entry-level employees without prior experience, who now account for a mere 32.4% of all positions held by those in their 30s and younger. Hence, the gap in regular employment rates between these two groups has more than doubled from 8.8% in 2010 to 19.1% in 2023 (Chae and Jang 2025).

On top of that, a particularly concerning development is the surge in the economically inactive population classified as “Just Resting,”⁵ which has reached 469,000 (5.9% of the youth population), contributing to an all-time high of 760,000 for the combined 20–30 age group. This trend is primarily driven by a deep-seated qualitative mismatch; according to the latest survey, 31.0% of these inactive individuals cited the difficulty of finding jobs that meet their desired conditions as the primary reason for their withdrawal, while 9.3% reported an absolute lack of available positions. These findings imply the potential for the NEET status to become a structural fixture unless targeted employment support measures are intensified.

As can be inferred from this, the quality of youth employment has worsened, with the share of non-regular workers among those in their 20s and 30s reaching 32% as of August 2025, driven largely by fixed-term contracts. While the average time to secure a first job after graduation takes 11.3 months, the average length at that job is just 1 year and 6.4 months. This pattern is primarily fueled by dissatisfaction with compensation and working conditions (46.4%) and contract expirations (15.5%), highlighting the increasingly precarious and low-quality nature of the entry-level labor market.

5. In the Economically Active Population Survey, “Just Resting” (쉬었음) refers to individuals within the economically inactive population who responded as such without a specific reason—such as job seeking, vocational training, education, childcare, housework, or illness—for their inactivity during the previous week (Ahn and Kim 2024).

2. Intergenerational dynamics in the Korean labor market

As youth employment continues to deteriorate both quantitatively and qualitatively, competition for a limited number of decent jobs is increasingly manifesting as intergenerational conflict. A prime example of this is the debate over the impact of the statutory retirement age extension on youth employment. Following the 2013 amendment to the Elderly Employment Act, a mandatory 60-year-old retirement age was introduced (requiring that if a retirement age is set, it must be at least 60). During the legislative process, significant concerns were raised that this extension could inhibit youth employment by reducing new recruitment opportunities.

In response, the legislature introduced a temporary, mandatory youth employment quota for public institutions for an initial three-year period. Shortly thereafter, a constitutional complaint was filed. On August 28, 2014 (2013Hun-Ma553), five out of the nine Constitutional Court justices found that the youth quota was unconstitutional, arguing that it restricted employment opportunities for other age groups, thereby infringing upon the constitutional freedom of occupational choice and violating the principle of equality. However, as the opinion fell short of the six-vote quorum required for a declaration of unconstitutionality, the law's validity was maintained. Since then, however, the sunset clause has been extended four times and remains in effect until December 31, 2026.

Research on the impact of the 2013 mandatory retirement age extension has yielded varied results. While some studies found no significant correlation (Jung and Kang 2022), one study (Han 2020) indicated that in private enterprises, for every one person expected to benefit from the retirement extension, senior employment (ages 55–60) increased by 0.6 persons, while youth employment (ages 15–29) decreased by 0.2 persons. This effect was notably more pronounced in workplaces with 100 or more employees. This is attributed to the fact that most small- and medium-sized enterprises (SMEs), struggling with chronic labor shortages, do not set a formal retirement age. Conversely, in public institutions, both senior and youth employment increased simultaneously, thanks to the synergistic effects of the youth quota and wage structure reforms, such as the Wage Peak System.⁶

Recently, labor unions have intensified their demands to extend the statutory retirement age to 65 to bridge the “income crevasse”—the gap between retirement and the commencement of pension benefits. While the government initially signaled its acceptance, legislative discussions have reached a standstill due to fierce resistance from the younger generation amidst the worsening youth employment trend. This resistance is further fueled by the dissatisfaction accumulated during the 2025 Pension Reform, which required youth to “pay more and receive less,” deepening the sense of intergenerational unfairness.

3. Rapid AI adoption and the contraction of youth employment

South Korea has positioned itself as a global frontrunner in the AI landscape, as evidenced by the early enactment of the AI Basic Act and the exceptionally rapid integration of generative AI across all industrial sectors.

However, this technological acceleration is creating unexpected friction in the youth labor market. A recent report (Han and Oh 2025) highlights a concerning correlation between AI diffusion and a contraction in youth employment, primarily driven by what is termed “seniority-biased technical change.” This suggests that while AI significantly enhances the productivity of high-skilled, experienced workers, its rapid adoption

6. The Wage Peak System is a compensation scheme that gradually cuts salaries for senior workers several years before retirement under a seniority-based wage system.

is simultaneously diminishing the demand for entry-level roles typically held by the younger generation.

IV. Beyond the “Squid Game,” toward decent work for all

South Korea’s record-low birth rate is a clear warning that a “Squid Game” labor market is unsustainable. We must move beyond youth employment support toward the structural realization of “decent work for all.” This requires a fundamental dismantling of labor market dualism—bridging the gaps in firm size, employment status, and gender—to transform a zero-sum struggle into a sustainable ecosystem for the future.

To achieve this, several critical legislative and policy initiatives are currently under review: narrowing the wage gap and shifting from seniority-biased pay structures to job-based pay for intergenerational fairness; revitalizing sectoral bargaining to establish standardized labor conditions across industries; and promoting job sharing through a strategic reduction in working hours; etc.

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Youth Employment in China: Current Status, Policy System, and Optimization Paths

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- I. Introduction
- II. Current status of youth employment in China
- III. Laws, regulations, and policies related to youth employment
- IV. Support system for the transition from education to employment
- V. Youth job creation and employment support policies
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I. Introduction

According to the International Labour Organization (ILO) report *World Employment and Social Outlook 2024*, youth employment in the Asia-Pacific region has generally improved amid the post-pandemic economic recovery, yet regional imbalances remain significant. In particular, the youth unemployment rate has reached a high of 14.5%, rising non-regular employment among youth and a NEET (Not in Education, Employment, or Training) rate as high as 20.4% in East Asia have attracted substantial attention from the international labor community. As the world's second-largest economy and a key player in the Asia-Pacific region, China's youth employment situation is not only vital to its domestic socio-economic stability but also exerts a profound influence on the regional labor market. This study uses macro-level data and policy-document analysis to present a comprehensive profile of youth employment in China, providing evidence for policy optimization and contributing a Chinese perspective to international comparative research.

II. Current status of youth employment in China

This study analyzes China's youth employment through the lenses of quantity and quality, integrating domestic statistics, international projections, and academic literature.

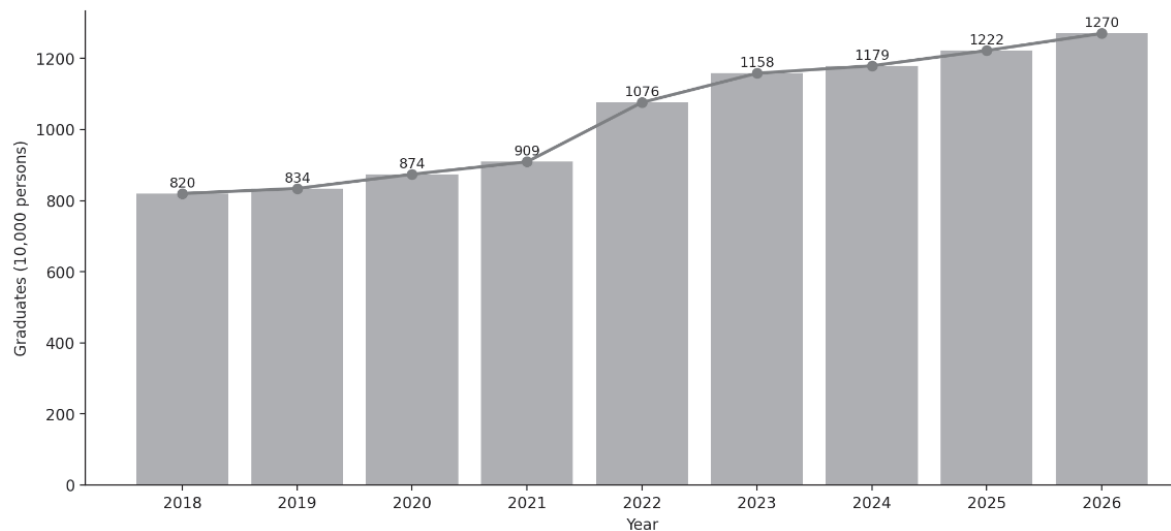
(I) Youth employment from a macro-statistical perspective

On the supply side, the youth labor supply is currently in a critical period of high-level fluctuation. Graduate numbers have exceeded 10 million annually since 2022 and are projected to peak at 12.7 million in 2026 (Wu, 2025). Long-term projections suggest the 16–24 age group will follow a “rise then fall” trajectory, peaking at 159 million (11.49% of the total population) in 2031–2032 before declining to 80 million (6.52%) by 2050 due to demographic transitions (Fan and Zhao, 2024) (see Figures 1 and 2).

On the demand side, the post-pandemic youth unemployment rate exhibits an “inverted U-shape” tied to the graduation season (July–August), reflecting significant frictional unemployment (see Figure 3). In June 2023, the surveyed rate for ages 16–24 (including students) hit 21.3%. Following a methodological optimization

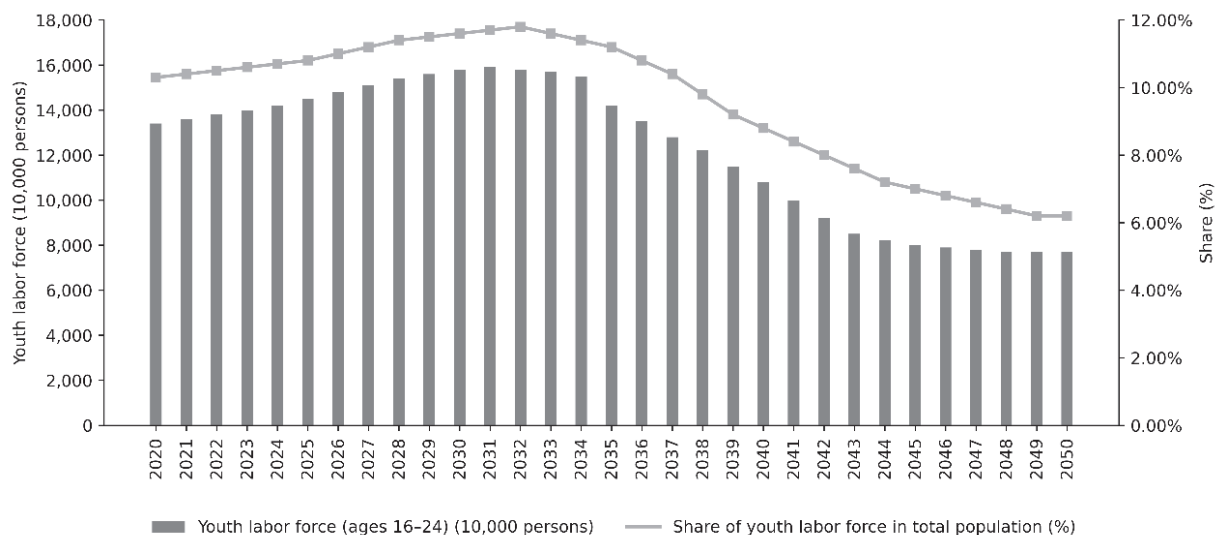
in December 2023 to exclude students, the 2025 rate for this group averaged 16.65%—approximately 3.23 times the overall urban rate (5.15%), highlighting disproportionate pressure on youth.

Educationally, unemployment trends show an “increasing attainment” mismatch (see Table 1). Among the 20–24 age group, the proportion of unemployed individuals with bachelor’s degrees rose from 30.5% in 2018 to 44.0% in 2024. Conversely, unemployment rates for those with only secondary education have declined, reflecting a gap between the career expectations of highly educated youth and available job supply.



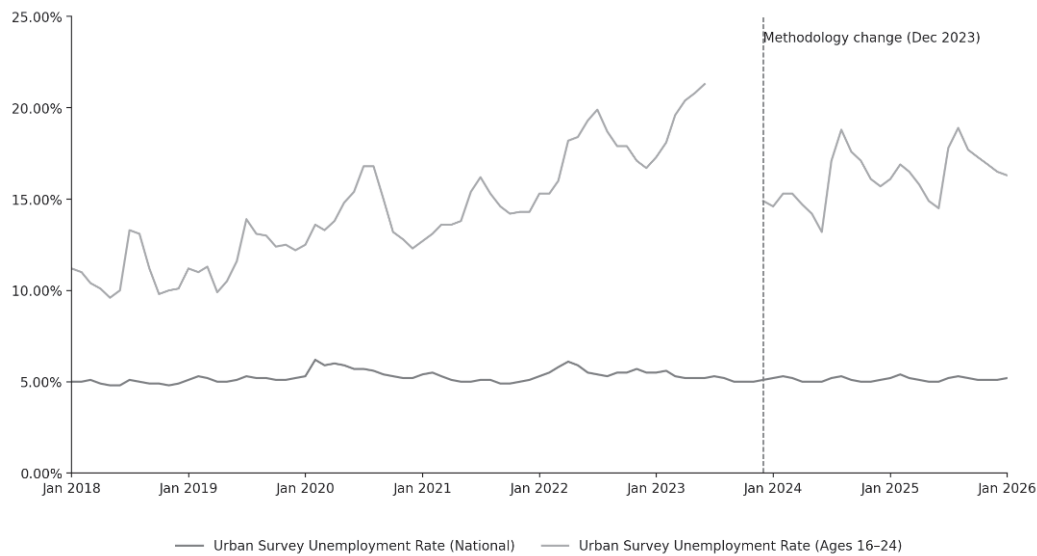
Source: Authors' compilation based on Ministry of Education releases.

Figure 1. Number of university graduates, 2018–2026



Source: Fan and Zhao (2024).

Figure 2. Projections of total youth labor force and its proportion, 2020–2050



Source: Authors' compilation based on National Bureau of Statistics releases.

Figure 3. Youth unemployment rate (aged 16–24), 2018–2026

Table 1. Cross-tabulation of urban unemployed youth (aged 16–24) by Education level, 2018–2024

(%)

Year	Age	Urban Unemployed Persons	No Schooling	Primary School	Junior Secondary School	Senior Secondary School	College	University	Graduate Higher Level
2018	16-19	100.0	0.1	2.3	33.2	23.9	36.3	4.1	
	20-24	100.0	0.0	0.8	16.1	11.9	39.7	30.5	1.0
2019	16-19	100.0		1.1	32.1	25.8	34.8	6.3	
	20-24	100.0	0.1	0.7	15.1	10.9	39.7	32.2	1.2
2020	16-19	100.0		2.4	35.8	39.7	13.6	8.4	
	20-24	100.0		1.1	14.7	22.5	34.3	26.3	1.2
2021	16-19	100.0		1.9	32.6	39.8	21.3	4.4	
	20-24	100.0	0.5	0.5	10.8	16.5	34.1	36.3	1.8
2022	16-19	100.0	0.1	1.4	26.0	33.4	20.9	18.1	
	20-24	100.0	0.0	0.7	10.1	12.8	29.6	43.0	3.8
2023	16-19	100.0		0.9	31.2	35.7	19.9	12.3	
	20-24	100.0	0.1	0.5	9.8	13.2	29.5	42.6	4.3
2024	16-19	100.0	0.1	1.6	29.0	43.0	16.9	9.5	
	20-24	100.0	0.0	0.6	7.1	11.6	34.0	44.0	2.7

Source: Authors' compilation based on the China Labour Statistical Yearbook.

(II) Quality of youth employment

China's youth employment features a dual pattern with divergent protection levels. Formal employment in government, public institutions, and SOEs is declining; Peking University data shows graduates securing formal positions dropped from 40.7% in 2003 to 32.1% in 2021 (see Table 2) (Yue, Feng, and Xin, 2023). In contrast, flexible employment has become a vital “reservoir” but carries a “social protection deficit”. A 2021 survey of platform workers aged 16–24 (N=688) revealed high occupational risks: 43.5% lacked labor contracts, and coverage for most social insurance (except work injury and medical) remained below 50%. These roles are characterized by lower income stability and longer working hours compared to other age groups (see Table 3) (Ding and Ji, 2024).

(III) Recruitment status and the NEET phenomenon

In the context of record-high graduate numbers, the Chinese government and universities have strengthened supply-demand matching through specialized actions such as job development and on campus recruitment. Simultaneously, the youth NEET phenomenon has gained academic attention. While China lacks official NEET statistics, ILO modeled estimates for ages 15–24 show the NEET rate declined from 16.98% in 2005 to 11.23% in 2025 (Figure 4). Despite a pandemic-related rebound in 2020, China's rate remains significantly lower than the global average (over 20%), reflecting high labor and educational participation.

Table 2. Destinations of university graduates

	(%)									
Year	2003	2005	2007	2009	2011	2013	2015	2017	2019	2021
Job secured	40.7	47.2	40.4	34.5	43.3	43.5	33.3	38.8	37.7	32.1
Further study (domestic)	15.1 ^a	16.8	14.1	18.3	13.7	14.0	18.6	20.4	24.9	29.3
Study abroad		2.3	2.7	3.2	2.6	2.8	5.8	5.9	4.1	3.7
Freelance			4.1	3.3	4.3	2.6	4.7	5.0	4.1	4.5
Entrepreneurship	4.0 ^b	3.6 ^b	3.2	2.4	3.2	2.1	4.6	4.7	2.5	2.4
Other flexible employment			6.6	5.4	5.1	7.0	16.1	9.7	6.8	4.5
Seeking employment	35.8	22.4	22.6	26.4	21.9	23.4	12.8	10.1	12.3	14.0
Not employed, planning further study	1.7 ^c	4.8 ^c	2.9	3.1	2.4	2.0	2.2	3.0	3.9	5.3
Other not employed temporarily			2.4	2.2	2.1	1.8	1.3	1.4	2.3	2.6
Other	2.7	3.0	1.1	1.2	1.5	0.9	0.7	0.9	1.4	1.5
Further study (total)	15.1	19.1	16.8	21.5	16.3	16.8	24.4	26.3	29.0	33.0
Flexible employment (total)	4.0	3.6	13.9	11.1	12.6	11.7	25.4	19.4	13.4	11.4
Placement secured (total)	59.8	69.9	71.1	67.1	72.3	72.0	83.1	84.6	80.1	76.5

Source: Yue, Feng, and Xin (2023)

Notes: a = Further study (domestic) + Study abroad.

b = Freelance + Entrepreneurship + Other flexible employment.

c = Not employed, planning further study + Other not employed temporarily.

Further study (total) = Further study (domestic) + Study abroad.

Flexible employment (total) = Freelance + Entrepreneurship + Other flexible employment.

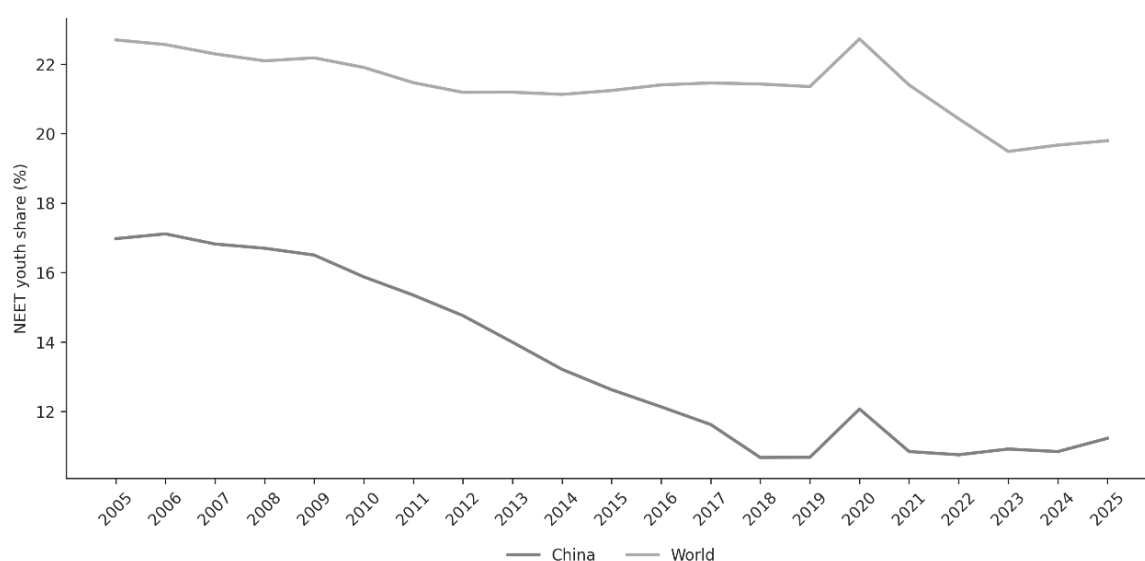
Placement secured (total) = Job secured + Further study (domestic) + Study abroad + Freelance + Entrepreneurship + Other flexible employment.

Table 3. Survey data on employment quality for platform workers

(N=5,081)

Indicators	16-24	25-45	46-65	Full Sample
Average monthly income (CNY)	5243.5	6614.2	6028.1	6415.5
Monthly income range (max-min) (CNY)	3180.8	3982.7	4481.6	3885.2
Average daily working hours(hours)	9.4	9.1	9.2	9.1
Average monthly working hours (hours)	251.9	239.3	242.8	240.2
Pension insurance coverage (%)	44.2	47.4	60.8	49.1
Medical insurance coverage (%)	64.1	66.4	77	67.3
Unemployment insurance coverage (%)	30.2	31.6	32.7	31.1
Work injury insurance coverage (%)	50.8	54.6	51.4	52.7
Maternity insurance coverage (%)	16.9	21.3	11.5	18.6
Housing provident fund coverage (%)	20.6	25.7	23.3	24.1
Accidental injury insurance coverage (%)	50.3	56.4	46	51.6
Job satisfaction index (0-1; higher values indicate greater satisfaction)	0.3719	0.4141	0.4366	0.4183

Source: Ding and Ji (2024).



Source: Authors' compilation based on the ILO (ILOEST) Database.

Figure 4. Youth NEET rate (% of youth population, modeled ILO estimate): China vs. World, 2005–2025

III. Laws, regulations, and policies related to youth employment

China's youth employment security system is centered on the *Labor Law* and *Labor Contract Law*, supported by specialized administrative regulations.

