

FORUM: Economic and Social Council

ISSUE: Measures to Combat Youth Unemployment in East Asia

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Introduction

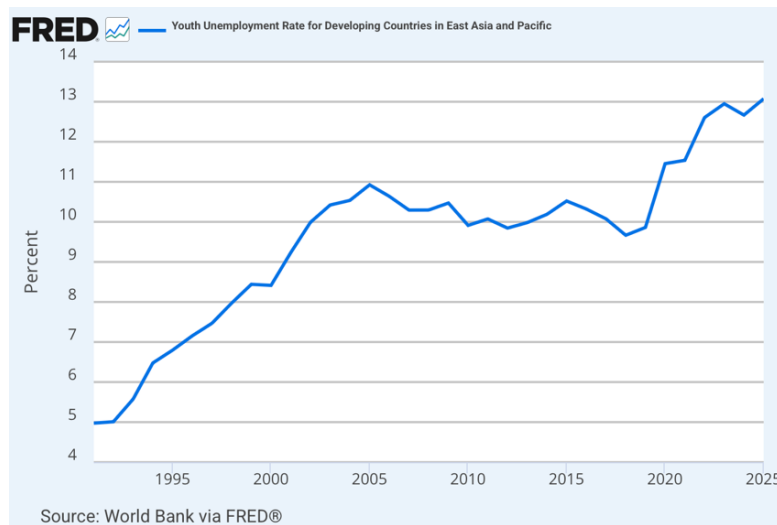


Fig.1: Youth Unemployment Rate for East Asia and the Pacific, sourced from the World

The region of East Asia, including the Republic of Korea (ROK), the Democratic People's Republic of Korea (DPRK), Japan, China, Taiwan, and Mongolia, faces the critical issue of youth unemployment. On the surface, these countries have varying recent monthly youth unemployment figures (for ages 15-24): ROK stands at 5.4% (August 2026), DPRK at 7.9% (annual figure for 2025), Japan at 3.4% (July 2026), China at 17.9% (July 2026), Taiwan at 11.7% (July 2026), and Mongolia at 11.7% (annual figure for 2025). Yet, they share underlying structural and societal issues that sustain the problem of youth employment. To this end, multiple East Asian governments have introduced initiatives to revise labor policies to tailor to youth needs and strengthen education and infrastructure. However, to fully remove existing barriers to youth participation, a comprehensive framework involving national, state, and local level services and advocacy is required.

Background

Hidden unemployment



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Often times, official unemployment figures do not aptly capture a comprehensive snapshot of an economy's health. For example, while Japan's figure (3.4%) remains the lowest in East Asia, its youth population has been facing serious structural issues. The legacy goes back to the 2000s known as the "Employment Ice Age" in Japan, referring to a period of prolonged recession in which recent college graduates who had just entered the labor market were faced with low job quality and widened income gaps. The effect of this setback continues to be present, affecting Japanese youth (Kondo).

Similarly, ROK's 5.4% rate forms a disparity with its NEET rate of 19.6% as estimated by the Organization for Economic Cooperation and Development (OECD) in 2025 ("The Job You Cannot Find..."). The NEET rate refers to the share of youth (ages of 15 and 24) not in education, employment, or training ("Metadata Glossary"). Among the NEET individuals in the ROK, 45% holds tertiary degrees, suggesting that: firstly, even overqualified graduates struggle to find work, which causes underemployment; and secondly, that these individuals who are not working are not included in official unemployment data because they do not actively seek work.