(I) Provisions on labor contracts

China applies a universal labor law framework to youth employment. Under the *Labor Contract Law*, a labor relationship is established upon the commencement of work, requiring a written contract to secure statutory rights such as wages, social insurance, and dismissal protection. In practice, however, application varies across three forms: (1) Student Internships: work-study programs are not legally classified as employment; thus, no labor contract is required (Ministry of Labor, 1995). (2) Graduate Traineeships (*Jianxi*): these are typically governed by “Traineeship Agreements” rather than labor contracts, providing living allowances and accident insurance instead of standard wages or formal social security. (3) New Forms of Employment (Platform Work): following the *Guiding Opinions on Safeguarding the Labor Rights and Interests of Workers in New Forms of Employment* (Ministry of Human Resources and Social Security [MOHRSS] et al., 2021; hereafter “Circular No. 56”), labor contracts are mandated for those meeting formal criteria, while others must sign written agreements clarifying basic rights and obligations to address the precarious nature of digital platform work.

(II) Employment age regulations

China has a clear regulatory system regarding the minimum employment age. The *Provisions on Prohibiting the Use of Child Labor* (2002) strictly prohibit the recruitment of minors under the age of 16. The *Provisions on Special Protection for Juvenile Workers* (1994) define workers aged 16 to 18 as juvenile workers. The *Labor Law* reiterates these protections to ensure a stronger legal barrier for adolescents entering the labor market. According to the National Bureau of Statistics, the youth employment age in China refers to the 16–24 age group.

(III) Labor standards, occupational safety, and health

Regarding labor standards, the *Labor Law* establishes the standard work hour system (not exceeding 8 hours per day and 40 hours per week on average), providing a legal basis for young workers’ rights to rest and limits on overtime. In terms of Occupational Safety and Health (OSH), the *Labor Law* mandates that employers maintain rigorous safety systems, while the *Work Safety Law* and the *Law on the Prevention and Control of Occupational Diseases* define specific corporate responsibilities and regulatory mechanisms. Crucially, special protections strictly prohibit assigning juvenile workers (aged 16–18) to strenuous, toxic, hazardous, or underground mining tasks. Furthermore, in response to the high concentration of youth in the platform economy, Circular No. 56 emphasizes intensified labor inspections to address wage arrears and illegal overtime, thereby strengthening occupational protection for young workers in new forms of employment.

(IV) Minimum wage system

The minimum wage system provides a vital safety net for youth entering the labor market. Guided by the *Labor Law on Minimum Wage*, China adopts a model of “local formulation, central guidance, and dynamic adjustment” for determining and adjusting wage standards across different regions. Circular No. 56 also requires that the remuneration for those in new forms of employment must not be lower than the local minimum wage standard.

IV. Support system for the transition from education to employment

The Chinese government prioritizes the “smooth transition” of youth from campus to the labor market,

aiming to shorten the vocational transition period and reduce frictional unemployment through a multi-layered, full-cycle support system.

(I) Typical patterns of transition from education to occupation

In practice, this transition follows four typical patterns: (1) Direct Employment Model: graduates enter the corporate sector via campus or social recruitment, or join the public sector; (2) Policy-linked Transition Model: the government provides “Grassroots Service Projects” (e.g., the “Three Supports and One Assistance” program) or “Employment Traineeship Positions” as a buffer and capacity-building period; (3) Delayed Employment and Further Study: some youth opt for postgraduate studies or specialized vocational skill enhancement programs to increase their human capital before entering the market; (4) Transition via New Forms of Employment: an increasing number of youth use digital platforms (self-media, gig economy) as their first career stop.

(II) Vocational education and career guidance

To align talent cultivation with market demand, China has integrated career education throughout higher education. Recent 2022 and 2025 policy guidelines emphasize industry-education integration, notably through the “Double High Plan” Phase II, which targets the development of 60 high-level vocational colleges and 160 professional clusters. These initiatives mandate strengthened career guidance to solidify “correct employment values” among students (State Council, 2022, 2025; Ministry of Education and Ministry of Finance, 2025).

(III) Apprenticeship system

Furthermore, the apprenticeship system has been modernized to deepen school-enterprise cooperation. This includes “New Enterprise Apprenticeships” for new hires—following the “recruitment as enrollment” principle with dual-tutor training—and “Modern Apprenticeships” for students. The latter, led by the Ministry of Education, transforms production environments into teaching scenarios across 588 pilot units and 1,000 professional points, effectively shortening students’ vocational adaptation periods (MOHRSS, 2024).

(IV) Internship and traineeship systems

Finally, the transition is supported by standardized internship and traineeship systems. The 2021 regulations ensure the safety and educational quality of vocational internships (MOE, 2022). For unemployed graduates and youth aged 16–24, the “Million Traineeship Plan” provides a structured pathway where the government offers living allowances to participants and financial rewards to enterprises with high retention rates, facilitating a stable entry into formal employment.

V. Youth job creation and employment support policies

Since 2018, China has consistently integrated the “Employment First” strategy into its macro-control framework. The report of the 20th National Congress of the CPC and the proposals for the “15th Five-Year Plan” further emphasized “promoting high-quality and full employment”. To achieve this, the Chinese government has constructed a comprehensive policy system ranging from job creation and skill enhancement to precision assistance.

(I) Multi-channel job creation policies

Multi-channel policies prioritize job creation by incentivizing the private sector and expanding public-sector roles. First of all, to reduce labor costs for enterprises, the government provides a suite of financial supports, including social insurance subsidies for SMEs recruiting unemployed graduates, traineeship allowances for host units, and one-time job expansion subsidies for firms ensuring long-term insurance contributions. Furthermore, eligible SMEs can access interest-discounted entrepreneurial loans, while firms hiring long-term unemployed youth benefit from tax credits. Simultaneously, the government bolsters grassroots and public-sector employment by streamlining community-level job information in healthcare and elderly care, and coordinating key service programs like “Three Supports and One Assistance,” which offers tuition compensation. Efforts also include expanding recruitment quotas within state-owned enterprises (SOEs) and public institutions to stabilize the labor market. Finally, the government encourages entrepreneurship to drive employment. The policy proposes “one-stop” services including consciousness cultivation, incubation, tax incentives, and financing support (MOHRSS et al., 2025a). Further policy encourages government-invested incubators to lower entry thresholds for graduates and support the construction of “National Achievement Transformation Centers for University Student Innovation and Entrepreneurship” to leverage the “multiplier effect” of entrepreneurship on job creation (MOHRSS et al., 2025b).

(II) Vocational training and employment service policies

Vocational training and employment services focus on improving the precise matching between employability and market demand. Under the “Double Thousand plan” and “Million Youth Vocational Skill Enhancement Action,” China is scaling up skill enhancement in digital, green, and advanced manufacturing sectors, aiming to train one million graduates in 2025. To bridge the gap between training and placement, “Job-seeking Capability Training Camps” provide modular workshops on resume building and interviewing (MOHRSS et al., 2025b). These efforts are underpinned by a collaborative service network—integrating HRSS departments, educational institutions, local governments, trade unions, and private agencies—and further empowered by digital tools such as the “Post-graduation Employment Service” mini-program for personalized career guidance (MOHRSS et al., 2025c).

(III) Employment promotion policies for the NEET group

China implements a “Dynamic Tracking and Precision Assistance” mechanism specifically for the NEET group. This involves real-name registration through door-to-door screening to establish individual dossiers and the “1131” mechanism, which guarantees each youth a policy briefing, a guidance session, three job leads, and one training opportunity. For vulnerable youth from low-income or zero-employment families, “one-on-one” plans provide 3–5 job leads and access to public welfare positions for bottom-line protection. Furthermore, the “slow employment” phenomenon has been addressed by providing psychological counseling and career value reshaping to alleviate employment anxiety.

VI. Path selection for promoting high-quality and full youth employment

Youth employment issues are ultimately rooted in the pace of economic development and talent cultivation models. Currently, China faces a “Triple Dilemma”: aggregate pressure from a record scale of graduates, structural mismatches in professional supply, and quality challenges characterized by rising informal employment and career uncertainty. To achieve high-quality and full employment within the

framework of harmonious labor relations, this paper proposes three strategic paths:

First, deepening industry-education integration is essential to align talent cultivation with market demand. Higher education must establish a dynamic linkage mechanism between recruitment plans and employment outcomes, pivoting academic resources toward strategic emerging industries such as Big Data, AI, intelligent manufacturing, and the green economy.

Second, balancing flexibility and security through a “flexicurity” mechanism is vital for new employment forms. This requires a tripartite cost-sharing model—involving labor, management, and government—supported by tax incentives and fiscal subsidies to reduce corporate burdens without compromising social protection. Furthermore, optimizing labor protections and strengthening inspections against age discrimination and illegal overtime are critical to transforming “formal employment” into “quality employment,” while leveraging trade unions to safeguard youth rights during contract negotiations.

Third, strengthening public-private synergy will help build a full-cycle youth employment support system. The government must lead by prioritizing youth in national strategies and refining assistance for vulnerable or NEET group. Policies should incentivize enterprises to shift from “short-term labor substitution” to “long-term talent cultivation,” while incorporating private HR agencies into the public system through service procurement. Finally, digital models like “Youth Employment Stations” should leverage national platforms to provide “one-stop” policy interpretation and precise job matching.

VII. Conclusion

Promoting youth employment is not only a major livelihood issue for the Chinese government but also a significant global governance challenge. Facing structural mismatches, quality deficits, and NEET fluctuations, China has established a multi-tiered policy system covering legal regulations, economic incentives, and precision assistance. In an era where labor markets are reshaped by digitalization and AI, China’s practices offer an active response to domestic problems and a valuable reference for countries facing similar demographic challenges. Moving forward, by consistently strengthening the education-employment link, balancing market flexibility with security, and refining precision services, China will continue to drive high-quality and full employment for its youth.

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Youth Employment Policy in Taiwan: Current Challenges and Institutional Responses

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I. 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.¹

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).² 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%.³ 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

1. 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. [in Chinese] (last visited February 10, 2026); Liu, Yu-Hsueh, "Youth Unemployment in Taiwan: Trends and Causes," Journal of Community Development Quarterly, No. 146: 77–93 (June 2014).
2. Ministry of Labor, International Labor Statistics 2024, available at: <https://statdb.mol.gov.tw/html/nat/113/4.%E8%A1%A84-3.pdf>. [in Chinese] (last visited February 10, 2026).
3. Id.

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 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.⁴ 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.⁵ 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%).⁶ 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%).⁷ 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%).⁸ 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 arrangements.⁹ 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.

4. 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>. [in Chinese] (last visited February 10, 2026).

5. Id.

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

7. *Supra* note 4.

8. Id.

9. Id.

II. 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.¹⁰ 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.¹¹

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' 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.¹²

Taiwan's tertiary education attainment substantially exceeds international benchmarks. According to

10. 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>. [in Chinese] (last visited February 10, 2026).

11. Id.

12. 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>. [in Chinese] (last visited February 10, 2026).

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.¹³ 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. 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.¹⁴

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 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.

III. 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.¹⁵

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

13. 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. [in Chinese] (last visited February 10, 2026).

14. Tu, Ying-Yi, “An Analysis of Youth Unemployment,” Taiwan Economic Forum, Vol. 145: 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: 23–24 (May 2019).

15. 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). [in Chinese] (last visited February 10, 2026).

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.

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.¹⁶

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

16. 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%E5%8B%95%E7%B5%B1%E8%A8%88.pdf?mediaDL=true>. [in Chinese] (last visited February 10, 2026).

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.¹⁷

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-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.

IV. 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

17. 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). [in Chinese] (last visited February 10, 2026).

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.

V. 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.

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Junior Wage Rates in Context: An Ecosystem Approach to Youth Employment in Australia

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- I. Introduction
- II. Employment trends in Australia
- III. The legal and institutional foundations of junior wage rates
- IV. The employment ecosystem framework
- V. Towards a broader understanding of junior wage rates

I. Introduction

Young workers in Australia are experiencing persistently high youth unemployment rates, a growing generational wage gap and declining labour market participation. Many young people report a desire to work, however there are several barriers that influence their access to the labour market. The causal relationship between minimum wages and youth employment is currently a site of fierce debate in Australian minimum wage law. In 2024, the Shop, Distributive and Allied Employees' Association (SDA) brought an application in the Fair Work Commission (FWC) to remove junior wage rates from several modern Awards² (2024 Junior Rates Case).³ The architecture of the modern *Fair Work Act 2009* (Cth) (FWA), informed by the history of junior wage setting, tends to focus the public debate about youth wages towards their impact on youth employment and labour costs.

The current debate on junior wage rates in Australia is based on an oversimplified causal relationship between youth employment and youth minimum wages. Using an employment ecosystem framework, this report shows that youth employment outcomes in Australia are shaped by interacting structural, workplace-level and individual factors, making the employment effects of junior wages impossible to isolate in the way that the current debate is attempting to do. If youth employment outcomes are shaped by an interconnected set of social, institutional and economic factors, then evaluating junior wages in terms of whether they do or do

1. This paper is based on research undertaken during my LLM at Melbourne Law School. I would like to extend my gratitude to my colleague Maddy Spooner (Solicitor at the Young Worker's Centre) for their insights and assistance proofreading this paper.
2. An 'Award' is an enforceable instrument which sets the minimum pay and conditions for an industry or occupation e.g. the General Retail Industry Award 2020 or Manufacturing and Associated Industries and Occupations Award 2020. There are presently 164 current and 'Modern' Awards in Australia. Modern Awards are those made after the commencement of the Fair Work Act in 2009. Prior to 2009 there was a proliferation of pre-modern Awards with narrower coverage which were streamlined and simplified with the introduction of the Fair Work System in 2009. Awards are administered by the Fair Work Commission, which indexes Award rates of pay during the Annual Wage Review.
3. *Application by Shop, Distributive and Allied Employees Association* (unreported, AM2024/24): <https://www.fwc.gov.au/hearings-decisions/major-cases/junior-rates-application-am202424>.

not affect youth employment may lead to an incomplete picture of the impacts of junior wages. The debate around junior wages would benefit from a broader analysis of the distributive and institutional impacts of junior wage rates alongside their economic effects.

II. Employment trends in Australia

Overall, the proportion of young people in the labour force in Australia is on the decline, partially due to a general aging of the population but also due to declining participation rates for young workers.⁴ At the same time, youth unemployment and the average educational attainment of young workers in Australia are both on the rise.⁵ These factors are likely related, as more young people forego employment to study full time.⁶ In 2025, 63% of people aged 15–24 years were engaged in some form of study while 8% were not currently engaged in any work or study.⁷ As at January 2026, the youth unemployment rate in Australia is presently at 9.6%, significantly higher than the national average of 4.1%.⁸ The youth unemployment rate has remained relatively stable, despite a decline in unemployment in the overall population.⁹ Young Australians report a desire to work, but often find it difficult to find secure work which is appropriate to their level of skill and experience.¹⁰ Job insecurity and underemployment are prominent issues for young people, who experience higher than average rates of employment insecurity (e.g. via casualisation).¹¹ The number of young people who are considered NEET has increased from a low of 7.6% in 2022 to around 8% in 2025.¹² The percentage of young people not engaged or partially engaged in work or study is higher for young people in inner regional¹³ and outer regional and remote areas than for those in major cities.¹⁴

Panos Karanikolas and Joanne Xiaolei Qian-Khoo argue that Australia lacks a dedicated, cohesive policy

4. Australian Bureau of Statistics, *Labour Force Australia, January 2026* (Catalogue No 6202.0, 19 February 2026), available at: <<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/jan-2026>> ('2026 Labour Force Data'). See also, Zoya Dhillon and Natasha Cassidy, 'Labour Market Outcomes for Younger People' (June 2018) *Reserve Bank of Australia Bulletin*.
5. See Dhillon and Cassidy (n 4) 4. See also Australian Bureau of Statistics, *Education Attainment* (Web page, 15 September 2025) available at: <<https://www.abs.gov.au/statistics/measuring-what-matters/measuring-what-matters-themes-and-indicators/prosperous/education-attainment>>, Australian Bureau of Statistics, *Education and Work, May 2025* (Web page, 19 November 2025) <<https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release>> ('ABS, Education and Work 2025').
6. Dhillon and Cassidy (n 4) 4.
7. ABS, *Education and Work 2025* (n 5).
8. 2026 Labour Force Data (n 4).
9. Ibid.
10. Australian Bureau of Statistics, *Underemployed Workers, February 2025* (Web page, 29 July 2025). See also *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 23 (Report, 2025)* 109–112 <https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0010/5387806/2025-HILDA-Statistical-Report.pdf>.
11. Jeff Borland and Michael Coelli, 'Is It "Dog Days" for the Young in the Australian Labour Market?' (Melbourne Institute for Applied Economic & Social Research Working Paper No 5/21, May 2021) 31–32 cited in John Howe and Tom Dillon, 'Underpaid and Overlooked: The Wage Crisis Facing Young Workers in Australia: Final Report of the Fair Day's Work Project' (Centre for Employment and Labour Relations Law, July 2025) <https://law.unimelb.edu.au/_data/assets/pdf_file/0007/5331517/Fair-Days-Work-Report_final.pdf>.
12. Australian Institute of Health and Welfare, *Engagement in Education or Employment* (Article, 25 June 2021) <<https://www.aihw.gov.au/reports/children-youth/engagement-in-education-or-employment#how-has>>; ABS, *Education and Work, Australia, May 2025* (Web page, 19 November 2025) <<https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release>>.
13. 10.6% not engaged, 14.5% partially engaged: *ibid*; ABS, *Education and Work 2025* (n 5).
14. 13.0% not engaged, 11.7% partially engaged: *ibid*.

addressing youth unemployment.¹⁵ Australia's federal system of government means that the various aspects of youth employment policy (e.g., education and training, social security, employment conditions, minimum wages, apprenticeship regulation) are regulated via a patchwork of state and federal legislation and policy measures. One area where this is evident is youth minimum wages.

Recognising the need to incentivise youth employment and upskill young people into trades and professions, Australia has long had a system of junior wage rates. The justification for the retention of junior wage rates has historically been that they incentivise youth employment and are 'a useful bridge to full time employment' for young people, incentivising employers to hire and train them so that they develop skills to be carried forward into the rest of their working lives.¹⁶ Underpinning this rationale is the assumption that there is a neat causal relationship between youth employment rates and youth minimum wages and that the impact of minimum wages on youth employment can be usefully considered in isolation. The empirical data on the employment impacts of youth minimum wages is mixed, with some studies indicating that youth minimum wages have a very small to no impact on youth employment rates,¹⁷ while some studies (including of countries which have removed junior wage rates) suggest that there may be negative impacts from removing junior wage rates.¹⁸ These limitations on the empirical data concerning the impact of junior wage rates stand in contrast to the emphasis on youth employment impacts in political and legal debates on junior wages in Australia.

III. The legal and institutional foundations of junior wage rates

Despite the complex causes of youth employment, the regulation of junior wage rates has historically emphasised their role in incentivising employers to hire young people. The FWC sets the national minimum wage for those not covered by an Award, as well as minimum Award wages including junior wages on an annual basis. The current National Minimum Wage for adults (NMW) is \$24.95 per hour as at 1 July 2025 or \$948.00 for a working week of 38 hours.¹⁹ Although the FWA makes provision for workers to bargain above the safety net at the enterprise level, many young workers remain Award-dependent.²⁰ At the time of the 2024 Annual Wage Review, 12.5% of Award reliant employees were paid junior wage rates and around 61.5% of all employees who are paid junior wage rates were modern-Award reliant.²¹

The foundational case on minimum wages in Australian law is the *Sunshine Harvester* decision, which interpreted the meaning of 'fair and reasonable wage' in the 1906 Excise Tariff Act.²² The principle which emerged from *Sunshine Harvester* is that a fair and reasonable wage ought to be such as to allow an 'unskilled

15. Panos Karanikolas and Joanne Xiaolei Qian-Khoo, 'Enablers and Barriers to Youth Employment: An Employment Ecosystem Approach' (2025) 5(73) *Encyclopedia* 8.

16. Australian Industrial Relations Commission, *Junior Rates Inquiry: Report of the Full Bench Inquiring under Section 120B of the Workplace Relations Act 1996* (Final Report, 4 June 1999) xvi [9(v)] ('Junior Rates Inquiry Final Report'). Copy on hand with the author.

17. For a review of the literature on this topic in the Australian context see Expert Report of Professor Jeff Borland submitted to the Junior Rates Case 2024; James Bishop, 'The Effect of Minimum Wage Increases on Wages, Hours Worked and Job Loss' (2018) Reserve Bank of Australia Bulletin.

18. Maria Marimpi and Pierre Koning undertook a cross-country study of 30 OECD countries, finding some negative impacts from increases to youth minimum wages: See Maria Marimpi and Pierre Koning, 'Youth Minimum Wages and Youth Employment' (2018) 7(5) *IZA Journal of Labour Policy*.

19. *Annual Wage Review 2025* [2025] FWC FB 3500 [152(a)].

20. *Ibid* [16]-[17].

21. *Ibid* [17(4)].

22. *Ex Parte HV McKay* (1907) 2 CAR 1, 4 ('*Sunshine Harvester*').

labourer' to feed, clothe and house himself, his wife and three children in conditions of 'frugal comfort',²³ and is sometimes known as the 'breadwinner principle'.²⁴ The *Sunshine Harvester* principle is evident today in the FWA's Minimum Wages Objective although a broader range of considerations is now included, such as gender equality and the performance of the national economy.²⁵

The concept of the breadwinner has also been used to justify subminimum wages for young workers, who were deemed not responsible for dependents or their own upkeep in many cases and therefore, not in need of a full adult wage. For example, in the *Printing Trades Case in 1934*, the Court held that

Rates for juniors should be high enough to maintain them, but not high enough for extravagance; high enough to attract juniors to an industry, but not so high as to discourage employers from engaging them... *the most advanced junior had not as a rule any family responsibilities and his rate should be materially less than the basic wage.*²⁶

The phrase 'high enough to maintain them' recognises that, as workers, young people's wages should be at a sufficient level to sustain them, as per the *Sunshine Harvester* principle, and yet the assumption is that young people's needs are 'materially less' than the adult worker. Further, the words 'so as not to discourage employers from engaging them' reflects the persistent view that junior wage rates operate as an incentive for employers to employ young workers and assist their transition to occupation.²⁷ In the 2024 Junior Rates Case, the Australian Industry Group (AIG), a major national organisation representing employers, argued that there has 'always been, and continues to be, sound rational bases to justify lower rates of pay'.²⁸ On this perspective, junior wage rates are an incentive to employers to 'offer employment to younger, inexperienced individuals' and further, increased youth employment rates have a range of positive social impacts.²⁹ This type of argument, which focuses on junior wage rates in relation to their impacts on youth employment, is a recurring theme in the history of Australian minimum wages. In the *National Wage Case April 1985*, the Confederation of Australian Industry argued that, should the Australian Industrial Relations Commission (AIRC)³⁰ increase Award wages, it should confine this increase to adult wages and not include juniors, as doing so would come at the expense of adult wages and hours and would not solve the issue of youth unemployment.³¹ The Commonwealth government opposed this on the ground that the impact of a junior rates increase would be small, and would not be likely to result in cuts to adult jobs.³² The AIRC, as would become a consistent theme in these cases, declined to confine the wage increase to adult wages, instead

23. Ibid 4.

24. See, eg, Wally Secombe, 'Patriarchy Stabilized: The Construction of the Male Breadwinner Wage Norm in Nineteenth-Century Britain' (1986) 11(1) *Social History* 53; Raelene Frances, 'One Hundred Years of Women's Wage-Fixing' (2000) 5(2) *Journal of Interdisciplinary Gender Studies* 84, 85.

25. See Fair Work Act 2009 (Cth) s.284: one of the aspects of the modern minimum wages objective is the 'relative living standards of the low paid'.

26. *Printing and Allied Trades Employers Federation of Australia v The Printing Industry Employees Union of Australia* (1934) 33 CAR 581, 582–3 ('*Printing Trades Case*').

27. Australian Industry Group (AIG), *Submission to the Junior Rates Application* (AM2024/24) (11 July 2025) [25(b)] <<https://www.fwc.gov.au/hearings-decisions/major-cases/junior-rates-application-am202424>>.

28. Ibid [25(a)].

29. Ibid [25(b)].

30. Predecessor to the FWC.

31. *National Wage Case April 1985* (1985) 297 CAR 7, 11–12.

32. Ibid 14.

suggesting an ‘award by award consideration’ would be more appropriate.³³ In the *National Wage Case April 1991*, the AIRC again refused to undertake an examination of the junior wage rates system on the basis that it would more appropriately form the subject of a ‘specific application’.³⁴

Responsive to this, s 120B was inserted into the *Workplace Relations Act 1996* in late the 90s, requiring the AIRC to constitute a full bench to inquire into whether there were any ‘feasible non-discriminatory alternatives’ to junior wages.³⁵ The 1999 Junior Rates Inquiry canvassed various ‘non-discriminatory alternatives’ to junior wage rates but found that ultimately, that there were no feasible non-discriminatory alternatives to the junior wage rate system and that junior wage rates incentivise youth employment, acting as a ‘useful bridge to full time employment for young workers’.³⁶ Junior wage rates persist today in many industries and occupations through modern awards and the NMW.

The 2024 Junior Wage Case provides a contemporary example of how the modern architecture of minimum wage law narrows the public debate around junior wage rates to a substantial focus on their relationship to youth employment, although ultimately the decision placed a greater weight on work value arguments than has historically been the case. The 2024 Junior Wage Case sought to vary several modern awards to remove junior rates for employees 18 years or older and to vary junior wage rates for those employees aged under 18. The Awards under review represent areas of the SDA’s coverage but are also three industries in which young people are commonly employed - retail, fast food and retail pharmacies.³⁷

Section 157 of the FWA allows the FWC to vary a modern award if satisfied that it is justified by work value reasons, as well as to achieve the modern awards objective. The modern awards objective requires the FWC to consider both the likely impact of Award wages on productivity and employment costs, as well as ‘employment growth, inflation and the sustainability, performance and competitiveness of the national economy’.³⁸ Hence, the relationship between award wages for young workers and youth employment is central to the legal analysis that the FWC is required to undertake in determining junior minimum wages under modern Awards.

The SDA submitted that young workers in these industries do substantially the same work, with substantially the same level of responsibility as older workers (the Work Value Argument) and further, that removing junior wage rates will have a very small impact on youth employment. The Work Value argument strays from the traditional narrow economic focus of the junior wages debate. However, submissions and expert evidence called by both the SDA and from employers substantially focus on the macroeconomic impacts of removing junior wage rates, particularly on youth employment outcomes.³⁹ The application was heard by the Commission in November 2025 and at the time of writing a decision was yet to be published.

The argument that junior wage rates incentivise youth employment and that increased youth employment will result in net positive outcomes for young workers and the Australian economy overall is predicated on the assumption that the adverse impacts of junior wage rates can be justified in comparison to their positive economic impacts. This argument relies on a direct causal relationship between junior wage rates and youth

33. Ibid 15.

34. *National Wage Case April 1991* (1991) 36 IR 120, 174.

35. *Workplace Relations Act 1996* (Cth) s 120B. See also Junior Rates Inquiry Final Report [1.1].

36. Junior Rates Inquiry Final Report xvi [9(v)].

37. Australian Bureau of Statistics, ‘12 Insights About Work and Study from the 2021 Census’ (Media Release, 12 October 2022) <<https://www.abs.gov.au/media-centre/media-releases/12-insights-about-work-and-study-2021-census#:~:text=Young%20people%20are%20serving%20it,were%20in%202011%20and%202016>>.

38. *Fair Work Act 2009* (Cth) s 157.

39. See, eg, submissions by AIG, the Australian Chamber of Commerce and Industry and Australian Business Industrial and Business NSW.

employment rates. While there is no doubt that junior wage rates have *some* impact on youth employment, caution should be taken not to overstate this relationship. The ecosystem model proposed by Karanikolas and Qian-Khoo provides a methodology for understanding youth employment as the product of complex interacting factors rather than as simple cause-effect between minimum wage settings and employment rates, problematising the assumption that the employment impacts of junior wages can be usefully examined in isolation.

IV. The employment ecosystem framework

Karanikolas and Qian-Khoo use an employment eco-system model to undertake a literature analysis of the barriers and enablers of youth employment in Australia. They show that youth access to employment is a complex web of interrelated barriers and enablers which interact across the different levels of the ecosystem. This model is a useful analytical tool for undertaking an examination of the complex factors which influence youth labour market access, demonstrating why caution should be taken in drawing conclusions about the causal effect of youth minimum wages on youth employment.

Micro-level

Micro-level factors are ‘the unique personal factors or attributes of the person and factors related to their immediate context’.⁴⁰ This includes a broad range of factors relating to a person’s socioeconomic background, access to education and educational advantage and disadvantage, as well as a person’s family and support networks and caring responsibilities.⁴¹ One key challenge with assessing the barriers and enablers of youth employment is that ‘youth’ are not a homogenous group. Socioeconomic status, sex, age, disability, race, education and geographic location all impact the employment prospects of young people. Certain young people are more likely to work in low paid jobs which attract junior wage rates.⁴² As discussed above, there is a disparity in educational attainment between youth in metropolitan areas compared to regional and remote areas. Junior wage rates are premised on assumed family support and so risk institutionalising disadvantage for young people who do not have such support. The assumption that young people do not work to support themselves and others obscures the reality that for young workers with caring responsibilities or those from disadvantaged and low socioeconomic backgrounds, their wage may be their only source of income. Low pay puts them at increased risk of working poverty and perpetuates negative social stereotypes that the labour of junior workers is inherently less valuable.⁴³ If youth are a heterogenous group, it stands to reason that youth employment effects will also not be uniform. Challenging the assumption that ‘youth’ exist as a homogenous social group complicates the idea that youth employment outcomes can be meaningfully understood as the product of any particular ‘barrier’ or ‘enabler’.

Meso-level factors

In addition to micro-level factors, workplace culture and power dynamics also shape young people’s

40. Panos Karanikolas and Joanne Xiaolei Qian-Khoo, ‘Enablers and Barriers to Youth Employment: An Employment Ecosystem Approach’ (2025) 5(73) *Encyclopedia* 2.

41. Ibid.

42. See, eg, *Youth – Pathways to Decent Work*, International Labour Conference, 93rd Sess, 6th Agenda item (2005) 23 <https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/meetingdocument/wcms_104147.pdf>.

43. *The Youth Employment Crisis: A Call for Action: Resolution and Conclusions of the 101st Session of the International Labour Conference* (2012) 1 <https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_345423.pdf>.

employment experiences and therefore, the likelihood that they will transition into full-time, stable employment. Meso-level factors exist at the workplace level and include workplace culture and relationships, as well as supports at the workplace level.⁴⁴ Fundamentally, the meso-level captures the effects of power dynamics in Australia workplaces. Young workers may be in a subordinate or precarious position in their workplaces and may suffer social stigma that they are less willing to work, are less skilled and are therefore a less valuable category of worker.⁴⁵ This stigma goes hand in hand with higher rates of bullying, discrimination and sexual harassment which may disrupt a young person's career or access to employment.⁴⁶ Conversely, Karanikolas and Qian-Khoo suggest 'supportive and inclusive workplace cultures are an important enabler of positive outcomes and perceptions of work for young people navigating the transition from school'.⁴⁷ Building such inclusive and supportive workplaces is a factor of workplace training, investment in positive leadership and employment supports for young people. Wages are, therefore, only one factor among many in incentivising youth employment at the workplace level.

Macro-level factors

Workplace dynamics operate within a broader structural framework that also shapes youth labour market access. Macro-level factors exist at a structural level and include broader social issues such as social security and access to housing.⁴⁸ Minimum wages are just one of a range of macroeconomic factors contributing to employment outcomes for youth and the extent to which junior wage rates are a contributor to the macro-level barriers is the subject of considerable academic, legal and political debate.

While junior wage rates are often framed as a mechanism for incentivising youth employment, young people's access to the labour market is shaped by a broader set of structural factors. Access to housing shapes the way young people access employment independently of wage settings. Young people experiencing housing insecurity may struggle to maintain stable employment while those who are able to depend on family may be in a position to accept lower wages. Access to secure, stable housing has been linked with employment outcomes.⁴⁹ The persistence of junior wage rates must also be understood in the context of widening generational inequality, stagnant real wages and rising living costs. The assumption that junior wages function primarily as a labour market entry mechanism risks overlooking their distributive effects and their role in shaping young people's material living standards.

Taken together, these macro-level factors suggest that youth employment outcomes are shaped by structural conditions that extend beyond wage regulation. This makes it difficult to attribute changes in youth employment to junior wage rates alone and calls into question policy approaches that rely on a strong causal link between minimum wages and youth employment outcomes. Taken together, the micro-, meso- and macro-level factors demonstrate the limits of treating youth employment as primarily responsive to wage settings.

44. See Karanikolas and Qian-Khoo (n 40) 2, 7–8.

45. On the impact of insecure and precarious work on young workers, see Young Workers Centre at Unions ACT, *Submission to the Select Committee Inquiry into Job Security* (April 2021) <<https://www.aph.gov.au/DocumentStore.ashx?id=92b29784-73e6-4e54-b02d-8f67e1f32cff&subId=706873>>. See also AIG, *Submission to the Junior Rates Application (AM2024/24)* (11 July 2025) [25(c)].

46. Time for Respect: Fifth National Survey on Sexual Harassment in Australian Workplaces (Australian Human Rights Commission, November 2022) 51 <https://humanrights.gov.au/_data/assets/file/0026/46817/2022.11.25_time_for_respect_2022_final_digital.pdf>.

47. Karanikolas and Qian-Khoo (n 40) 10.

48. Ibid.

49. Karanikolas and Qian-Khoo 10 citing *Housing Assistance and Employment in Australia* (Research Paper, Productivity Commission, 2015).

V. Towards a broader understanding of junior wage rates

Debates about junior wage rates in Australia often assume a direct causal relationship between youth wages and youth employment, an assumption reinforced by the history of junior wage rates as well as the modern architecture of minimum wage law. This paper has argued that such reasoning is incomplete. An employment ecosystem perspective shows that youth employment outcomes are shaped by interacting micro-, meso- and macro-level factors, of which wages are only one element. As a result, the employment effects of junior wage rates cannot be meaningfully assessed in isolation. A more holistic analytical approach would better capture the complexity of both youth employment and the broader social and distributive impacts of junior wage rates.

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Youth Employment in Thailand: Current Landscape and Pathways to Greater Inclusion

Panthip PRUKSACHOLAVIT

- I. Demographics of the labor market and youth employment in Thailand
- II. Legal framework governing youth employment in Thailand
- III. Structural challenges in youth employment and support for transitioning
- IV. Job creation and employment support measures

I. Demographics of the labor market and youth employment in Thailand

In 2025, Thailand's total population stands at approximately 65.8 million, of whom around 55 million are aged 15 years and above. Of this figure, 39.8 million participate in the labor force, and approximately 0.3 million registered as unemployed.¹ Young workers aged 15 to 24 constitute 3.3 million, representing 8.3 percent of the total workforce.² Within this youth employment cohort, 58 percent are engaged in the formal sector, while the remaining 42 percent operate in the informal economy.³

Thailand has historically maintained one of the lowest unemployment rates, consistently hovering at or below one percent. The onset of the COVID-19 pandemic caused a modest rise to 1.6 percent in 2021,⁴ before gradually declining to 0.7 percent as of December 2025.⁵ Notwithstanding the overall low unemployment rate, youth unemployment presents a more concerning picture. As of December 2025, the youth unemployment rate stands at 5.1 percent, representing approximately 188,000 persons—accounting for roughly 63 percent of the total unemployed population.⁶

Notably, the educational profile of unemployed individuals reveals a structural mismatch in the labor market: approximately 52 percent have completed tertiary education, while 17 percent have completed secondary education,⁷ suggesting that unemployment in Thailand is disproportionately concentrated among more educated individuals.

A persistent structural challenge within Thailand's youth labor market is the phenomenon of young people who are Not in Education, Employment, or Training (NEET). In the third quarter of 2022, approximately 1.2

1. National Statistical Office of Thailand, *Number of Employed Persons in Formal and Informal Sectors Classified by Age Group, Sex, Region and Province, 2012–2025*, NSO, https://www.nso.go.th/nsoweb/nso/statistics_and_indicators?impt_branch=301#gsc.tab=0 (last visited Feb. 23, 2026).

2. *Id.*

3. *Id.*

4. UNICEF Thailand, *In-Depth Research on Youth Not in Employment, Education or Training (NEET) in Thailand 24* (2022), <https://www.unicef.org/thailand/media/10746/file/In-depth%20research%20on%20youth%20NEET%20in%20Thailand.pdf>.

5. National Statistical Office of Thailand, *Report of Labor Force Survey December 2025* (Jan. 2026), https://www.nso.go.th/nsoweb/storage/survey_detail/2026/20260122095359_37698.pdf.

6. *Id.*

7. *Id.*

million young people were classified as NEET, corresponding to the national NEET rate of 13.2 percent.⁸ This figure was equivalent to 35 percent of the 3.3 million young people aged 15–24 who were employed. Women comprised nearly two-thirds of this group.⁹ The NEET condition was found to be particularly pronounced among youth with post-secondary education and among those from both low-income and high-income households, indicating a non-linear relationship between socioeconomic background and labor market engagement. Contributing factors identified in the literature include limited employment opportunities and financial constraints, absence of career aspirations, inadequate career guidance, low motivation, poor self-esteem, and labor market discouragement.¹⁰

II. Legal framework governing youth employment in Thailand

Under Thai law, the minimum age for entering into an employment contract is 15 years.¹¹ While young workers are broadly afforded the same legal status as adult employees, the Labor Protection Act B.E. 2541 (1998) (hereinafter “LPA”) establishes a number of additional protective provisions specifically applicable to workers between the ages of 15 and 18, reflecting the legislature’s recognition of this group’s particular vulnerability in the employment context.

With respect to protections, employers who engage workers in this age group are required to notify the competent labor inspector within 15 days of hiring, thereby enabling enhanced oversight of the employment conditions of young workers.¹² In terms of working conditions, the LPA prohibits young workers aged 15 to 18 from working during night hours—defined as the period between 22:00 and 06:00¹³—as well as from performing overtime work or working on public holidays.¹⁴ Furthermore, young workers are entitled to a mandatory rest period of at least one hour after four consecutive hours of work, a more protective standard than the five-hour threshold applicable to adult workers.¹⁵

The LPA also prescribes certain categories of work and workplaces that are entirely prohibited for workers under the age of 18. These include metal smelting operations, work involving hazardous chemicals or toxic substances, and work in high-risk environments such as slaughterhouses, gambling establishments, and entertainment venues.¹⁶

With regard to maritime work, the law draws a further age-based distinction: Workers under the age of 16 are entirely prohibited from engaging in such work, while workers between the ages of 16 and 18 who are employed on vessels are prohibited from performing work at night.¹⁷ For dock work¹⁸ and fishing,¹⁹ the protective threshold is set uniformly at 18 years of age, with the law prohibiting any worker under that age from engaging in either dock work or fishing.

Beyond restrictions on working conditions, the LPA provides for enhanced access to professional

8. International Labour Organization, *Promoting Youth Employment in Songkhla and Yala, Thailand: A Situation Analysis 3* (2023), https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40asia/%40ro-bangkok/documents/publication/wcms_922746.pdf.

9. *Id.*

10. *Id.*

11. Labor Protection Act B.E. 2541, § 44 (1998) (Thai).

12. *Id.* § 45.

13. *Id.* § 47.

14. *Id.* § 48.

15. *Id.* § 46.

16. *Id.* § 50.

17. Maritime Labor Act B.E. 2558, § 15 (2015) (Thai).

18. Ministerial Regulation No. 11 (B.E. 2541) issued under the Labor Protection Act B.E. 2541, art. 4 (1998) (Thai).

19. Ministerial Regulation on Labor Protection in Sea Fishing Work B.E. 2565, art. 4 (2022) (Thai).

development opportunities for young workers. Employees under 18 years of age are entitled to training leave of up to 30 days per year to attend meetings, training programs, or seminars²⁰—a provision that reflects a broader policy orientation toward balancing employment with the continued education and skill development of young workers.

A further noteworthy aspect of the legal framework governing youth employment concerns the minimum wage applicable to young workers. As a general principle, all employees in Thailand are subject to a uniform daily minimum wage,²¹ the rate of which varies by province, with the exception of certain categories of workers possessing specialized skills. Notably, Thai labor law does not prescribe an hourly wage rate; rather, an employee is entitled to the full daily minimum wage regardless of the number of hours worked within that day. This structural feature of the wage regime effectively creates a disincentive for employers to engage workers on a part-time or hourly basis, as the cost of hiring remains fixed at the daily rate irrespective of actual hours rendered. This arrangement, however, presents a particular challenge for young persons over the age of 15 who are legally eligible to work but remain enrolled in formal education. In recognition of this structural gap, the government introduced in 2005 a dedicated hourly minimum wage applicable specifically to students engaged in part-time work during their studies.²² The current rate is prescribed at THB 40 (approx. USD 1.24) per hour.²³

This special wage regime operates within a defined set of working conditions tailored to the circumstances of student workers. On school days, student employees are permitted to work no more than four hours per day, while the permissible limit is extended to six hours per day on weekends and public holidays.²⁴ In addition, consistent with the broader protective framework under the LPA, the nature of work must be appropriate for young workers—safe, non-hazardous, and free from occupational risk. Student workers under this scheme are also prohibited from working in certain categories of establishments, including casinos, pubs, bars, saunas, and restaurants or entertainment venues with host/hostess service.²⁵

III. Structural challenges in youth employment and support for transitioning

A persistent structural challenge confronting Thailand's youth labor market is the pronounced mismatch between the qualifications produced by the education system and the actual demands of the labor market. Research conducted by the Bank of Thailand indicates that the positions with the highest labor demand are those requiring unskilled or low-skilled labor, such as domestic workers and general laborers, followed by technical occupations requiring practical competencies, most notably welding and mechanical work.²⁶ Critically, none of these high-demand occupations require a tertiary education qualification. This stands in stark contrast to the educational profile of the unemployed population, of whom over 50 percent hold a tertiary education qualification, underscoring a deep qualification mismatch embedded within the structure of

20. *Id.* § 52.

21. As of March 2026, the minimum daily wage rate ranges from THB 337 (approx. USD 10.45) to THB 400 (approx. USD 12.40), depending on the province.

22. Wage Committee Notification on Minimum Hourly Wage Rates B.E. 2548 (2005) (Thai).

23. Wage Committee Notification on Hourly Wage Rates for Students (No. 2), art. 3, B.E. 2555 (2012) (Thai).

24. *Id.* art. 3(1.1).

25. *Id.* art. 3(2).

26. Pimchanok How, Kawalin Sriwichayangkul & Pattareya Nualnai, *Youth Unemployment: ส่องตลาดแรงงานเด็กจบใหม่ยุค COVID-19 [Youth Unemployment: A Look at the Labor Market for New Graduates in the COVID-19 Era]*, Regional Letter (แบ่งปันความรู้...สู่ภูมิภาค), No. 5 (2022), https://www.bot.or.th/content/dam/bot/documents/th/research-and-publications-pdf/articles-and-publications/articles/regional/2022/2565_RL_05_Youth_Unemployment_COVID19.pdf.

the Thai labor market.²⁷

The mismatch is further compounded by an imbalance in the composition of university graduates. Data from 2019 reveals that 32 percent of university graduates majored in business administration and law, while 13 percent graduated in engineering, industrial, and construction fields, and 10 percent in arts and humanities.²⁸ Although demand for skilled digital workers—particularly computer programmers and data scientists—remains high and continues to grow, Thailand’s higher education system produces more graduates in other fields and has thus far been unable to produce graduates in sufficient numbers to meet this demand.²⁹

Beyond qualification mismatches, young graduates in Thailand face significant structural barriers in the transition from education to employment. These include low employability skills attributable to inadequate educational achievement, a lack of marketable and occupation-specific competencies, and a deficiency in soft skills demanded by employers. These difficulties are compounded by the limited access that young job seekers have to consistent and timely career guidance, mentorship, and effective employment matching services.³⁰ Employers further contribute to this cycle by demonstrating a systematic preference for experienced workers even in low-skilled positions, effectively excluding recent graduates lacking internship or prior work experience from consideration.³¹ As a result, newly recruited individuals frequently possess skills that are misaligned with the needs of employers and the broader economy.³² These dynamics are reflected in the growing tendency among young graduates to opt for informal sector employment—in 2021, approximately 56,000 new graduates chose to engage in informal sector work, particularly in sales and service-related activities.³³

The structural vulnerabilities of youth employment in Thailand were rendered acutely visible by the COVID-19 pandemic. In 2021, youth unemployment rose to approximately 290,000 persons—roughly double the figure observed under normal economic conditions.³⁴ The impact was particularly severe in some regions. Compared to 2019, the unemployment rate among young college graduates in 2021 increased by as much as 80 percent in the Northern region and 73 percent in the Northeastern region, highlighting the geographic dimension of labor market vulnerability among young workers.³⁵

Looking beyond cyclical disruptions, the long-term structural outlook presents additional challenges. Digital transformation and automation are progressively reshaping the labor market in fundamental ways. Industrial machinery sales in Thailand increased more than sixfold between 2018 and 2019, rising from approximately 60,000 units to over 384,000 units, signaling the rapid pace at which automation is penetrating the Thai economy.³⁶ The continued expansion of artificial intelligence and robotics is projected to significantly alter the existing employment ecosystem, rendering the enhancement of worker skills and productivity both a critical policy priority and an urgent economic imperative.³⁷ Yet the digital skills gap in Thailand remains

27. National Statistical Office of Thailand, *Report of Labor Force Survey December 2025* (Jan. 2026), https://www.nso.go.th/nsoweb/storage/survey_detail/2026/20260122095359_37698.pdf.