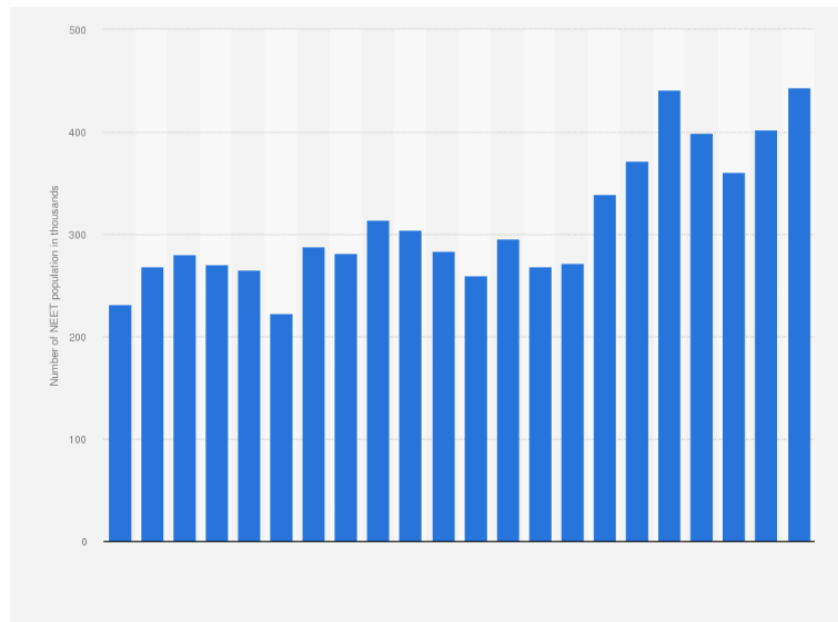


Fig. 2: Number of youth NEET population in the ROK, 2003-2024

The National Bureau of Statistics in China temporarily suspended youth unemployment records in 2023, before renewing its methodology that excluded youth in education; this leaves the official unemployment figure unable to reflect the number of graduates unable to find career reflective of their college degrees, which would magnify the overall percentage rate ("The Job You Cannot Find..."). Likewise, official unemployment figures tend to overlook the issue of underemployment as well as underlying social issues that perpetuate youth unemployment.

Academic pressure



Rigorous academics exert immense pressure on individuals from childhood, and the pressure of material success and academic competition continue to rise in East Asian countries, particularly in China, the ROK, and Japan (Dunne et al). Research among Chinese adolescents found that academic stress from an early age in one's development negatively correlated with the individual's well-being and burnouts later in their lives (Cheng and Lin). Further, such academic culture ingrains in the youth the expectations of stable, high-paying jobs after graduating from prestigious universities—often unmet by the current economic outlook characterized by increased competition and wage fluctuations.



Fig. 3: Students in China studying for college-entrance exam

This impact is highly visible in East Asian economies. In Japan, hikikomori, a group of individuals that distance themselves entirely from social participation and job-seeking, has emerged. In the ROK, over 770,000 youth lie within the “resting” category in the labor market—those that are neither working nor seeking employment (Hankookilbo). What underlies this phenomenon is the Golden Ticket syndrome, where many university graduates compete primarily for restrictively small number of positions at the nation's major corporations like Samsung, Hyundai, and LG, and experience burnouts after failing to get an offer. Similarly, in China, the societal pressure has resulted in the rise of tangping (denoting “lying flat”) movement, where college graduates withdraw themselves from career competition (“The Job You Cannot Find...”). Academic pressure and heightened job competition therefore have become social and psychological barriers to youth participation.

Structural mismatch

East Asian societies are characterized by aging populations, low fertility rates, and labor shortages. High unemployment in these societies thus derives from a structural mismatch. Labor markets have a limited availability for degree-level, white-collar jobs, despite many college graduates seeking them—thereby creating a surplus of unemployed youth (“The Job You Cannot Find...”). China exemplifies this case: 12.7 million college graduates have entered the job market so far in 2026, an increase by 480,000 people from last year. Nevertheless, labor shortages abound in sectors like manufacturing and manual work. Paradoxically, in China, a college graduate in many liberal arts fields receives starting salaries up to CNY 3000 monthly, which falls below the average payment for manufacturing jobs (“The Job You Cannot Find...”). The ROK is in a similar situation; on average, college graduates require around 11.5 months to secure their first job post-graduation, a number that nearly doubles the OECD average of 6 months (Choi).

Hence, this structural mismatch between an abundance of educated, qualified applicants and a limited number of high-paying jobs help perpetuate the issue of youth unemployment.

Problems Raised

Threat of AI and Automation

The development of AI and automation technologies in advanced economies raises risks of job displacement and thus over the future prospect of youth unemployment. Currently, middle-skilled jobs such as clerical and administrative positions are highly vulnerable to AI replacement. Further, the International Labor Organization (ILO) estimates that around 6.1% of jobs occupied by worldwide youth are highly