28. Pimchanok How, Kawalin Sriwichayangkul & Pattareya Nualnai, *supra* note 26.

29. *Id.*

30. UNICEF Thailand, *supra* note 4, at 23.

31. *Id.*

32. *Id.*

33. Pimchanok How, Kawalin Sriwichayangkul & Pattareya Nualnai, *supra* note 26.

34. *Id.*

35. *Id.*

36. UNICEF Thailand, *supra* note 4, at 23.

37. Bank of Thailand, *Upgrading Thai Workers’ Skills: A Big Problem in the Age of Technology That Changes the World* (การยกระดับทักษะแรงงานไทย: โจทย์ใหญ่ยุคเทคโนโลยีเปลี่ยนโลก) (Feb. 20, 2019), https://www.bot.or.th/th/research-and-publications/articles-and-publications/articles/Article_20Feb2019.html.

substantial. The World Economic Forum's *Future of Jobs Report 2025* further underscores the accelerating pace of technological transformation in the global labor market. The report found that 76 percent of organizations identified robots and autonomous systems as likely drivers of business transformation in the near future.³⁸ With respect to the skills outlook, the report indicates that 55 percent of organizations currently regard AI and big data competencies as core skills for 2025, while a striking 93 percent anticipate that proficiency in AI and big data will be among the skills experiencing the most significant increase in demand by 2030.³⁹

IV. Job creation and employment support measures

A further dimension of the legal framework governing youth employment and labor market integration is the legislative regime on skill development. The Skill Development Promotion Act B.E. 2545 (2002) and its subsequent amendments establish a comprehensive system of skill standards, assessments, and quality assurance measures designed to assist individuals in enhancing their occupational competencies. The Act defines “skill development” as a process through which working-age individuals acquire and strengthen agility, knowledge, ability, work ethics, and a positive career orientation through structured skill training.⁴⁰ Notably, the Act establishes non-mandatory incentive mechanisms aimed at encouraging employers to recognize and invest in the skill training and development of their employees through tax benefits.⁴¹ The Act further imposes an obligation on employers of a prescribed size to either provide skill development training directly to their employees or contribute to the Skill Development Fund, thereby enabling the government to subsidize training costs for workers who seek to develop their own occupational competencies.⁴²

Unlike many other jurisdictions, Thailand has not established a standing or permanent employment policy specifically targeting young people as a distinct labor market cohort. The only instance in which the government introduced a dedicated youth employment initiative was in direct response to the economic disruption caused by the COVID-19 pandemic, during which the barriers to labor market entry for new graduates became particularly difficult. In 2020, the government launched the Co-Payment Program (โครงการส่งเสริมการจ้างงานใหม่สำหรับผู้จบการศึกษาใหม่), a wage subsidy scheme under which the state subsidized up to 50 percent of the monthly wages of newly graduated workers engaged under one-year fixed-term employment contracts with participating public and private sector organizations. The program was conceived as a temporary countercyclical measure aimed at incentivizing employers to hire new graduates during a period of exceptional economic contraction. However, the program concluded at the end of 2021 and has not been renewed or replaced by any comparable initiative. The absence of a successor program, or indeed any structural policy framework aimed at facilitating youth labor market entry beyond crisis conditions, reflects a broader gap in Thailand's employment policy architecture.⁴³

Moreover, the country continues to lack a coherent and integrated policy framework specifically designed to facilitate the transition of young people from education to employment or further training. A targeted policy response to the youth NEET phenomenon emerged only recently, with the introduction of a specific

38. World Economic Forum, *The Future of Jobs Report 2025*, at 204–205 (2025), https://reports.weforum.org/docs/WEF_Future_of_Jobs_Report_2025.pdf.

39. *Id.*

40. Skill Development Promotion Act B.E. 2545, § 5 (2002) (Thai).

41. *Id.* §§ 33–34.

42. *Id.* § 29.

43. Thailand Development Research Institute, 'ประสิทธิภาพของโครงการจ้างงานเด็กจบใหม่ (Co-payment) จากรัฐบาล [Effectiveness of the Government's Co-Payment Program for New Graduates], (May 14, 2021), <https://tdri.or.th/2021/05/covid-123/>.

NEET reduction indicator under the 13th National Economic and Social Development Plan (NESDP), while the Ministry of Labour (MOL) remains the only ministry to have addressed the NEET issue within its Action Plan (2023–2027). The absence of cross-ministerial policy coherence is particularly acute given the fragmented mandates of the relevant agencies: whereas the MOL focuses on promoting employability among the working-age population aged 15 and above, the Ministry of Education (MOE) and the Ministry of Social Development and Human Security (MSDHS) confine their services to children and youth up to the age of 18. This institutional gap leaves a significant proportion of young people—particularly those aged 18 and above who have left school without qualifications and discouraged jobless youth—without access to meaningful support for improving their life prospects. Active Labour Market Policies for youth, which typically encompass employment services, labor market training, subsidized employment, and support for entrepreneurship, remain underdeveloped and insufficiently accessible in Thailand. The problems identified all point to the same conclusion: the country needs a unified, national-level plan specifically for helping NEETs. This plan should be led by the MOL, working together with other relevant government ministries (like education, social affairs, etc.), rather than each ministry working in isolation. In addition, to make sure things actually get done, there needs to be a strong system for tracking progress, measuring results, and holding the different agencies accountable for their part.⁴⁴

In sum, Thailand’s youth employment landscape is shaped by a convergence of structural mismatches, regulatory gaps, and evolving economic pressures that demand a more deliberate and coordinated policy response. While the existing legal framework provides meaningful protections for young workers and the skill development regime offers a foundation for workforce readiness, the absence of a permanent, integrated youth employment strategy—coupled with institutional fragmentation across ministries—leaves a significant portion of Thai youth without adequate pathways into productive and sustainable employment. As digital transformation and automation continue to reshape the labor market, Thailand must transition from reactive, crisis-driven interventions to a forward-looking policy architecture that bridges education and employment, closes the digital skills gap, and ensures that no segment of the youth population, especially NEETs, is left without the support necessary to participate meaningfully in the country’s economic future.

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44. UNICEF Thailand, *supra* note 4, at 73–75.

Youth Employment in the Philippines: Challenges, Opportunities, and Policy Implications

Ronahlee A. ASUNCION

- I. The Philippine youth labor market
- II. Barriers to youth labor market integration
- III. Providing opportunities, ensuring protection and welfare of the youth
- IV. Conclusion and policy implications

In 1879, Dr. Jose Rizal, the national hero of the Philippines wrote the award-winning poem “A La Juventud Filipina” (To the Filipino Youth). The poem views the youth as the hope of the nation towards progress (Rizal, 1976). This sentiment is echoed more than a hundred years later, in 1995, with Republic Act (RA) No. 8044 or the Youth in Nation-Building Act (National Youth Commission, in <https://nyc.gov.ph>). This law acknowledges the role of the youth in the nation’s growth and development by institutionalizing a National Comprehensive and Coordinated Program on Youth Development and establishing the National Youth Commission. Likewise, the law clearly defines the youth as those who are between fifteen (15) to thirty (30) years old.

I. The Philippine youth labor market

Of the more than 117M total population of the Philippines in 2026, the youth make up more than 30M according to the Statistics Times.

A 2020 report by the International Labour Organization (ILO) mentioned that majority of the Filipino youth aged 15–24 years old are still “out of the labor market” (ILO, in <https://www.ilo.org>). This means that they are either not working or/and not actively seeking employment.

A slight decrease in the labor force participation, employment, and underemployment rates was noted by the Philippine Statistics Authority (PSA) between June 2024 and June 2025. However, the unemployment rate

Table 1. 2026 Philippine Youth Population

Age group	Male	Female	Total		Male per 100 Female
			Persons	Share (%)	
15–19	5,856,752	5,693,806	11,550,558	9.81	102.862
20–24	5,423,932	5,336,662	10,760,594	9.14	101.635
25–29	5,256,720	5,201,717	10,458,436	8.88	101.057
30–34	4,890,527	4,826,176	9,716,703	8.25	101.333

Source: Statistics Times (in <https://statisticstimes.com>).

increased from 3.1 to 3.7 in the same period as shown in Table 2.

The decrease in the labor force participation rate has definitely affected the youth, from 31.9 percent in December 2024 it went down to 31.6 percent in November 2025. Likewise, youth employment decreased from 90.9 percent in December 2024 to 87.8 percent in December 2025. Underemployment rate was at 8.2 percent or around 448 thousand underemployed youth (PSA, in <https://psa.gov.ph>).

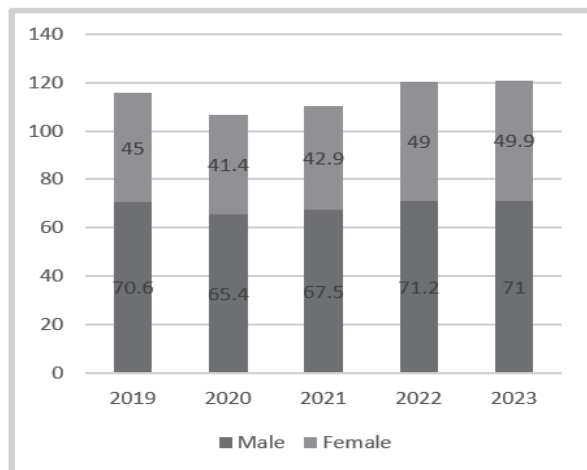
Historically, males have higher labor force participation rate than females as shown in Figure 1. This is also true across age groups, according to a report by the Congressional Policy and Budget Research Department (CPBRD) of the House of Representatives using the basic data from Labor Force Survey (LFS) of the PSA in 2023 (Figure 2).

Table 2. Labor Force Survey, 2021–2025

	2021 ^f	2022 ^f	2023 ^f (June)	2024 ^p (June)	2025 ^p (June)
Labor force participation rate (%)	63.3	64.7	66.1	66.0	65.7
Employment rate (%)	92.2	94.6	95.5	96.9	96.3
Underemployment rate (%)	15.9	14.2	12.0	12.1	11.4
Unemployment rate (%)	7.8	5.4	4.5	3.1	3.7

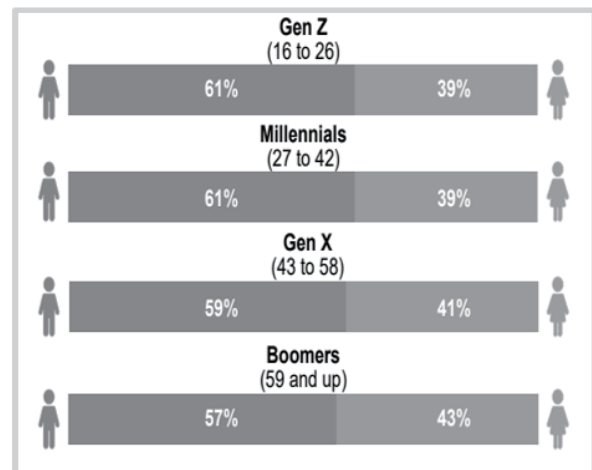
^f Final; ^p Partial

Source: Philippine Statistics Authority (in <https://psa.gov.ph>).



Source: World Bank Group (in <https://data.worldbank.org>).

Figure 1. Labor force participation rate by gender



Source: Congressional Policy and Budget Research Department (in <https://cpbrd.congress.gov.ph>). Philippine Employment Situation.

Figure 2. 2023 Labor force weighted proportions by sex and age group

In another report, the CPBRD noted an increase in youth who are not in education, employment and training (NEET) in July 2023 but decreased in the same month the following year. There was however an increase in the proportion of youth new entrants to the youth labor force and the youth mean hours of work in

Table 3. July 2022–2024 Youth employment situation

Indicator	July 2022	July 2023	July 2024
Youth NEET as percentage of youth population	12.9	14.8	13.9
Proportion of youth new entrants to youth labor force	14.6	18.4	15.7
Youth mean hours of work	36.7	39.3	36.1

Source: Congressional Policy and Budget Research Department (in <https://cpbrd.congress.gov.ph/wp-content/uploads/2025/02/FF2024-63-PH-Employment-Situation-2024.pdf>).

July 2023 but the figures went down in July 2024 in both indicators as shown in Table 3.

With regard to education, the higher the level of education an individual attains the better chances of being employed. Hence, lower educational attainment can result to long-term unemployment (OECD, in <https://www.oecd.org>). In the case of the Philippines, it is interesting to note that college graduates are the second highest unemployed next to junior high school both in January 2023 at 34.8 percent and in January 2024 at 38.3 percent (CPBRD, in <https://cpbrd.congress.gov.ph>). A study by the ILO (2020) revealed that compared to adults, the Filipino youth have a four-fold higher unemployment rate, most likely engaged in agriculture work or in market services for a first time working 15-year old youth while older youth are most likely found in the services sector (in <https://www.ilo.org>). The Global Employment Trends for Youth 2024 report by the ILO described that globally, youth experience wage gap, high incidence of temporary work, difficulty in finding secure jobs particularly those in low-income countries, moves from one precarious and informal work to another, and an increase in anxiety due to a rise in casualization of jobs (in <https://www.ilo.org>). In other words, they can be considered in vulnerable employment.

Lawrence Jeff Johnson, Director of the ILO Country Office for the Philippines from June 2010 to October 2015, described workers in vulnerable employment as “less likely to have formal work arrangements and more likely to lack decent working conditions, adequate social security and ‘voice’ through effective representation by trade unions” and also characterized by “inadequate earnings, low productivity and difficult conditions of work that undermine workers’ fundamental rights” (ILO, in <https://www.ilo.org>).

II. Barriers to youth labor market integration

The Filipino youth still face persistent problems in penetrating the labor market. These can be attributed to structural, institutional, and socioeconomic reasons. A key challenge is the mismatch between education and the demand of the labor market which reflects a lapse in coordination among educational institutions, training agencies, and industry. This skills gap results to increased vulnerabilities, unemployment, underemployment, poor working conditions, low wages, and lack of social protection to name a few. The ILO notes that this sector continues to experience difficulty in finding a stable, quality, and decent work despite labor force growth and improvement in some employment indicators. This structural issue in the Philippines resonates globally when compared to adults considering that youth are disproportionately impacted by unemployment and non-standard forms of employment (ILO, in <https://www.ilo.org>).

According to the PSA, as of mid-2025, an estimated 3.21M Filipino youth were NEET. This high NEET rates highlights the barriers to work and education access which can result to long-term labor market losses if not effectively addressed (in <https://psa.gov.ph>).

Limited to no access to career guidance contribute to difficulty in school-to-work transition. Even when

youth find work, quality often remains low. Many jobs accessed by youth are part-time, temporary, casual, or lack benefits. Youth may accept multiple or precarious roles simply to earn income (The Philippine Star, 2018, in <https://www.philstar.com>). Hence, it is common for the youth to go through temporary or low-quality jobs before they are able to secure stable employment.

Migrating youth to big cities are getting younger. They are forced to migrate to cities because of fewer opportunities in rural areas. These young migrant workers are frequently abused and exploited according to Damaso (2019). This local migration of workers is a symptom of regional disparities in the country which is further manifested by the uneven distribution of jobs nationwide. Local economies are simply unable to absorb youth labor effectively.

A study by Cacnio, et al. (2023) described youth employment as particularly vulnerable to economic downturns and sectoral disruptions. According to them, young workers were disproportionately affected by economic disruptions like the COVID-19 pandemic considering that they are mostly engaged in services, hospitality, and retail industries, sectors with huge job losses during this period. These shocks may have “scarring effects,” or long-term detrimental repercussions on young workers’ trajectories, career chances, and skill deterioration.

Challenges are not the same across all youth. Compared to male youth, being a female youth further complicates employment outcomes. According to the ILO, young women are more likely to be NEET and face deeper labor market exclusion (in <https://www.ilo.org>).

Youth employability is also affected by education quality and relevance. Sanchez (2025) reported that lack of skills and confidence are evident in many young graduates which she attributed to overexposure to uncensored digital content where the internet has become their teacher. In addition to literacy, numeracy, and critical thinking, Sinaking (2026) explained that it is essential that the youth are also equipped with soft skills which they also lack. This may suggest that part of the employment challenge also arises from education systems that may not be fully aligned with the changing demands of the labor market.

III. Providing opportunities, ensuring protection and welfare of the youth

In Philippine labor and development policy, youth employment continues to be a top priority. The shift from education to employment has a big impact on social mobility, inclusive growth, and economic productivity because a sizable section of the population is between the ages of 15 and 24. Three goals are balanced in Philippine youth employment legislation and policies. These are protection or preventing child exploitation and dangerous labor; promotion or improving employability through training and education; and participation or promoting young people’s engagement in economic and national development.

Legal context. The primary legal framework governing employment in the country is the Labor Code of the Philippines or Presidential Decree No. 442. It sets the standards for the minimum labor standards (ex. wages, hours of work, overtime pay), rules on employment status (regular, probationary, fixed-term), termination and due process requirements, and provisions regulating the employment of minors among others (in <https://lawphil.net>).

The Code serves as the backbone of employment contracts involving youth. It clearly specifies that the minimum employable age is 15 years old. Article 139 of the Code stipulates that no one below fifteen years old shall be employed except when they work directly under the supervision of their parents or guardians. Those who are employed between 15–18 years old shall not work beyond eight hours per day, with limits on the number of hours of work per day, normally between ten o’clock in the evening and six o’clock in the

morning the following day. Those who are below 18 years of age are definitely prohibited from engaging in hazardous jobs as determined by the Secretary of Labor and Employment. In addition, for those employed as domestic workers, RA No. 10361 or the Domestic Workers Act ensures that they are entitled to minimum wage as well as access to education and training.

Education, training and employability. In terms of training and to ensure employability, RA No. 7796 An Act Creating the Technical Education and Skills Development Authority (TESDA), Providing for Its Powers, Structure and for Other Purposes mandates the agency to primarily provide technical and vocational education and training (TVET), issue national skills certification, etc. The programs in TESDA provide relevant skills crucial in improving youth employability, particularly those who are out-of-school youth and cannot pursue tertiary education.

The Tulong sa Trabaho Act or RA No. 11230, An Act Instituting a Philippine Labor Force Competencies Competitiveness Program and Free Access to Technical-Vocational Education and Training (TVET), and Appropriating Funds Therefor helps strengthen the readiness of the workforce and address skills mismatch by providing free-technical vocation training, training allowances and assessment fee coverage, and priority access for unemployed and underemployed youth.

Students between 15–30 years old who come from low-income families can work during summer or holiday breaks through the Special Program for Employment of Students (SPES). This way, they are not only able to earn, but at the same time they gain early work experience and consequently develop workplace competencies. Their school-to-work transition becomes more manageable, faster and smoother. Government subsidizes part of the wages of those under this program and the participating employers come from the private sector, government, and NGOs. This program is made possible through RA No. 10917, an Act Amending Certain Provisions of RA No. 9547 Otherwise Known as an Act Strengthening and Expanding the Coverage of the Special Program for Employment of Students, Amending for the Purpose Provisions of RA No. 7323, Otherwise Known as the Special Program for Employment of Students.

The Department of Labor and Employment (DOLE), have several programs on youth employment. Through the Youth Employment Program (YEP), the DOLE holds job fairs and hiring events, job matching services, profiling and placement assistance, work readiness seminars such as resume and interview preparations, and life and career guidance. In partnership with the private sector, TESDA, Public Sector Employment Service Offices (PESO), and NGOs, these programs increase youth exposure to employers and reduces the barriers between education and work (DOLE, in <https://www.dole.gov.ph>).

The JobStart program of the DOLE targets those who fall under NEET. It opens employment opportunities for the youth and bridge the gap between school and employment.

For unemployed and underemployed youth, the DOLE Integrated Livelihood Program (DILP) or Kabuhayan Program provides livelihood assistance and start-up support through livelihood training, micro-entrepreneurship programs, access to funding and business coaching in partnership with the Department of Trade and Industry (DTI) and local government units. It supports self-employment and business generation to young Filipinos.

To enhance employability beyond technical skills, the DOLE together with partner agencies conduct sessions on work values and life skills development such as work ethics, personal and career development, financial literacy, workplace readiness through schools, TESDA centers, and community events.

In collaboration with the Department of Social Welfare and Development (DSWD) the DOLE implement the Government Internship Program (GIP) targeted to those who are between 18–30 years old, at least a high school or a Tech-Voc graduate. It provides an opportunity to those who are poor and indigent the chance

to showcase their abilities and skills in the public sector. It also aims to attract and recruit “the best and the brightest” individuals to work for the government and expedite the execution and oversight of DOLE initiatives on employment facilitation and social protection. These initiatives directly support the objective of inclusive growth through job generation and poverty reduction (DSWD, in <https://dswdcashassistance.ph>).

Cognizant of the inalienable right of all Filipinos to quality education, RA No 10931 otherwise known as the Universal Access to Quality Tertiary Education was enacted in 2017. It provides free tuition and other school fees in state universities and colleges, local universities and colleges and state-run technical-vocational institutions. Funds are also allotted for the tertiary education subsidy and student loan program. This law is a welcome development as it gives opportunity and access to young Filipinos to pursue college education particularly those who come from low-income families.

Youth participation in governance. Filipino youth, who make up 52% of the voting population, are regarded as a significant voting segment that is essential to changing the course of the country (Sanchez, 2025, in <https://opinion.inquirer.net>). Thus, it is important that they be given the opportunity to participate in governance.

RA No. 8044, institutionalized youth participation at the national level. In addition to creating the National Youth Commission (NYC), it ensures youth representation in policy-making, promotes youth leadership and civic engagement programs, mandates the formulation of a National Youth Development Plan. The NYC acts as the primary policy-coordinating body for youth development.

RA No. 10742 or the Sangguniang Kabataan (SK) Reform Act of 2015 establishes youth councils in every barangay nationwide, requires SK officials to be between 18–24 years old, mandates training before assumption of office, allocates 10% of barangay general fund for youth programs as well as institutionalized the Local Youth Development Plan. This law provides a venue for participatory planning, serves as the general assembly for youth consultation, and ensures youth representation at the grassroots level. The barangay is considered as the smallest administrative unit in the country.

Apart from the SK, the Local Government Code of 1991 or RA No. 7160 embeds youth representation in local legislative and planning processes. It provides the legal basis for SK integration in barangay governance, mandates sectoral participation in local development councils, and encourages participatory local governance structures.

The Volunteer Act of 2007 or RA No. 9418 promotes volunteerism as a strategy for national development. It encourages youth civic engagement and supports volunteer programs in public institutions.

As a member of the United Nations (UN) and the ILO, the country aligns its youth governance efforts with the UN Youth Strategy, the Sustainable Development Goals, and has ratified ILO Convention No. 138 on minimum age, and ILO Convention No. 182 on worst forms of child labor. Hence, the overarching framework of domestic legislations and monitoring systems on youth employment and child labor elimination are based on these conventions.

IV. Conclusion and policy implications

The main challenges of youth employment in the Philippines can be described as: a) high NEET and unemployment; b) job-skills mismatch; c) job informality and precariousness; d) unequal job access; e) education quality gaps; f) weak school-to-work transition systems; and g) deepened exclusion and inequality to female youth. To address these challenges, various programs and policies were implemented and enacted with pervasive implications that shape governance culture, labor market structures, social equity, and long-

term national development.

Institutionalization of youth participation. The Philippines institutionalized the social, political, and economic participation of its youth. This is a significant strategy as it can turn the nation's population strength into a resource for development which are crucial in the long-term development of the nation. However, youth are susceptible to tokenistic participation which can significantly affect their influence and role in decision-making and policy-making in all levels of government.

Labor market structuring and youth transitions. Job matching services, SPES, and apprenticeship systems may reduce barriers to labor market entry and improve employability. However, short-term employment programs such as the GIP, may unintentionally normalize precarious work arrangements particularly if these are not tied to sustainable career pathways. Also, apprenticeships run the risk of becoming a source of cheap labor and exploitation rather than genuine training grounds.

Socioeconomic equity and inclusion. Youth policies have a strong redistributive implication as these usually target the poor but deserving students, marginalized youth, and out-of-school youth. Wage subsidies and livelihood support can help break poverty cycles. However, if there is disparity in their implementation across regions, these may result to uneven outcomes between rural or urban communities. For geographically isolated communities they may face limited or no program penetration. The outcome may not also be favorable to young women, particularly those who have care work responsibilities.

Democratic deepening and political stability. Engaging the youth in governance and public consultation processes exposes them early to public accountability and political literacy. These reduce political alienation and disengagement but can also lead to frustration and distrust when expectations are unmet and economic opportunities remain scarce.

Institutional coordination and governance complexity. Considering that youth policies involve multiple agencies, this poses coordination challenges. This can lead to duplication in government programs and fragmented monitoring among others. Hence, even well-intentioned programs risk inefficiency and limited impact.

Industrial relations and future workforce norms. Youth policies are not merely transitional as it shapes long-term character of labor relations in the country. Hence, youth programs can strengthen future compliance culture and labor-management relations if decent work principles, transparency and accountability are consistently promoted and practiced. Otherwise, insecure work arrangements run the danger of normalizing precariousness and weakening of collective voice traditions.

Demographic dividend and national development. The country stands to benefit from its “demographic sweet spot” with its young base population. Youth policies are strategic investments in human capital which can translate to productive and skilled young population. Hence, youth policy outcomes are directly linked to national competitiveness and long-term economic sustainability.

Philippine youth policies strongly institutionalized youth participation and emphasized employment integration. The central challenge then lies not in the absence of ample programs and policies but in the

depth, quality, and sustainability of implementation as well as its ability to transform its demographic strength into inclusive growth and democratic resilience.

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Youth Employment in Malaysia: Evaluating Legal and Policy Developments in an Evolving Labour Landscape

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- I. Introduction
- II. Youth employment in Malaysia
- III. Transitioning from education to employment
- IV. Job creation and employment support measures for Malaysian youth
- V. Conclusion

I. Introduction

In Malaysia, youths are statutorily defined as persons between 15 to 30 years of age.² There has been an expansion of youth participation in informal work³ in recent years. For the purpose of this paper, the exploration of informal employment will be confined to gig work, which refers to non-standard employment facilitated through digital labour platforms. As youth unemployment rates remain structurally elevated, deeper indicators reveal ongoing vulnerabilities in employment quality and long-term career progression, marked by persistent skill-related underemployment and a notable NEET (Not in Education, Employment, or Training) population amongst Malaysian youths.

This paper examines whether Malaysia's legal and policy framework as regards the gig economy and/or NEET meaningfully improve youth employment outcomes and argues that while Malaysian youth are increasingly involved in gig work, a lack of regulatory integration into mainstream employment systems risks entrenching low-skill job precarity. While fortifying security for youths in the gig economy is commendable, for instance by means of the Gig Workers Act 2025,⁴ concurrent steps must be taken to strengthen transitional education pathways into secure, formal employment.

II. Youth employment in Malaysia

Labour Force Participation of Youths

Malaysia's labour market is characterised by a “*structural duality*”,⁵ encompassing both formal and informal employment.⁶ This is reflected in local worker classification(s), i.e. employees⁷ and independent contractors.⁸

Figure 1 shows that in 2024, the late-youth demographic, aged 25–29, emerged as the dominant segment of

1. Senior Associate, Messrs Skrine – A member of the Malaysian Society for Labour and Social Security Law.

2. Pursuant to the Youth Societies and Youth Development Act 2007 [Act 668], effective 1 January 2026. Having said that, critical analyses and scholastic literature prior to 1 January 2026 predominantly focus on individuals between 15 to 24 years of age.

3. In accordance with the International Labour Organization (“ILO”), ‘informal employment refers to economic activities of workers and entities which are in law or practice not covered by formal arrangements and are not subject to national labour legislation.

4. [Act 872].

5. Mohd Hed, N., Rosli, N.A. “Navigating the Gig Economy: What Drives Malaysian Youth?”, (2025), JAYS.

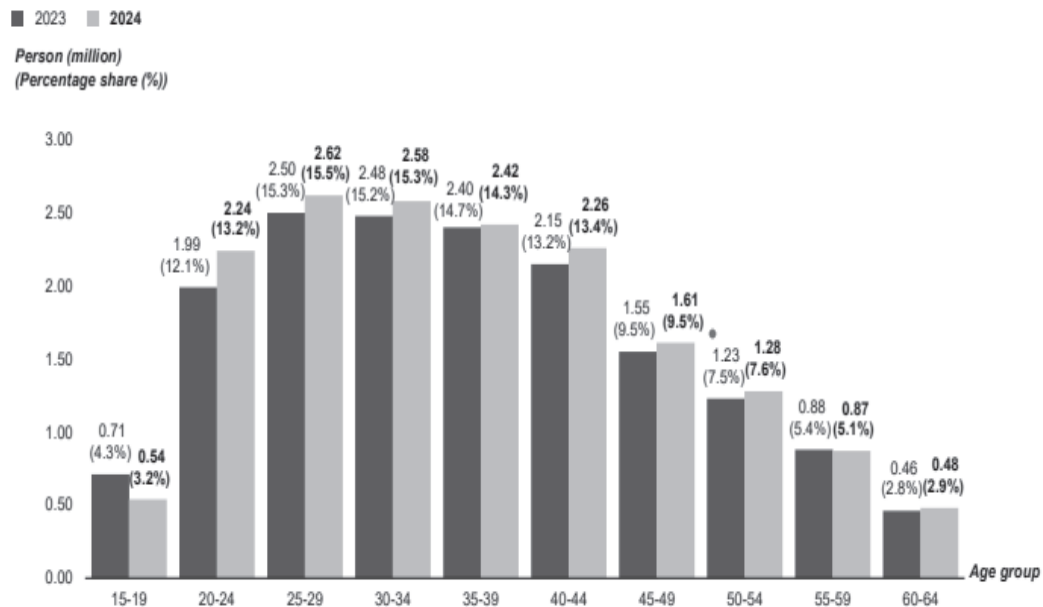
6. *What Gig Workers Really Want: A Whitepaper*, MyDigital, published May 2024.

7. Who are engaged under a contract of service.

8. Who are engaged under a contract for services.

the Malaysian labour force,⁹ comprising 15.5% (2.62 million people).

By age group, the youth demographic aged 25–29 generally maintains a high labour force participation rate¹⁰ of 86.2%, contrasting with the 19.6% recorded for the 15–19 age group (Table 1).¹¹



Source: Labour Force Survey Report, 2024.

Figure 1. Labour force by age group, Malaysia, 2023 and 2024

Table 1. Labour force participation rate by age and sex

Age group	Total (%)	Male (%)	Female (%)
	70.6	83.0	56.5
15–19	19.6	25.2	13.4
20–24	70.8	80.0	59.6
25–29	86.2	91.9	78.9
30–34	87.2	98.2	73.8
35–39	84.7	98.9	68.6
40–44	86.4	98.1	73.1
45–49	79.8	97.4	60.7
50–54	74.3	94.4	53.3
55–59	59.1	83.3	35.1
60–64	36.0	49.8	22.1

Source: Raw Data, Labour Force Survey, 2024.

9. Tracking the size and/or composition of the current labour force.

10. The percentage of the working age population that is either employed or actively seeking work. This figure describes activity level within the age group in question.

11. Labour Force Survey 2024, published 30 June 2025. See also raw data available at <<https://www.dosm.gov.my/portal-main/release-content/labour-force-survey-2024>>.

Concurrently, there has been an encouraging trend in youth-driven entrepreneurship in Malaysia. According to the 2023 Economic Census, youth-owned establishments reached 71,112 (6.5% of total businesses), generating MYR80.7 billion in gross output.¹² While relatively moderate in scale, this segment reflects an appetite for youth-led commerce in the post-pandemic years.

Legal Protection

In Malaysia, youths between the ages of 15 to 17 who are engaged in formal employment are accorded legislative protection under, amongst others, the Children and Young Persons (Employment) Act 1966,¹³ while those between the ages of 18 to 30 are protected under the Employment Act 1955¹⁴ – both of which prescribe minimum terms and conditions of employment, as well as protection under social security legislation, e.g. the Employees Social Security Act 1969¹⁵ and the Employees Provident Fund Act 1991.¹⁶

Independent contractors, however, are traditionally and/or historically disentitled to statutory protection and benefits, save, for instance, the Occupational Health and Safety Act 1994.¹⁷

Trends in Youth Labour Force Participation

Youth participation is increasingly occurring through informal, platform-mediated gig work. Studies indicate that gig economy participation is heavily concentrated amongst “middle youth” aged 19–24, who comprise 60.5% of the sector, followed by “late youth”, aged 25–30, at 33.2%.¹⁸

The conventional argument against youth involvement in the gig economy is income insecurity and financial exclusion.¹⁹ A study by the Department of Statistics, Malaysia (“DOSM”) in 2022, which involved a sample of 6,657 “p-hailing”²⁰ workers provided that 26.78% of these p-hailing workers earned between MYR1,501 to MYR2,499, while 23.39% earned MYR1,500 and below, and 11.67% earned from MYR2,500 to MYR3,170.²¹

A subsequent study by Hed et. al., conducted between October 2023 and March 2024,²² found that amongst gig workers in Kuala Lumpur, 48.1% earned a net monthly income of MYR3,001–RM4,000, 30.4% earned MYR2,001–RM3,000, and 3.9% earned more than MYR5,000.²³ At first blush, these findings challenge the narrative that unregulated gig work is uniformly unucrative, suggesting instead that for some, it may constitute a viable income-generating alternative, rather than a measure of last resort. However, notwithstanding short-term or immediate earning capacity, concerns over limited pathways for skill

12. Economic Census 2023: Youth-Owned Statistics <<https://www.dosm.gov.my/portal-main/release-/content/economic-census--youth-owned-statistics-2023>> (Accessed on 2 March 2026).

13. Section 2, Children and Young Persons (Employment) Act 1966 [Act 350].

14. Section 2, Employment Act 1955 [Act 265].

15. [Act 4].

16. [Act 432].

17. Sections 17 and 18A, Occupational Health and Safety Act 1994 [Act 514].

18. Ibid, No.5.

19. Tran, M. and Sokas, R.K. “The Gig Economy and Contingent Work: An Occupational Health Assessment.” (2017) *Journal of Occupational and Environmental Medicine* 59.

20. Defined as digital-based delivery service(s) in Malaysia for food, drinks, groceries, and parcels using motorcycles.

21. Almost 98% of p-hailing workers are youth, says Stats Dept <[https://www.thestar.com.my/news/nation/2023/02/17/almost-98-of-p-hailing-workers-are-youth-says-stats-dept#:~:text=In%20a%20statement%20on%20Friday,equivalent%20\(23.24%25\)%20and%20Bachelor's](https://www.thestar.com.my/news/nation/2023/02/17/almost-98-of-p-hailing-workers-are-youth-says-stats-dept#:~:text=In%20a%20statement%20on%20Friday,equivalent%20(23.24%25)%20and%20Bachelor's)> (Accessed on 2 March 2026).

22. Involving a sample size of 385 respondents.

23. Ibid, No.5.

development and upward mobility persist.²⁴ A 2024 study by MyDigital indicates that excessively long hours in gig work hinder opportunities for professional development, further entrenching participants in a cycle of low-paying, low-skilled work without the prospect of upward mobility or improved financial security. This is particularly onerous given youth-heavy participation in gig work.²⁵

Additionally, gig work done by youths is rarely commensurate with their academic qualifications or economic potential. In 2022, over 97% of p-hailing workers were aged 15–30, with more than 35% holding diplomas or degrees.²⁶ Compounding this, youth underemployment amongst Malaysians aged 15–24 worsened in the first quarter of 2025, reflecting not merely cyclical weakness but deeper structural issues in job quality and skills utilisation.²⁷ Skill-related underemployment increased to 393,000 youths, up from 373,000 in the fourth quarter of 2024, representing an 11.6% year-on-year rise, underlining difficulties in matching young workers’ qualifications with suitable employment.²⁸ More starkly, time-related underemployment surged to 50,000 youths in the first quarter of 2025, from 33,000 in the fourth quarter of 2024 – translating into a sharp 123.0% year-on-year increase.²⁹

Taken collectively, these trends indicate that youth employment in Malaysia is increasingly characterised by underutilisation and precarious work arrangements, raising concerns about long-term skills development, wage progression, and upward mobility. Encouragingly, research indicates that 37% of full-time gig workers view gig work as a temporary stopgap, and this tendency is most pronounced amongst youth aged 24 and below – indicating that younger workers are actively seeking to transition into formal employment.³⁰

Youth Unemployment

Despite trends in youth participation in the formal or informal labour force, youth unemployment remains structurally elevated. As of November 2025, the youth unemployment rate for those aged 15 to 24 years remained at 10.1% – more than three times the national average,³¹ while the broader 15–30 age group recorded an unemployment rate of 6.1% (Figure 2).

Data from 2023 and 2024 demonstrates that unemployment was highest amongst youths aged 20 to 24, reinforcing the concerns highlighted in this paper (Figure 3).

Causes of youth unemployment are complex and intertwined with wage levels, job quality and work conditions.³² Employer surveys have found that shortcomings in communication, technical and professional skills, hinder graduates’ employment prospects.³³ An arguable byproduct of this condition is the NEET population – youths who are unemployed or outside the labour force, due to reasons other than education or training.

24. Abd Samad, K., Anuar, M. E. A., Abd Rahman, N. H., Ahmad, K. S., Harmain, H., Satrianto, A., and Mahadi, N. F. “Diagnosing the well-being of gig workers in Malaysia: A viable system model approach”, (2024), *Environment-Behaviour Proceedings Journal*, 9(28), 297–304.

25. Ibid, No.6.

26. DOSM, “Laporan Kajian Pekerja Gig Dalam Perkhidmatan Penghantaran Makanan Dan Barangan Yang Bekerja Sendiri 2022”, published 17 February 2023.

27. MIDF, “Youth Unemployment and Underemployment: Major Stress Points in Malaysia’s Job Market”, ESG Review: Labour Market Issues, MIDF Research, published 11 July 2025.

28. Ibid, No. 27.

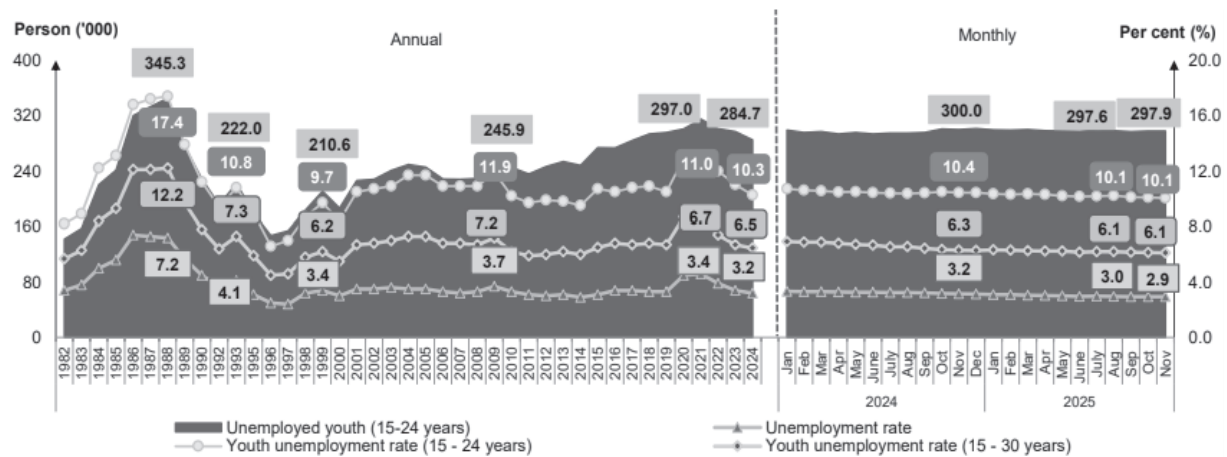
29. Ibid, No. 27.

30. Ibid, No. 6.

31. The national unemployment rate stands at 2.9% as of November 2025, based on the Labour Force Statistics Report, published 9 January 2026.

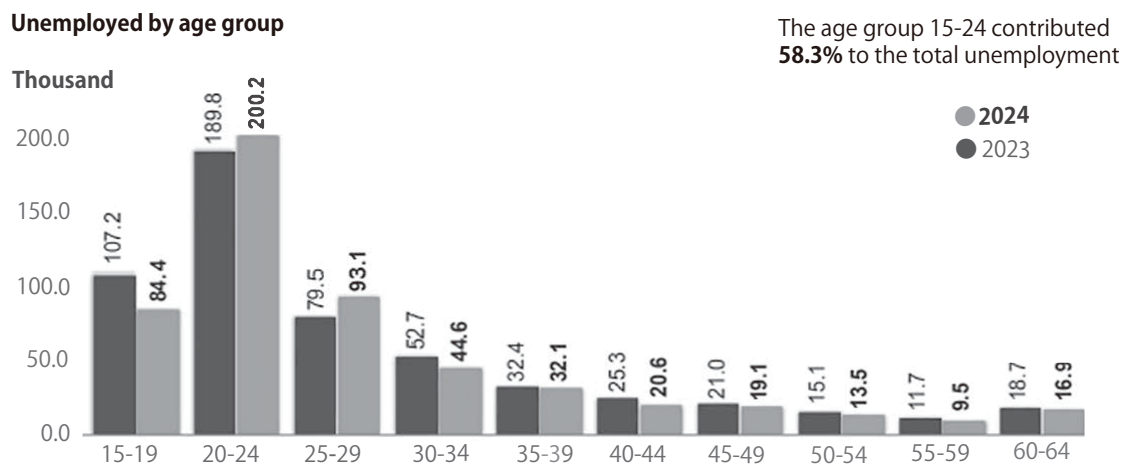
32. Lee Hwok Aun, “Unemployment among Malaysia’s Youth: Structural Trends and Current Challenges”, *ISEAS – Yusof Ishak Institute*, Issue: 2020 No. 65.

33. Ibid, No. 32.



Source: DOSM, *Labour Force Statistics Report*, published 9 January 2026.

Figure 2. The number of unemployed persons and unemployment rate by selected age groups, 1982–2024 and January 2024 - November 2025



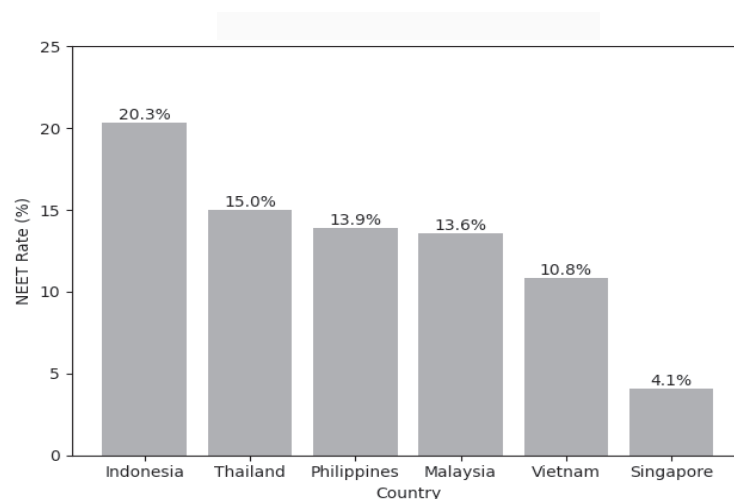
Source: *Labour Force Survey Report*, 2024.