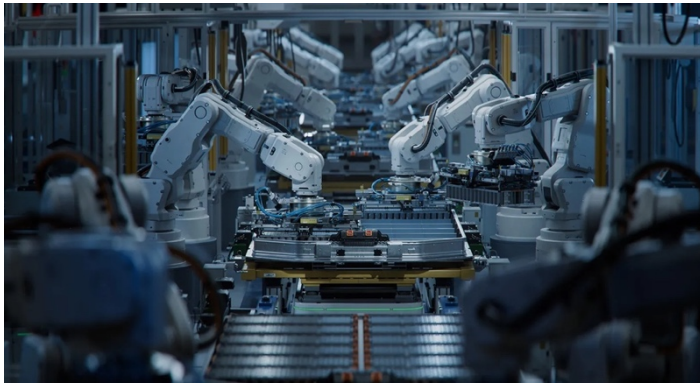


Fig. 4: Automation technologies

exposed to AI, with this rate surging in high-income countries, including most East Asian countries, up to 14.3% (“ILO Says Youth Job Market Worsens...”). Amplifying this effect, many East Asian countries are investing in technological innovation to increase productivity in the IT, services, and manufacturing sectors.

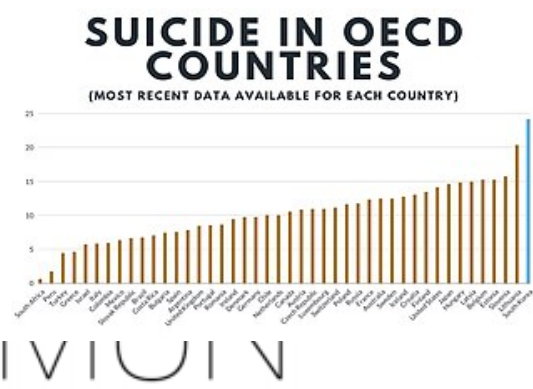
Stagnant economic growth

Unemployment translates to an immense loss of human capital. This effect amplifies with regards to the youth, many of whom invest their time and money in college-level education (“The Impact of Youth Unemployment...”). Because they represent the society’s future workforce, the current economic outlook for East Asia raises signals a strong possibility of a long-term youth unemployment, which could lead to stagnant economic growth. While immediate impacts on economic growth are yet to be observed, pressures have been accumulating alongside impact of the oil crisis and import inflation in these energy-intensive economies (“Asia’s next economic crisis...”).

Mental health issues

Various research shows a negative correlation between unemployment and mental health; unemployment raises the individual’s risk of mental disorders, including depression, anxiety, and eating disorders (Yang et al). The ROK’s situation has represented this phenomenon over the

Fig. 5: Suicide rate among OECD countries as of 2022



years. As of 2025, Korean suicide rate amounted to 23 deaths per 100,000 population, compared to the OECD average of 11 deaths per 100,000 population (“Health at a Glance 2025: Korea”). This suggests that the continued challenges in finding employment may further discourage the youth from seeking social participation.

International Actions

ILO’s “Building Youth Capacity and network in Asia-Pacific” Initiative

It is a regional project launched by ILO to empower and offer trainings to unemployed youth in Asia and the Pacific. It has provided activity-based learning programs to directly serve over 300,000 youth, and has fostered collaborations and partnerships between governments, organizations, UN agencies, academic institutions, and non-governmental organizations (NGOs), by providing learning and skills development opportunities for vulnerable and disabled individuals, as well as small businesses. While this initiative focuses on supporting youth in low- and middle-income countries, such as those in Southeast Asia, one of its development partners is the Japan Fund for Building Social Safety Nets in Asia and the Pacific. To elevate the impact of this initiative in East Asia, the scope of the service could be expanded to the unemployed youth in East Asia to tackle structural issues present in the region (“Building Youth Capacity...”).

United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP)

Its sub-body, the Subregional Office for East and North-East Asia (ESCAP-ENEA), specifically works to strengthen multilateral dialogue and coordination to achieve inclusive and sustainable development in these regions. The ENEA office works with China, the DPRK, Japan, Mongolia, and the ROK (“Subregional office for East and North-East Asia”). While its key areas of work do not explicitly concern with addressing youth unemployment, it directly serves to achieve the Sustainable Development Goals (SDGs), which includes Goal 8: addressing the need for sustained economic growth through inclusive and productive employment (“Goal 8”).

Key Players

Asian Development Bank (ADB) Youth for Asia (YfA)

ADB supports the issue of youth unemployment in East Asia through the establishment of the Youth Initiative, also known as Youth for Asia (YfA), which is dedicated to ensuring youth’s contributions to



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economic development. It allows individuals to join cross-generational projects to devise solutions for inclusive participation in society, encompassing youth unemployment and their social disengagement (“ADB Youth for Asia”).