Figure 3. Labour force statistics on unemployment by age group

Literature canvassing the Malaysian NEET population is limited, as are policy measures specifically targeting the Malaysian NEET population. Research indicates that Malaysia's youth NEET rate stands at 13.6% (Figure 4), impacting a fair portion of the nation's 6.84 million youths.³⁴ By contrast, more than 16% of youth in Southeast Asia in 2024 were NEET.³⁵ Comparatively, Malaysia's NEET rate is on the higher end of the spectrum, when canvassed against neighbouring regions:

34. "The NEETs of Many", *The Star* <<https://www.thestar.com.my/news/focus/2025/12/14/the-neets-of-many>> (Accessed on 2 March 2026).

35. Statistics on Youth <<https://ilostat.ilo.org/topics/youth/>> (Accessed on 2 March 2026).



Source: Author's calculation based on current data available from national government data repositories across Southeast Asia.

Figure 4. NEET rates across Southeast Asia

Aggravating this data is the ‘missing’ cohort identified by the Ministry of Higher Education, which reveals that over half a million SPM graduates from 2020 to 2023 did not pursue tertiary education.³⁶ There is insufficient data as to the number of these graduates who are in vocational training, self-employment, or gig work. Further, the raw data on labour force participation in 2024 reveals a stark gender disparity amongst late youths, i.e. 91.9% for males versus 78.9% for females.³⁷ This suggests that a significant portion of Malaysia’s NEET population is comprised of young women facing socio-economic barriers to formal entry – a nuance often lost in aggregate unemployment figures.

Although graduate employability³⁸ improved to 89.8% in 2023,³⁹ a skills mismatch remains high at 32.4%,⁴⁰ indicating the need for better job alignment. In 2023, only 30% of employed graduates held skilled positions,⁴¹ highlighting an underutilisation of human capital. It is therefore plausible that there are deeper structural issues beneath the topline unemployment rate that is (i) heightening entry barriers to formal employment and (ii) rerouting youths to informal employment or unemployment altogether. The resulting detachment from relevant professional paths reinforces the vicious NEET cycle, as extended periods of inactivity erode the likelihood of reintegration into employment.

Addressing these barriers requires an analysis of the mechanisms that aid the transition from education to employment.

III. Transitioning from education to employment

The International Labour Organisation (“ILO”) defines the school-to-work transition as the passage of a

36. Over half a million SPM graduates didn’t pursue tertiary education, New Straits Times <<https://www.nst.com.my/news/nation/2025/02/1178179/over-half-million-spm-graduates-didnt-pursue-tertiary-education>> (Accessed on 2 March 2026).

37. Raw Data, Labour Force Survey, 2024 <<https://www.dosm.gov.my/portal-main/release-content/labour-force-survey-2024>> (Accessed on 2 March 2026).

38. Defined by the ILO as the quality of being suitable for paid work.

39. “The ‘Gaji Cukup Makan’ Economy”, Malaysia Labor Market Insight Series (2024).

40. Ibid, No. 39.

41. Ibid, No. 39.

young person from the end of schooling to the first ‘satisfactory’ or ‘decent’ job.⁴² The Malaysian government has introduced efforts to facilitate and enhance the school-to-work transition.

First, the Malaysia Education Blueprint (Higher Education) 2026–2035 (“**Blueprint**”) redefines the role of higher education institutions in national development by emphasising a need for ongoing adaptability to bridge the gap between education and labour market needs – positioning higher education institutions as catalysts for change through collaboration with industries and government agencies,⁴³ prioritising digital fluency and lifelong learning.⁴⁴ The Blueprint aims to enhance graduates’ employability in line with industry needs, thereby improving workforce productivity.⁴⁵

Second, the Technical and Vocational Education and Training (“**TVET**”)⁴⁶ has become a central part of Malaysia’s economic strategy. Government-driven support for TVET has intensified under key national frameworks. Under the 13th Malaysia Plan, TVET enrolment rose from 408,767 students in 2023 to 423,267 students in 2024, across 1,398 institutions.⁴⁷ This suggests a growing acceptance of vocational training as a viable career engine, providing support to those from lower income households and other vulnerable groups. The Government aims to increase TVET enrolment to 70% by 2030, establishing it as a primary driver of youth employability, and has also proposed raising entry-level salaries for TVET graduates to around MYR3,000⁴⁸ - exceeding the present minimum wage of MYR1,700,⁴⁹ to enhance the attractiveness and status of vocational careers.⁵⁰ This is further compounded by plans under the Malaysia Education Blueprint 2026–2035 to integrate TVET at primary and secondary school levels under the 2027 school curriculum.⁵¹

However, higher enrolment alone may reflect policy-driven expansion rather than genuine labour-market demand, risking ‘credential inflation’ and underemployment amongst TVET graduates. The success of this initiative hinges on, amongst others, the quality of such training and whether this ‘future’ wage around or exceeding MYR3000 can compete with the ‘immediate’ income of gig work, whereby 48.1% of workers in urban regions such as Kuala Lumpur can presently earn between MYR3,001 and MYR4,000,⁵² despite the lack of long-term career progression.

42. Elder, Sara. 2009. *ILO School-to-Work Transition Survey: A Methodological Guide*. Module I. Geneva: International Labour Organization. Satisfactory employment is a subjective concept, based on the self-assessment of the job-holder. “Decent employment” involves “opportunities for work that is productive and delivers a fair income, security in the workplace and social protection, better prospects for personal development and social integration, freedom to express concerns, organise and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men.”

43. Executive Summary, Higher Education Plan 2026–2035, Published on 20 January 2026.

44. F. Hassan, *Malaysian Higher Education Blueprint (MHEB) 2026–2035*, published October 2025.

45. Malaysia’s Education Blueprint 2025–2035 to prepare graduates for workforce transition – Mustapha <<https://www.nst.com.my/news/nation/2025/11/1322790/malaysias-education-blueprint-2025%E2%80%932035-prepare-graduates-workforce>> (Accessed on 2 March 2026).

46. TVET in Malaysia originated in the early 20th century, with the first technical school established around 1904–1906 to train youth in trades like mechanics and construction. It has since evolved from colonial-era training into a core component of national education, with major milestones including the establishment of vocational schools in 1964 and polytechnics in 1969.

47. Record number of TVET students recorded in 2024, Dewan Rakyat told <<https://www.thestar.com.my/news/nation/2025/02/19/record-number-of-tvet-students-recorded-in-2024-dewan-rakyat-told>> (Accessed on 2 March 2026).

48. Government Mulls Proposal to Establish TVET Commission <<https://bernama.com/en/general/news.php?id=2433312>> (Accessed on 2 March 2026).

49. Minimum Wages Order 2024 [P.U.(A) 376/2024].

50. TVET enrolment targeted to hit 70% under 13MP <<https://www.thestar.com.my/news/nation/2025/10/30/tvet-enrolment-targeted-to-hit-70-under-13mp>> (Accessed on 2 March 2026).

51. PMX Unveils New Education Blueprint – Earlier Start for Primary Kids Among Key Changes <<https://www.therakyatpost.com/news/2026/01/20/pmx-unveils-new-education-blueprint-earlier-start-for-primary-kids-among-key-changes/#gsc.tab=0>> (Accessed on 2 March 2026).

52. Ibid, No.5.

Notably, longsighted efforts are focused on upskilling and aligning TVET with Industry 4.0 and high-growth, high-value sectors, including advanced manufacturing, electric vehicles, semiconductors, renewable energy, and the digital economy.⁵³ Curricula are being updated to comply with Occupational/Industry Standard Practice (OISP) and to integrate technologies such as artificial intelligence, the Internet of Things (IoT), and augmented reality.⁵⁴ International collaboration has expanded through programmes such as *Belia Mahir*, to send students to China for specialised training,⁵⁵ and engagement with institutions in the United Kingdom to strengthen certification frameworks.⁵⁶

Another cornerstone of this strategy is the MYR200 million K-Youth Program initiated by Khazanah, which targets 11,000 non-degree youths for on-the-job training.⁵⁷ By focusing on strategic sectors such as semiconductors, machinery, and digital technology, this initiative addresses the ‘skills gap’ by providing practical pathways for school leavers (who might otherwise fall into the NEET category). Furthermore, the Skills Development Fund Corporation has allocated MYR650 million to finance training for over 25,000 individuals in high-value fields⁵⁸ such as artificial intelligence and electric vehicles, aligning educational output with the objectives of the New Industrial Master Plan (NIMP).

IV. Job creation and employment support measures for Malaysian youth

Graduate transitions must be supported by on-the-job training or upskilling and adequate social protection to ensure youth human capital is leveraged for Malaysia’s transition to a high-value, technology-driven economy.

HRD Levies

HRD Corp⁵⁹ drives Malaysia’s talent development by collecting employer levies to fund workforce training and development. Its mandate has expanded to include employment and industrial training placements, career guidance, and income-generating initiatives across diverse skill levels. HRD Corp aims to future-proof Malaysia’s workforce and support the country’s transition to a high-income economy.

In January 2026, the Human Resource Development Corporation (HRD Corp) approved MYR2.62 billion in financial assistance towards training and skills development activities in 2025 – a growth of 32% against 2024.⁶⁰ There were more than 2.8 million training places for HRD Corp-administered programmes

53. TVET and STEM to spearhead Malaysia’s NIMP 2030 push <<https://www.freemalaysiatoday.com/category/leisure/2025/12/31/tvet-and-stem-to-spearhead-malaysias-nimp-2030-push>> (Accessed on 2 March 2026).

54. How TVET is Reshaping Malaysia’s Economic Future <<https://news.umpsa.edu.my/experts/how-tvet-reshaping-malaysias-economic-future>> (Accessed on 2 March 2026).

55. Zahid: Malaysia obtains 2,500 new China TVET placements, number could rise to 5,000 <<https://www.malaymail.com/news/malaysia/2025/11/07/zahid-malaysia-obtains-2500-new-china-tvet-placements-number-could-rise-to-5000/197497>> (Accessed on 2 March 2026).

56. Zahid: Malaysia aims to be Asean’s TVET certification hub <<https://www.nst.com.my/news/nation/2025/06/1225157/zahid-malaysia-aims-be-aseans-tvet-certification-hub>> (Accessed on 2 March 2026).

57. K-Youth Development Programme (K-Youth) <<https://www.khazanah.com.my/careers/k-youth/>> (Accessed on 2 March 2026).

58. Outcome Based Financing To Strengthen TVET Ecosystem <<https://www.bernama.com/en/general/news.php?id=2489942>> (Accessed on 2 March 2026).

59. Governed by the *Pembangunan Sumber Manusia Berhad Act 2001* and overseen by the Ministry of Human Resources.

60. HRD Corp Approved Rm2.62 Billion In Financial Assistance In 2025, Delivering Skills Outcomes At National Scale <<https://hrdcorp.gov.my/hrd-corp-approved-rm2-62-billion-in-financial-assistance-in-2025-delivering-skills-outcomes-at-national-scale>> (Accessed on 2 March 2026).

and schemes that were recorded in 2025, also a positive growth of 3% against 2024.⁶¹ Further, by allowing employers to utilise HRD levy funds to directly subsidise university or TVET graduates' salaries,⁶² the government aims to lower the risk premium for employers hiring fresh talent from local universities and TVET institutions. This measure aligns with the target under the MADANI Economic Framework creating 1.2 million high-skilled jobs by 2030.⁶³

Strategically, these efforts operate in tandem with school-to-employment transitions through TVET interventions and shifts the burden of workforce readiness from the academic sector to a shared industry-government responsibility. HRD Corp also continued to build skills, livelihoods and community outcomes through upskilling, entrepreneurship and TVET-based interventions. Between 2022 to August 2025, HRD Corp collected MYR6.17 billion in levies, of which MYR5.77 billion were used to train about four million workers nationwide.⁶⁴ Of that amount, around MYR25 million was allocated for training programmes in artificial intelligence and information technology, benefiting more than 20,000 workers.⁶⁵

1:3 Internship Policy

To further streamline job creation and upskilling, Malaysia's 1:3 Internship Policy links the employment of foreign experts and the development of local talent. Managed by the Ministry of Human Resources through TalentCorp, this policy requires companies obtaining Employment Pass ("EP") approvals to provide paid structured internship placements for every expatriate hired.⁶⁶ Internship requirements are determined based on EP categories:⁶⁷

EP Category	Requirements
EP Category I (EPI)	1 expatriate: 3 interns
EP Category II (EPII)	1 expatriate: 2 interns
EP Category III (EPIII)	1 expatriate: 1 intern

Internship obligations are capped at 2% of the total company workforce, regardless of the number of EP approvals.⁶⁸ This commendable initiative aims to generate over 100,000 annual internship opportunities, addressing the "experience gap" that often hinders Malaysian graduates from entering the professional workforce.

By integrating the National Structured Internship Programme (MySIP)⁶⁹ with the expatriate visa process, the government aims to ensure that these placements offer high-quality, industry-relevant training. To offset

61. Ibid, No. 60.

62. Employers can use RM2bil HRD levy to hire Malaysian graduates from September <<https://www.nst.com.my/news/nation/2025/08/1262088/employers-can-use-rm2bil-hrd-levy-hire-malaysian-graduates-september>> (Accessed on 2 March 2026).

63. RM2 Billion HRD Levy To Support Graduate Jobs <<https://ringgitplus.com/en/blog/personal-finance-news/rm2-billion-hrd-levy-to-support-graduate-jobs.html>> (Accessed on 2 March 2026).

64. Sim: Gig economy limits workers' full potential <<https://www.malaysiakini.com/announcement/75767>> (Accessed on 2 March 2026).

65. Ibid, No. 64.

66. The pilot implementation of the 1:3 Internship Policy will commence from 15 February 2025 to 31 May 2026, after which the official implementation will come into effect on 1 June 2026.

67. 1:3 Internship Policy <<https://www.talentcorp.com.my/1to3policy/>> (Accessed on 2 March 2026).

68. Ibid, No. 67.

69. National Structured Internship Programme (MySIP) <<https://www.talentcorp.com.my/mysip-incentives/>> (Accessed on 2 March 2026).

the operational costs for businesses, the policy includes double tax deductions for internship expenses.⁷⁰ This framework creates a balanced structure where corporations maintain access to global expertise while simultaneously investing in the long-term sustainability of Malaysia's domestic talent pool.

Gig Workers Act 2025

The Gig Workers Act 2025 (“GWA 2025”)⁷¹ marks a significant departure from traditional labour dichotomies by ‘formalising’ the status of Malaysia’s gig workers, a sizable proportion of which are youths, as discussed above. By introducing statutory definitions for “gig workers” and “service agreements,” the GWA 2025 imposes minimum terms and conditions for service in the gig economy,⁷² including limitations on deductions of earnings,⁷³ without imposing the rigidities of formal employment.

For Malaysian youth in the gig economy, the GWA 2025 provides critical regulation and social security. Platform providers will be required to register gig workers with the Self-Employment Social Security Act 2017.⁷⁴ Contracting entities are also obligated to ensure the occupational safety and health of gig workers,⁷⁵ including risk assessments, safety measures, and reporting of accidents or work-related illnesses.⁷⁶ In addition, the GWA 2025 establishes a dispute resolution mechanism whereby gig workers may raise complaints with contracting entities, and, if necessary, escalate the matter to the Gig Workers Tribunal.⁷⁷ As of early April 2026, a total of 76 individuals were appointed to the Gig Workers Tribunal and the Gig Workers Consultative Council, in a move to strengthen the enforcement of the GWA 2025.⁷⁸

The actual effectiveness of the GWA 2025 in protecting gig workers, however, remains to be seen given the novelty of the GWA 2025, and will be contingent on further regulations and guidelines. Further, while the GWA 2025 has the potential to address immediate vulnerabilities through mandatory social security contributions and occupational safety and health standards, it remains a partial solution as regards long-term youth employability. The GWA 2025 stops short of addressing the issue of underemployment or the lack of career progression. Regulatory integration must therefore be viewed not as the be-all-end-all for youth employment, but as a link back into high-value sectors that are presently focused on under TVET, for instance.

Complementing this legislative framework is the strategic reinvestment of human capital funds. HRD Corp has pledged to reinvest the MYR1 million surplus from the National Human Capital Conference and Exhibition (NHCCE) 2025 directly into training programmes for gig workers.⁷⁹ As noted by the Minister of Human Resources at the time, this ensures that gig workers are not merely viewed as ‘transient labour’ but as a segment of the workforce entitled to career advancement and upskilling – addressing the ‘skills trap’ inherent in platform work.⁸⁰

The formalization of social safety nets for Malaysia’s informal sector has reached a milestone through

70. Ibid, No. 69.

71. GWA 2025 [Act 872] came into force on 31 March 2026.

72. Sections 5 and 6, GWA 2025.

73. Section 12, GWA 2025.

74. Section 83(b), GWA 2025.

75. Part IX, GWA 2025.

76. Reinforcing existing obligations to provide safe working environments to independent contractors.

77. Parts IV and V, GWA 2025.

78. 76 Appointed To TPG, MPGig To Strengthen Gig Workers Act Enforcement <<https://www.bernama.com/en/news.php?id=2540551>> (Accessed on 5 April 2026).

79. NHCCE 2025 Records RM1 Million Surplus to Fund Training for Gig Workers – Steven Sim <<https://www.bernama.com/en/news.php?id=2475397>> (Accessed on 2 March 2026).

80. Ibid, No. 79.

the *Lindung Kendiri* scheme under the Employees Provident Fund. As of November 2024, a total of 298,827 gig workers actively contribute to the scheme, marking an increase in social protection coverage for a sector previously characterized by high risk and zero benefits.⁸¹ This surge signals an awareness amongst platform workers regarding the necessity of injury and disability insurance. By mandating or incentivizing these contributions, the government is bridging the gap between precarious informal work and the security of formal work, ensuring that youths who utilise gig work as an entry point, are not left vulnerable to industrial accidents.

V. Conclusion

Malaysia's youth employment landscape is characterized by a shift toward informal employment that risks entrenching low-skill job precarity. While the youth unemployment rate has reached its lowest level since mid-2024 at 10.1%, deeper indicators such as the increase in time-related underemployment reveal a workforce in 'limbo'.

The GWA 2025 and other government-driven initiatives represent commendable shifts toward protecting the informal sector. This paper concludes that legislative safety nets must be paired with career ladders promised by the Blueprint and TVET. To achieve a high-value economy, this paper posits that Malaysia must move beyond merely absorbing youth into the workforce and focus on facilitating their transition into high-growth Industry 4.0 sectors.

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81. Almost 300,000 gig workers now actively contributing to PERKESO's *Lindung Kendiri* scheme, says deputy minister <<https://www.thestar.com.my/news/nation/2025/11/25/almost-300000-gig-workers-now-actively-contributing-to-perkesos-lindung-kendiri-scheme-says-deputy-minister>> (Accessed on 2 March 2026).

Indonesia's Youth Employment Landscape: The Urgent Need of Comprehensive Legal Framework to Address Current Challenges

Ike FARIDA

- I. Introduction
- II. Youth labor force participation and employment
- III. COVID-19 Pandemic effect on youth employment
- IV. Intergenerational divide
- V. Youth employment in current regulatory framework
- VI. Conclusion

I. Introduction

Youth employment remains a critical challenge in Indonesia, following a broader trend across Asia-Pacific region at large. As the world's fourth most populous nation, Indonesia is currently at its demographic bonus phase, a phenomenon where the productive-age population significantly outweighs the non-productive population, and is projected to peak between 2020 and 2035. However, the persistence of high youth unemployment and labor market exclusion raises growing concerns that Indonesia is failing to translate this demographic dividend into sustainable and inclusive economic growth. In 2024, Indonesia's youth unemployment was about 13.1%, which is roughly double the national unemployment average, meaning young Indonesians (ages 15–24) are twice as likely to be jobless as the general workforce.¹ Moreover, nearly one in four Indonesian youths (23.8%) are identified as Not in Employment, Education, or Training (NEET).² In addition, the population portion affected of NEET has disproportionately largely been women.³ Employment quality has also become a concern: As over 54% of working youth are engaged in non-permanent or informal jobs, with limited job security and social protection.⁴

Sakernas⁵ 2024 data shown in Table 3 reveals that 23.78% of Indonesian youth are in a NEET condition, as previously mentioned. NEET rates are higher among females (33.10%) than males (14.98%), and slightly higher in rural areas (25.23%) compared to urban areas (22.80%). Regionally, the highest NEET rates are found in Maluku, Aceh, and North Sulawesi while the lowest are observed in Bali, Highland Papua, and Yogyakarta. These patterns underscore that gender, geographic location, and structural regional conditions play significant roles in shaping youth vulnerability to unemployment and inactivity.

These challenges are reflected not only in unemployment figures but also in patterns of labor force participation as shown in Figure 1. Data from Statistics Indonesia (BPS) indicate that the Youth Labor Force

1. "Publikasi," Badan Pusat Statistik (BPS – Statistics Indonesia), Accessed December 8, 2025, <https://www.bps.go.id/publication.html>.
2. Direktorat Statistik Kesejahteraan Rakyat, "Statistik Pemuda Indonesia 2024 [Statistics of Indonesian Youth 2024]," *Statistik Pemuda Indonesia* 22 (2024), 182, <https://www.bps.go.id/en/publication/2024/12/31/b2dba4c4542352cea8794590/statistics-of-indonesian-youth-2024.html>.
3. *Ibid.*
4. Badan Pusat Statistik, *Statistik Pemuda Indonesia 2024* (Jakarta: BPS, 2024), xii, <https://www.bps.go.id>.
5. SAKERNAS (National Labor Force Survey) is a periodic statistical survey conducted to measure the size, composition, and characteristics of the labor force, employment, and unemployment in Indonesia. Sakernas is a national survey conducted by Badan Pusat Statistik (Statistics Indonesia) to collect data on the labor force and employment conditions in Indonesia. (Badan Pusat Statistik, *Sakernas (National Labor Force Survey)*, Jakarta, Badan Pusat Statistik, 2023, <https://www.bps.go.id>.)

Table 1. Province with the highest NEET, 2024

Province	NEET Youth (%)
Maluku	34
Aceh	31,71
North Sulawesi	31,1
North Maluku	30,46
Papua	30,32

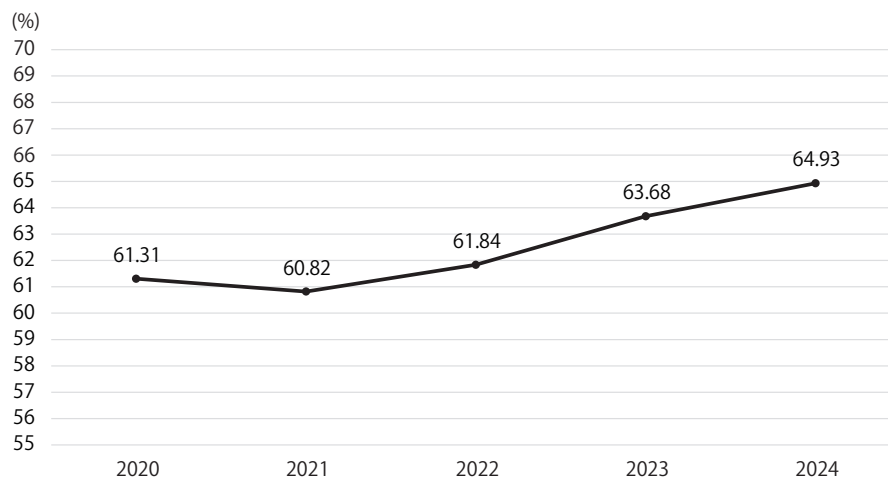
Table 2. Province with the lowest NEET, 2024

Province	NEET Youth (%)
Bali	10,01
Highland Papua	11,94
DI Yogyakarta	13,76
West Nusa Tenggara	18,31
East Nusa Tenggara	18,77

Table 3. National summary of NEET, 2024

Category	NEET (%)
Urban	22,8
Rural	25,23
Male	14,98
Female	33,1
Indonesia Total	23,78

Source: Indonesian Youth Statistic, Badan Pusat Statistik (2024).



Source: Indonesia Statistic, 2024. ⁶

Figure 1. Youth labor force participation rate 2020–2024

Participation Rate (TPAK) declined during the peak pandemic years, from 61.96% in 2019 to 60.82% in 2021, before recovering to 64.93% in 2024. While this rebound suggests renewed engagement in the labor market, the recovery has not necessarily translated into stable or quality employment, as much of the reabsorption has occurred within informal or precarious sectors.

While educational attainment among youth has improved, with increasing access to secondary and tertiary

6. Indonesia Statistic (BPS), 2024, Tingkat Partisipasi Angkatan Kerja Pemuda Indonesia. Tingkat Partisipasi Angkatan Kerja Pemuda Terus Meningkat Setelah Pandemi - GoodStats Data.

education.⁷ For instance, vocational high school graduates face an unemployment rate of around 8%, higher than any other education group, and even university graduates experience unemployment rates near 6%.⁸ Such figure reflects the mismatch between the skills possessed by the youth and the jobs available, as well as growing competition for the limited number of work opportunities. This mismatch is further compounded by post-pandemic labor market restructuring, accelerated digitalization, and shifting employer expectations, which have collectively raised entry barriers for first-time jobseekers.

A number of legal and national policy frameworks relating to supporting youth in the workplace will also be discussed. Law No. 13 of 2003 on Manpower sets the fundamental standards of working age at 15, as well as other general labor protections. Law No. 40 of 2009 on Youth outlines the definition of youth as individuals aged 16–30. The law also mandates the support of youth development, including enabling government at various levels to allocate budget for youth training programs in the context of labor development. Since youth workers are well-defined by Manpower Law, they are also covered by the national social security program (BPJS) as stipulated in Law No. 24 of 2011 on Social Security Implementing Agency. However, despite these instruments, the regulatory environment remains fragmented, with youth-related provisions dispersed across manpower, social security, skills development, and youth affairs legislation. As later chapters discuss, this dispersion contributes to gaps in coordination, uneven implementation, and the absence of a unified youth employment strategy. In regard to international law however, Indonesia has ratified ILO Conventions 138 and 182, reinforcing its commitment to international standards on minimum working age and the elimination of the worst forms of child labor.

In the subsequent sections, the report will explore Indonesia's youth employment landscape by analyzing statistical trends and institutional mechanisms while evaluating how current policies, transition programs, and regulatory instruments collectively—or sometimes insufficiently—respond to the evolving needs of Indonesia's young workforce.

II. Youth labor force participation and employment

Indonesia's youth, defined as ages 16–30 in national law,⁹ constitute a large and growing labor supply. As of 2024, there were about 64.2 million youth (roughly 1 in 5 Indonesians), among 65% of them are active in the labor force.¹⁰ This massive youth population represents the backbone of Indonesia's demographic bonus. However, the limited capacity of the formal labor market to absorb this expanding cohort indicates a structural challenge in translating demographic advantage into productive employment. Participation is highly uneven by gender. Over three-quarters of young men (76.4%) participate in the labor force, compared to only about 52.8% of young women.¹¹

These figures confirm that young women consistently face NEET rates 7–9% points higher than young men, shown in Figure 2. The gender gap is also cultural norms and caregiving roles largely account for this gap as many young women are full-time students or homemakers and thus not counted as economically

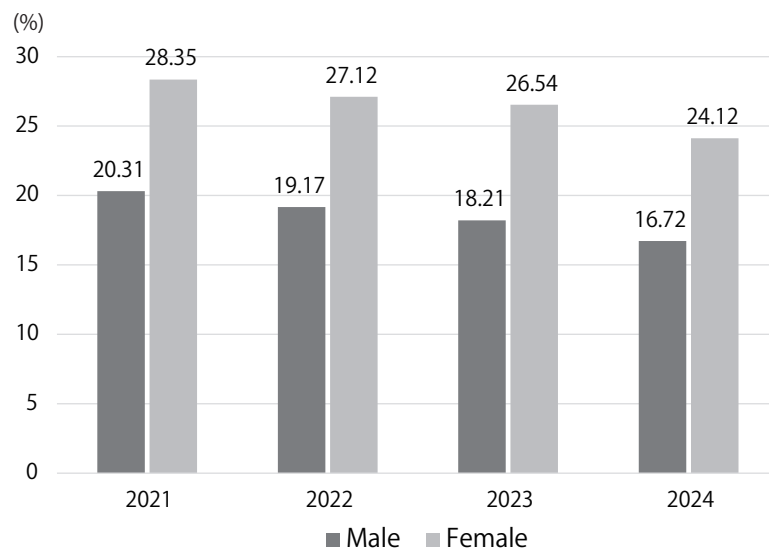
7. *Ibid.*

8. Badan Pusat Statistik (BPS – Statistics Indonesia), “Tingkat Pengangguran Terbuka Berdasarkan Tingkat Pendidikan [Open Unemployment Rate Based on Education Level],” *Sakernas Februari 2025* 8, No. 1 (2025), 17, <https://www.bps.go.id/id/publication/2025/07/14/90a6b20c25c63176d23ab46c/booklet-sakernas-februari-2025.html>.

9. Republic of Indonesia, Central Government, Pasal 1 Undang-Undang No. 40 Tahun 2009 tentang Kepemudaan [Article 1 of Law No. 40 of 2009 on Youth], 2009, <https://peraturan.bpk.go.id/Details/38784/uu-no-40-tahun-2009> [in Indonesian].

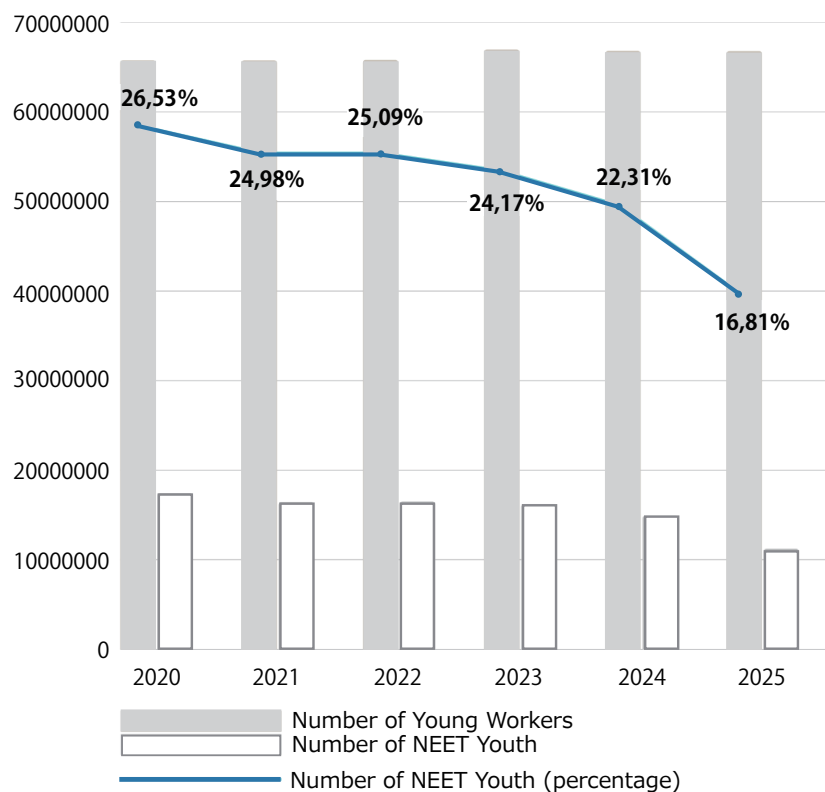
10. Direktorat Statistik Kesejahteraan Rakyat, *loc. cit.*, 11, <https://www.bps.go.id/en/publication/2024/12/31/b2dbaac4542352cea8794590/statistics-of-indonesian-youth-2024.html>.

11. *Ibid* 186.



Source: Indonesia Statistic (BPS), 2021–2024.¹²

Figure 2. The gender gap in NEET statistics: Estimated population aged 15–19 years (2020–2025)



Source: Statistics Indonesia (BPS), 2025.

Figure 3. Estimated number and percentage of NEET youth (2020–2025)

12. Statistic Indonesia (BPS), 2024, Indikator Pekerjaan Layak di Indonesia, 23.

active.¹³ In fact, out of all non-working youth, the majority are female, often engaged in unpaid domestic work as national data shows 39 million women of working age are outside the labor force due to household responsibilities.¹⁴ This gender disparity in participation is one of the issues of Indonesia's youth employment landscape, indicating untapped economic potential if more young women could be empowered to work.

As previously mentioned, unemployment is significantly higher for youth aged 15–24 than for older adults. Over the years, there is a persistent pattern that young workers are likely to be jobless than younger adults as shown in Figure 3. However, it is important to note that Indonesia is steering into the right direction as it has improved its youth employment prospect compared to two decades ago. The struggle for youth workers seems also to indicate a broader regional issue, as ILO also shows the Asia-Pacific region is facing an average of 13.9% youth unemployment rate.¹⁵

III. COVID-19 pandemic effect on youth employment

The COVID-19 pandemic, in particular has a profound impact on youth labor market trajectories. Lockdowns, school closures, and economic contractions disproportionately affected young workers, many of whom were employed in sectors most vulnerable to disruption, such as retail, hospitality, and informal services¹⁶ exacerbating NEET rates and creating what some scholars refer to as a “lost cohort” of youth whose early career pathways were derailed.¹⁷

During the pandemic, digitalization in workplaces was accelerated as well, which also affect the trajectories of Indonesia's labor landscape. This has widened the gap between digitally literate youth and those without access to technology or training. This digital divide is particularly pronounced in rural areas and among low-income youth, which has resulted in inequitable access to emerging labor markets. A report conducted by UNICEF Indonesia explores the current situation of digital divide in Indonesia, from which there are five areas of divide (table 4).¹⁸ The table summarizes five gaps (internet connectivity, device access, internet usage and infrastructure, digital skills, and education disruption) that together shape unequal entry points into post-pandemic labor markets. Limited and costly connectivity in low-income and remote regions restricts access to online job portals, digital apprenticeships, and remote work. Low computer ownership (despite high smartphone uptake) constrains the development of productivity and coding skills commonly required for formal employment. Weaker infrastructure and affordability further depress usage quality, while foundational and advanced digital skill deficits, especially among young women, translate into lower

13. Faizah, Fida Y., Isbah, M. Falikul, and Azca, Muhammad N., “Understanding Young People Not in Employment, Education or Training in Indonesia: Gendered Transition in the Changing Cultural Context.” *YOUNG*, 2025. Accessed December 15, 2025. <https://doi.org/10.1177/11033088251345645>.

14. Republic of Indonesia, Ministry of Manpower, Peraturan Menteri Ketenagakerjaan No. 9 Tahun 2025 tentang Rencana Strategis Kementerian Ketenagakerjaan Tahun 2025–2029 [Ministry of Manpower Regulation No. 9 of 2025 on the Strategic Plan of the Ministry of Manpower for 2025–2029].

15. Ministry of Manpower for 2025–2029, 6, October 10, 2025, https://jdih.kemnaker.go.id/asset/data_puu/2025pnmaker009.pdf [in Indonesian].

16. Pratomo, D. S. *et al.*, 2025, “The Fragile Workforce: Indonesian Youth Workers Vulnerability during the COVID-19 Pandemic.” *International Journal of Adolescence and Youth* 30 (1): 1–25. <https://doi.org/10.1080/02673843.2025.2526467>.

17. This study, based on Indonesia's 2022 National Labour Force Survey (SAKERNAS), finds that young workers were significantly more likely to lose jobs during the pandemic, especially those in informal employment and sectors such as retail, hospitality, and food services. It highlights how school closures and economic contractions exacerbated youth vulnerability, with many transitioning to informal work lacking stability and protection.

18. UNICEF Indonesia, “Situation Analysis on Digital Learning in Indonesia,” (Jakarta: UNICEF Indonesia, 2022), <https://www.unicef.org/indonesia/media/9956/file/Situation%20Analysis%20on%20Digital%20Learning%20in%20Indonesia.pdf>.

employability and wage prospects. Finally, pandemic-era schooling interruptions in places like Maluku and Papua risk long-term scarring, reducing the pipeline of digitally ready graduates. Addressing these five areas in tandem is therefore critical to an equitable post-Covid youth employment recovery, particularly for rural and low-income cohorts.¹⁹

Although Indonesia has shown signs of recovery, the effects of the pandemic remain visible. First, youth unemployment in Indonesia remains elevated at approximately 13% as of 2024,²⁰ although it has declined from its pandemic-era peak of 16% in 2021. Similarly, the NEET rate for youth aged 15–24, although is showing a downward trend from 24.3% in 2020, it still is above 20%, indicating that a substantial portion of young Indonesians remain disengaged from both education and the labor market.²¹ Second, youths who especially were laid off during the pandemic also find weaker re-employment prospects and prolonged detachment. Among those who lost jobs, only 25.1% transitioned back to the formal sector and 42.0% to the informal sector, while 32.8% remained unemployed.²² Further, even when regaining employment, some young workers have been found to experience an average wage reduction and a higher likelihood of earning below the stipulated minimum-wage as many transitions into informal sectors. All in all, the pandemic has pushed job trends towards informality, which has resulted in lower protection and lower quality re-employment opportunities. Moreover, inequal development has also exacerbated the technological gap between developed areas and rural and underdeveloped areas.

Table 4. Digital area and digital gap in Indonesia, 2024

Digital area	Digital gap
Internet connectivity	Only 21% of people in low-income areas have internet access compared to 93% in high-income areas such as Java. Rural and remote regions (e.g., Papua) experience weak or non-existent connectivity, limiting remote learning.
Device access	Less than 15% of children in rural areas and 25% in urban areas own computers suitable for home-based learning. Although smartphone ownership is high, it does not guarantee access to computers or stable internet required for digital learning.
Internet usage and infrastructure	Indonesia ranks 63rd in the <i>Inclusive Internet Index 2020</i> : Availability (55th), Affordability (61st), Relevance (62nd), and Readiness (40th). These low rankings reflect disparities in internet quality, cost, relevant content, and digital literacy readiness.
Digital skills and gender gap	78% of non-internet users cite lack of skills as a barrier. Women face even greater disadvantages in digital access and skill development.
Education disruption	During the pandemic, 68 million students moved to digital learning. Many faced barriers such as limited devices, internet, electricity, and infrastructure heightening dropout risks.

IV. Intergenerational divide

In parallel, a subtle but increasingly relevant issue is the emergence of intergenerational tension in the workplace, which can be observed from a cultural and labor market perspective. According to the report

19. UNICEF Indonesia, “Situation Analysis on Digital Learning in Indonesia,” (Jakarta: UNICEF Indonesia, 2022), <https://www.unicef.org/indonesia/media/9956/file/Situation%20Analysis%20on%20Digital%20Learning%20in%20Indonesia.pdf>.

20. Direktorat Statistik Kesejahteraan Rakyat, *loc. cit.*, 23, <https://www.bps.go.id/en/publication/2024/12/31/b2dbaac4542352cea8794590/statistics-of-indonesian-youth-2024.html>.

21. *Ibid.*

22. Pratomo, D. S. *et al.*, *loc cit.*: 1–15. <https://doi.org/10.1080/02673843.2025.2526467>.

by IDN Institute, some employers express concerns that Gen Z's workstyle differs from established norms, including perceptions of lower adherence to conventional routines, greater need for flexibility, and greater emphasis on mental-health boundaries, which are sometimes misunderstood as lack of commitment.²³ A study documenting prior studies on Gen Z traits in the workplace has also underscore the dimensions that show contrast to their older cohort. These dimensions include work values; communication and feedback norms; technology preference; hierarchical level; leadership styles; and retention drivers.²⁴ These cultural dimensions are often referenced in discussions about challenges faced by younger workers in navigating multi-generational workplaces.

On the labor market side, the generational gap manifests in the form of skill mismatches and formal qualification. As *entry-level* postings routinely require 1–2 years of experience, prior internships, and advanced technical credentials, employers' preference shifts to hire more experienced, thus older candidates. In a survey of new graduates, all respondents reported encountering such expectations and 89.7% felt deterred of applying without experience.²⁵ Meanwhile, 40% of employers reported that new graduates are lacking the essential competencies, with only 53% of graduates in jobs aligned to their training or educational background.²⁶ Thus, job-readiness screening may tilt hiring toward experienced candidates and disadvantages of first-time entrants. It might also be connected to the drive towards job informality, such as freelancing among youths as skill mismatch has been found as a driver for young workers to informal sectors.²⁷

The certification system in Indonesia is also still developing, albeit the presence of a national certification body known as BNSP. In addition to formal qualification (such as university degree), technical qualification certificate is found to also reduce the chance of job mismatch, acting as a 'competency signal' in a particular field.²⁸ However, Indonesia's competency-based certification ecosystem has not yet reached the level of integration seen in countries with mature qualification frameworks. Research on the adoption of the *Standar Kompetensi Kerja Nasional Indonesia* (SKKNI) shows that certification uptake remains uneven across sectors, partly due to variation in provider quality, industry recognition, and the limited embedding of competency assessment within vocational and higher-education pathways.²⁹

V. Youth employment in current regulatory framework

Indonesia does not have any "Youth Employment Act." Rather, youth employment is stipulated in and affected by different regulatory acts (such as law and government regulation). These instruments address

23. IDN Research Institute, "Indonesia Gen Z Report 2024: Understanding and Uncovering the Behavior, Challenges, and Opportunities," (Jakarta: IDN Media, 2024), 21, <https://cdn.idntimes.com/content-documents/indonesia-gen-z-report-2024.pdf>.
24. Yunita Zahra, Seger Handoyo, and Fajrianthi Fajrianthi, "A Comprehensive Overview of Generation Z in the Workplace: Insights from a Scoping Review," *Journal of Management Development* 42, No. 6 (2023): 411–425, 4–9, <https://doi.org/10.4102/sajip.v51i0.2263>.
25. Praudia, F. W., and Lestari Ambarini, "The Double Barrier of Age Requirements and High Qualifications in Entry-Level Employment Opportunities in Indonesia," *Jurnal Magisma* 13, No. 2 (2025): 111–120, 114, <https://jurnal.stiebankbpdjateng.ac.id/jurnal/index.php/magisma/article/view/539/369>.
26. Adelia Azzahra *et al*, "The Impact of High Job Qualification Standards on Unemployment Rates Among Fresh Graduates in Indonesia," *Journal Transnational Universal Studies* 2, No. 4 (2024): 244–255, <https://doi.org/10.58631/jtus.v2i4.109>.
27. Mahmoud Arayssi *et al*, "Skill Mismatch, Nepotism, Job Satisfaction, and Young Females in the MENA Region" *Econometrics* 11, No. 2 (2023): 16, <https://doi.org/10.3390/econometrics11020016>.
28. ^[1] Statistics Indonesia (BPS), "Education–Occupation Mismatch of Indonesian Youth: Implications for the Demographic Bonus," *Statistical Data Stories for Indonesia Vol. 2, no. 10 (Mismatch Pendidikan-Pekerjaan Pemuda Indonesia: Implikasi Bagi Bonus Demografi, Cerita Data Statistik untuk Indonesia Vol. 2 No. 10)*, 2025.
29. World Bank, *Competency Standards as a Tool for Human Capital Development: Assesement of Their Development and Introduction into TVET and Certification in Indonesia* (Washington, DC: World Bank, 2020), <https://openknowledge.worldbank.org/server/api/core/bitstreams/6451b1e4-775f-5f1c-9149-8a6df33d6698/content>.

different dimensions of youth employment, ranging from minimum-age standards to skills development and school-to-work transition programs. Indonesia's regulatory milestones include the ratification of ILO Conventions 138 and 182, which set the foundation for minimum-age requirements and the elimination of the worst forms of child labor. These commitments were subsequently embedded into domestic legislation through the Manpower Law of 2003, which formalized minimum-age requirements, prohibited the worst forms of child labor, and set basic protections for young workers.

The framework then expanded with the Youth Law (2009), which legally defines youth (aged 16–30) and mandates government support for youth development across education, workforce preparation, and participation domains. With the addition of the Social Security Organizing Agency (BPJS) Law of 2011, young workers are also entitled to a national framework for worker social protection, including those in non-standard and early-career employment relationships.

In the mid-2010s, Indonesia began strengthening instruments targeting school-to-work transition. The Domestic Internship Regulation (2016, amended in 2020) standardized the rights, obligations, and protections of interns, thereby safeguarding young people participating in structured work-based learning. This shift was followed by expanded competency-development policies, notably the 2020 regulation establishing the *Kartu Prakerja* program, which provides training vouchers and incentives to build work competencies. Initially launched as part of Indonesia's COVID-19 response, Prakerja evolved into one of the country's largest upskilling initiatives and was further normalized through 2022 amendments that integrated it into routine workforce development policy.

In parallel, reforms to employment arrangements emerged through the 2021 Law on Employment Agreement for a Specified Period of Time, which introduced stricter caps and conditions for fixed-term contracts, outsourcing, and working-time arrangements. These provisions are salient for young workers who disproportionately enter the labor market through temporary or contingent forms of employment.

Table 5. Labor regulatory instruments that has impacted Indonesian youths historically

No	Years	Regulatory instruments affecting youth
1	1999	International Labor Organization C138–Min. Age - Ratifies minimum-age standards for employment
2	2000	ILO C182–Worst Forms - Obliges prohibition and elimination of the worst forms, including hazardous work
3	2003	Law on Manpower - Incorporates min. age and child protection provision into national labor law.
4	2009	Law on Youth Affairs - Defines “youth” (e.g., 16–30); but statistical monitoring commonly uses 15–24.
5	2011	Law on the Social Security Organizing Agency - Establishes the framework for worker social security, including youth participants
6	2016	Law on Implementation of Domestic Apprenticeships. - Standardizes internship rights and protections during school-to-work transition.
7	2020	Law on the Development of Work Competencies through the Pre-Working Card Program. - Provides training and incentives; scales during the COVID-19 response.
8	2021	Law on Employment Agreement for a Specified Period of Time, Outsourcing, Working Time and Rest Time, and Termination of Employment. - Sets limits on consecutive fixed-term contracts (cap ~5 years; verify exact clause). Aiming to help entry-level workers from indefinite temporary arrangement.
9	2022	Amendment on Law on the Development of Work Competencies through the Pre-Working Card Program. - Normalizes the program from a pandemic response to an ongoing upskilling program.

Collectively, these regulatory instruments constitute the core legal framework shaping youth employment in Indonesia. They not only set boundaries for protection and minimum standards but also outline the state's strategies for supporting youth employability, skills formation, and smoother transitions into decent work.

VI. Conclusion

In conclusion, Indonesia's youth employment landscape reflects a set of structural and emerging challenges that continue to shape young people's transition from school to work. While progress has been made in expanding education access, strengthening skills programs, and improving labor market resilience after the pandemic, several issues remain noteworthy.

- a. **Labor market pressures persist**, including relatively high youth unemployment, elevated NEET rates in several provinces, and the continued prevalence of nonpermanent or informal work arrangements among young workers.
- b. **Uneven access to skills and opportunities**, such as education–occupation mismatch, digital disparities, and rising employer expectations, continues to influence job readiness and shape who is able to enter quality employment, particularly among first time jobseekers.
- c. **Post pandemic adjustments and shifting workplace norms** have introduced new complexities in youth labor market participation. Lingering scarring effects and intergenerational differences in work-style preferences illustrate how the youth labor market is evolving alongside broader social and technological change.
- d. **Youth related regulations and programs exist across multiple policy domains**, but their dispersion means that responsibility for supporting youth employability spans several institutions. Rather than indicating a need for immediate structural reform, this highlights the importance of continued coordination and monitoring to ensure that existing instruments effectively address young people's needs.

Taken together, these findings suggest that while Indonesia has important foundations in place, strengthening youth employability will depend on sustained attention to emerging skill demands, equitable access to opportunities, and the ability of current policies and programs to adapt to a rapidly changing labor market environment.

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The Demographic Paradox and Strategic Policy Axes for Youth Employment

Chikako KANKI

- I. Introduction
- II. Three root causes
- III. A five-axis analysis of 9 Asia-Pacific nations
- IV. Solving the demographic paradox
- V. Conclusion

I. Introduction

1. Discovering the paradox

We have been exploring the critical issue of youth employment across nine diverse nations in the Asia-Pacific region. Inspired by the rich reports and discussions we have shared so far, I would like to offer a cross-cutting analysis of the challenges and policies across these nine countries.

Generally, we divide these countries into two demographic categories. The first includes those experiencing a “demographic dividend” with a booming youth population, represented by the orange areas on this map:



Note: While some argue that Thailand’s demographic dividend has already come to an end, it is marked in orange for the purpose of this analysis.

Figure 1. Two demographic categories of the 9 Asia-Pacific nations

Thailand, the Philippines, Malaysia, and Indonesia. The second category comprises those facing aging and shrinking populations, indicated by the blue areas on the map: East Asian countries and Australia.

Traditional economic logic suggests that in aging countries where young workers are scarce, the youth unemployment rate should be quite low, and job quality should skyrocket. Conversely, in youth-heavy countries, we expect high unemployment simply because the market cannot absorb the sheer volume of new entrants.

However, a paradoxical reality has emerged: despite their opposite demographic landscapes, countries with a surplus of youth and those with a severe shortage share the same crisis. Across the board, we see a universal rise in youth unemployment, underemployment, and precarious work.

What is causing this paradox? There are likely three underlying causes. I attempted to identify these fundamental causes and establish five key policy axes as a framework for solving these problems.

2. The paradox in aging and shrinking populations

Let's start with the countries experiencing rapid demographic decline—nations where young workers are supposed to be a highly valuable, scarce resource.

In South Korea, despite a shrinking youth population, the youth unemployment rate has reached a staggering 16.6%, with one-third of young workers trapped in temporary contracts. Similarly, in Taiwan, the youth labor force has declined for four straight years, yet their unemployment rate remains more than double the national average. In Japan, while the labor shortage has lowered the absolute unemployment rate to 4.2%, the quality of jobs remains a massive issue. Over 22% of young workers are in non-regular employment, and nearly half of new graduates quit within three years due to poor working conditions. Finally, Australia is also facing an aging population, but youth unemployment sits persistently high at 9.6%, far exceeding the national average.

Across these diverse nations, we see a deeply concerning paradox: even where young people are scarce and highly educated, they continue to struggle with job instability and poor working conditions.

3. The struggle in demographic dividend nations

Let's look at the other side of the spectrum: countries currently enjoying a demographic bonus.

In Indonesia, which is in its prime demographic phase, youth unemployment stands at double the national average. Even more alarmingly, a majority of young workers are trapped in informal jobs with absolutely no social protection. The Philippines faces a similar challenge. Despite a massive youth population of over 30 million, an estimated 3.2 million young people are classified as NEET (Not in Education, Employment, or Training). Malaysia tells a similar story. While labor participation is high, unemployment for those under 24 is 10.1%, and we are seeing a massive surge in young people forced into informal gig work, such as food delivery.

In all three countries, the “demographic dividend” is being undermined by a lack of stable, high-quality employment.

II. Three root causes

Cause 1: The education-job mismatch

The first common factor is structural: a severe mismatch between what the education system produces and what the labor market actually demands. We are seeing massive “credential inflation.”

In Taiwan, an incredible 81.8% of individuals in their late 20s hold academic degrees. However, their

primary reason for remaining unemployed or rejecting job offers is that the compensation and job roles do not match their high educational expectations. We see the exact same phenomenon in Thailand. Over 52% of all unemployed individuals hold a college degree, because the highest labor demand in Thailand is actually for unskilled laborers and vocational technicians, not university graduates. In South Korea, maintaining the highest tertiary education attainment rate in the OECD (nearly 70%) has resulted in hyper-competition for a shrinking pool of top-tier corporate jobs, while Small and Medium Enterprises (SMEs) suffer from chronic labor shortages.

Young people are simply over-educated for the jobs that are actually available.

Cause 2: Digitalization and the gig economy trap

The second shared factor is the rapid rise of the gig economy. Across the board, the nature of entry-level work has changed.

In countries like Malaysia, youths are increasingly relying on platform-mediated gig work, which offers immediate income but no upward mobility, leading to severe “skill-related underemployment.” In China, flexible employment has become a vital reservoir for young job seekers, but a survey showed that 43.5% of young platform workers lacked basic labor contracts, and less than half had social insurance.

Whether in an aging society or a youth-heavy country, the gig economy is replacing traditional entry-level jobs. It provides a temporary stopgap for youth unemployment, but it traps young workers in a cycle of precarious, non-standard employment, preventing long-term career development.

Cause 3: Employer risk aversion and the “experience” barrier

The third and final common factor is the behavior of employers. Across all these nations, with the notable exception of Japan, companies are increasingly unwilling to invest in training inexperienced youth.

In South Korea, the recruitment landscape is shifting heavily toward “experience-based hiring.” Entry-level positions for fresh graduates have been disappearing, now accounting for only one-third of the positions held by young people. In Thailand, employers demonstrate a systematic preference for experienced workers even for low-skilled positions, completely locking out recent graduates. In Taiwan, this might be exacerbated by strict labor laws. Because dismissal protections are so rigid, employers view hiring an inexperienced young worker as a massive financial risk.

As a result, employers across the Asia-Pacific are demanding experience for entry-level jobs—creating a paradox where youth cannot get a job without experience, but cannot get experience without a job.

III. A five-axis analysis of 9 Asia-Pacific nations

While youth employment challenges are universal, the legal and policy countermeasures deployed by these governments vary significantly. To better understand these approaches, I have categorized the policy landscape into five distinct “axes.” I try to unpack each axis and examine specific examples from these nine countries.

Axis 1: Adjusting working conditions to lower hiring barriers

Let’s begin with the first axis: legally adjusting labor conditions to make inexperienced youth easier and cheaper to hire. This approach lowers the risk for employers.

A classic example is Australia, which maintains a system of “Junior Wage Rates.” Employers can legally pay workers under the age of 21 a sub-minimum wage, historically justified as a necessary incentive for

businesses to hire and train young people. However, this is highly debated, and unions are currently arguing that it is age-discriminatory and should be abolished. In Thailand, the government identified that the standard daily minimum wage structure discouraged employers from hiring students for part-time work. To resolve this, they introduced a special hourly minimum wage specifically for students, allowing young people to legally work and earn income while continuing their education.

Axis 2: Employer mandates, incentives, and subsidies

Moving to the second axis, we look at direct market interventions—special programs, quotas, and subsidies designed to incentivize or force employers to hire youth.

South Korea takes a particularly aggressive approach. The government legally mandates that public institutions hire unemployed youth at a rate of at least 3% of their regular workforce annually. If they fail, they face administrative penalties. Additionally, the government provides the “Youth Job Leap Grant” to SMEs as a subsidy for hiring unemployed youth. Malaysia leverages foreign investment through its unique “1:3 Internship Policy.” In Japan, the Youth Employment Promotion Act introduced the “Youth Yell Certification” to financially reward SMEs with excellent youth employment practices. Furthermore, the government can refuse job postings from companies known to violate labor laws, protecting young job seekers. The Philippines utilizes the Special Program for Employment of Students, subsidizing wages to encourage private and public employers to hire students during breaks. China also provides social insurance subsidies and tax credits to SMEs that hire unemployed graduates or accept youth trainees.

Axis 3: Vocational education and skill-up support

The third axis focuses on the supply side: bridging the gap between education and the labor market through vocational training and direct financial support for job seekers.

In South Korea, the “Job Search Promotion Allowance” provides youth lacking employment insurance with a certain amount of financial support for up to six months, contingent on their participation in a job search action plan. Malaysia is heavily investing in Technical and Vocational Education and Training (TVET) and the “K-Youth Program,” targeting non-degree youths for on-the-job training in strategic sectors. Similarly, Indonesia rapidly scaled its “Pre-Working Card” program during the pandemic, providing training vouchers and incentives to upskill young workers. The Philippines enacted an Act to provide free TVET access to unemployed youth. For vulnerable youth, Japan operates “Saposute” (Regional Youth Support Stations), which provide comprehensive counseling and workplace experience to NEETs and socially withdrawn youth. China tackles its NEET population through a precise “1131 mechanism,” guaranteeing each youth one policy briefing, one guidance session, three job leads, and one training opportunity. Meanwhile, Taiwan provides extensive subsidies for youth participating in training related to its strategic “5+2 Innovative Industries,” as well as subsidies for self-directed learning.

Axis 4: Expanding protection for precarious and gig work

The fourth axis addresses the modern realities of the labor market: the surge of youth entering the gig economy and informal sectors. Traditional labor laws often fail to protect gig workers.

To fix this, Malaysia passed the landmark “Gig Workers Act 2025.” This new law mandates minimum terms of service, social security registration, and a dedicated dispute resolution mechanism for gig workers without forcing them into formal employment structures. China has enacted similar adaptive regulations. Through “Circular No. 56,” the government now mandates that digital platform workers who do not meet the criteria for formal labor contracts must still sign written agreements that clarify basic rights, guarantee local

minimum wages, and protect against illegal overtime.

Axis 5: Comprehensive labor market regulatory reforms

Finally, the fifth axis examines holistic labor market reforms. These policies rethink the rules around fixed-term contracts, dismissal regulations, and the transition from non-regular to regular work. In Indonesia, the 2021 employment law introduced stricter caps on consecutive fixed-term contracts to prevent young entry-level workers from being trapped in indefinite temporary arrangements. Japan has been pushing a “Work Style Reform” to prohibit unreasonable disparities between regular and non-regular employees, alongside offering “Career-up Subsidies” to companies that transition part-time or fixed-term youth into regular employment. South Korea is exploring a shift away from seniority-based pay toward job-based pay to resolve intergenerational hiring conflicts and dual labor market issues.

Conversely, in Taiwan, we see the unintended consequences of strict labor laws. Taiwan’s rigorous dismissal protections and strict limitations on fixed-term contracts make employers reluctant to take a risk on inexperienced youth. To counter this institutional barrier, the Taiwanese government is heavily subsidizing “hire-then-train” programs for companies that successfully convert non-standard youth workers into regular employees.

IV. Solving the demographic paradox

1. Rejecting a “race to the bottom”

The critical question now is: How do we solve this crisis? Let’s start with what not to do. Axis 1 focuses on adjusting or lowering working conditions—such as setting sub-minimum wages for young workers—to make inexperienced youth cheaper and easier to hire. While this was historically used as an incentive, deploying Axis 1 seems counterproductive in addressing today’s paradox.

Why? Because the current global youth crisis is not just about a lack of jobs; it is a crisis of job quality. For instance, in Australia, the debate over “Junior Wage Rates” highlights that minimum wages alone cannot solve youth employment, as outcomes are shaped by a complex ecosystem of structural and social factors. While enabling students to engage in simple paid work, as seen in Thailand, is meaningful as a form of livelihood support, creating an environment where students can focus on their studies without having to work should fundamentally be an issue addressed by educational policy.

Pushing young people into lower-paying, precarious roles exacerbates the “working poor” cycle and deepens their dissatisfaction. Even if Axis 1 were to be implemented, it should be restricted to limited, temporary periods, such as during training. Therefore, to solve the modern demographic paradox, we must reject a “race to the bottom” and instead focus on Axes 2, 3, 4, and 5.

2. Tackling the mismatch

The first root cause of the paradox is the structural mismatch between education and the labor market.

The most effective countermeasure here might be Axis 3: Vocational education and skill-up support. Regardless of whether your youth population is shrinking or growing, if they do not possess the specific skills the market demands, they will not be hired. To bridge this gap directly, we must look at policies like Malaysia’s aggressive expansion of TVET, alongside the “K-Youth Program,” which trains non-degree youths for high-value sectors. Likewise, Indonesia has a program to provide direct training vouchers for continuous upskilling. We have to realign human capital with actual market needs.

While Malaysia and Indonesia are strengthening vocational training as an alternative path to higher

education, even in countries with high university graduation rates, there is a clear need for strategies that enhance employability beyond academic degrees.

3. Protecting the gig generation

The second root cause is the massive shift toward the gig economy. In both aging and youth-heavy nations, traditional entry-level jobs are disappearing, replaced by digital platform work.

This is where Axis 4: Expanding protection for precarious and gig work becomes absolutely essential. Gig work prevents immediate unemployment, but it makes people stuck in low-skill Job without long-term career progression. To fix this, governments must create new, adaptive legal safety nets. Excellent examples include Malaysia's "Gig Workers Act 2025," which mandates social security and dispute resolution mechanisms without forcing workers into rigid formal employment structures. Similarly, China's "Circular No. 56" legally guarantees local minimum wages and written agreements for platform workers who do not meet formal contract criteria. Expanding these protections is an urgent priority to prevent a lost generation of informal workers.

The expansion of digitalization, the use of AI, and the rise of gig work are irreversible trends. While these currently act as a trap for young people, we must find ways to turn them into opportunities for stable job creation instead.

4. Overcoming employer risk aversion

The third root cause is employer behavior. Across the Asia-Pacific, companies are highly risk-averse. They demand "experienced" workers and refuse to train fresh graduates. To break this barrier, we must combine two axes.

First, Axis 5: Comprehensive labor market reforms. We need to safely increase labor market fluidity, so employers aren't paralyzed by strict dismissal rules or rigid limitations on fixed-term contracts.

Second, we must pair this with Axis 2: Employer mandates and subsidies. The government must subsidize the risk of hiring. For example, Taiwan offers subsidies to companies that use "hire-then-train" programs to convert non-standard youth workers into regular employees. South Korea provides the "Youth Job Leap Grant" to hire unemployed youth as full-time workers. By using Axis 2 to absorb the financial risk, we can force the doors of the formal labor market back open for the youth.

V. Conclusion

In conclusion, the demographic paradox proves that a shortage of young people does not automatically guarantee them high-quality jobs. To solve this crisis, we cannot rely on lowering labor conditions. The effective solution requires a synchronized strategy: using Axis 3 to fix the education-skills mismatch, Axis 4 to legally protect the booming gig workforce, and a powerful combination of Axes 5 and 2 to remove employer risk-aversion and subsidize the creation of stable, entry-level jobs. Only through this targeted, multi-axis approach can we build a resilient "flexicurity" model for the next generation.

While summarizing it this way makes it sound simple, translating these axes into concrete policies and making them succeed is an immense challenge. This begs the fundamental question: How do we actually define "success" in youth employment policy? The answer may vary depending on the individual or the society. For me, success is not just about individuals developing their careers through employment; it is about creating a foundation where they can nurture the next generation and enhance the long-term sustainability of our society. In many countries with rising education levels, the declining birth rate might, in fact, be a clear

sign of the failure of youth employment policies.

Ultimately, providing employment to young people is not just about financial support; it is fundamentally about social inclusion. When young people feel excluded or even exploited by society, they lose their sense of belonging and cease to value their communities. Therefore, youth employment policies are not merely economic tools, but crucial safeguards for social stability and security. The younger generation is the future of our society, and the brightness of that future depends entirely on the youth employment policies we discuss in this seminar.

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The 9th JILPT Tokyo Comparative Labor Policy Seminar 2026

"Youth Employment and Labor Policy"

Organizer The Japan Institute for Labour Policy and Training (JILPT)

Date March 26, 2026

Venue Hotel Cadenza Tokyo, Nerima-ku, Tokyo, Japan

PROGRAM

Opening Remarks and Keynote Lecture

Opening Remarks:

Hiroyuki FUJIMURA, President, JILPT

Keynote Lecture (Recorded):

Jean-Michel SERVAIS, President, International
Society for Labour and Social Security Law (ISLSSL)



Session 1: Research Presentations, Part 1

Chair: Takashi ARAKI, Chairman, Central Labour Relations Commission

» **Presentation 1 Japan**

"Current State and Challenges of Youth Employment in Japan"

Chihiro IWAWAKI, Senior Researcher, JILPT

Discussant: Megumi OGURO, Researcher, JILPT

» **Presentation 2 Korea**

"A Tug-of-War?: Current Policy Issues Surrounding Youth Employment in South Korea"

Junhyeok MUN, Assistant Professor, Sungshin Women's University

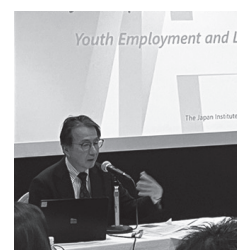
Discussant: Yukie HIHARA, Associate Professor, The University of Tokyo

» **Presentation 3 China**

"Youth Employment in China: Current Status, Policy System, and Optimization Paths"

Wei FAN, Professor, Capital University of Economics and Business

Discussant: Qi ZHONG, Vice Senior Researcher, JILPT



Session 1: Continued» **Presentation 4 Taiwan**

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

Jo-Hsiang HUANG, Assistant Professor,
National Tsing Hua University

Discussant: Reiko NISHIDA, Junior Researcher,
Waseda University

**Session 2: Research Presentations, Part 2**

Chair: Hideyuki MORITO, Professor, Keio University

» **Presentation 5 Australia**

"Junior Wage Rates in Context: An Ecosystem Approach to Youth Employment In Australia"

Bree BOOTH, Lawyer

Discussant: Akira ARIIZUMI, Research Associate, The University of Tokyo

» **Presentation 6 Thailand**

"Youth Employment in Thailand: Current Landscape and Pathways to Greater Inclusion"

Panthip PRUKSACHOLAVIT, Associate Professor, Chulalongkorn University

Discussant: Koji KAMEDA, Associate Professor, Kokushikan University

» **Presentation 7 Philippines**

"Youth Employment in the Philippines: Challenges, Opportunities, and Policy Implications"

Ronahlee A. ASUNCION, Professor, University of the Philippines Diliman

Discussant: MinMin LIANG, Graduate Student, The University of Tokyo

» **Presentation 8 Malaysia**

"Youth Employment in Malaysia – Evaluating Legal and Policy Developments in an Evolving Labour Landscape"

Ashreyna Kaur BHATIA, Associate, Skrine Advocates & solicitors

Discussant: Shun ISHIGURO, Lecturer, The University of Tokyo

» **Presentation 9 Indonesia**

"Indonesia's Youth Employment Landscape: Navigating Trends, Transitions, Policy Gaps"

Ike FARIDA, Founder and Managing Partner, Farida Law Office

Discussant: Yuta KATAYAMA, Graduate Student, The University of Tokyo

Concluding Discussion

"The Demographic Paradox and Strategic Policy Axes for Youth Employment"

Chair: Chikako KANKI, Professor, The University of Tokyo





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- 2024 Challenges in Collective Labor Relations in the Context of Worker and Workstyle Diversification –
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