China

Recognizing the complex nature of its current job market and the significance of rising “tangping” movement, the Chinese government has begun implementing a 24-point employment strategy in 2024. This strategy encompasses vocational training expansion to over 1000 programs, and reforms to school curriculum (“The Job You Cannot Find...”).

Continued monitoring and evaluation of the intervention efforts is essential to supporting the reductions of its high youth unemployment (at 17.9%).



Fig. 6: China’s “tangping” culture

Japan

The Japanese government has been fully aware of the persisting impacts of the Employment Ice Age in this current decade and has thus developed a draft support framework in June 2025. The government targets a 20% reduction in long-term youth unemployment as well as a 74% employment rate for individuals



Fig. 7: “Hello Work” Service in Japan

aged 20 to 34. It has also established a national employment service called “Hello Work.” This platform provides free job matching, career counseling, and interview training services, allowing youth to navigate the stifled job market with assistance and efficiency. In addition, it provides specialized service for individuals within three years after graduation, an effort aimed at addressing the structural mismatch in the job market (“The Job You Cannot Find...”).

Taiwan

As with other East Asian countries, structural mismatch and educational oversupply aptly characterize Taiwan’s job market—where 82% of Taiwanese workers are college graduates. To this end, the government has introduced the Youth Employment Investment Program, which is currently in Phase 2



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(2023-2026). This initiative aims to address the cost of living among unemployed youth and job seekers through financial assistance in the form of monthly allowance. To fund this, the government has invested NTD 16 billion, aiming to reach over 800,000 individuals (“The Job You Cannot Find...”).

Republic of Korea

The South Korean government has made notable investments in youth employment programs, such as the Youth Growth Project. This project aims to provide customized and tailored support for youth struggling with finding a job (aged 15-39). In addition, Seoul’s Young Carience program, an initiative under Seoul’s third youth policy master plan for 2026-2030, is an investment in universities to develop career experience programs, worth around KRW 15.6 billion (“The Job You Cannot Find...”). As such, the ROK has strengthened existing and devised new youth policies; its target now moves beyond post-graduation assistance to investment in skills and internships early on during their college years in order to supplement their lack of practical work experiences. The city’s initiatives are expected to reach around 10,000 youth over the next five years (Choi). The government has also begun to embrace the rapid development of AI technologies to address current labor market challenges and boost economic productivity. Importantly, the government has published its 2026 National AI Action Plan, in which AI is planned to be used responsibly with the aim of assisting worker productivity through educational training programs and AI competency hubs. Further, the Ministry of Employment and Labor seeks to supervise vocational training and conversion programs across regions and analyze the impact of AI across industries to identify skills in rising demand (Dradut-Véjares and Zhuang).

Possible Solutions

More investment in education, vocational training, and infrastructure

In order to address the structural mismatch in many East Asian labor markets, youth must be retrained and re-educated to better suit the skills and jobs in demand. ADB notes that East Asia produces far too less graduates in the STEM (Science, Technology, Engineering and Mathematics) fields or Information and Communication Technology (ICT), compared to its outputs in business, social sciences, and the arts. Addressing this relative skills gap could assist the reduction of structural unemployment (Schipper et al). To this end, member states are advised to make more investments in education and vocational training programs, which should be integrated into university courses and internships. This may help reduce the burden on the youth when they enter the job market upon graduation. Additionally, the expansion of infrastructures such as transportations and housing, through public works, may help address structural unemployment by enhancing overall worker mobility and job accessibility.



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Offering mental health support services

With the seemingly incessant demand for academic competition, over-education, and material success in East Asian societies, youth are exposed to an environment where they feel the need to compromise their well-being for employment and financial stability in life. To prevent mental disorders, suicide, and other consequences of mental health strains imposed by the current labor markets, East Asian governments must continue to offer mental health support services to those in need. While many governments already provide unemployment insurance, which may include counseling services on psychological health, a gap exists in many East Asian countries in terms of the accessibility to formal mental health support (“Employment-related Insurances”). This should be thus made accessible on local and regional scales, through measures like establishing local organizations and hotlines for counseling and therapy that are financially burden-free.

Coordinating policies to combat risks of AI and trade uncertainty

Alongside AI risks and automation concerns, trade uncertainty prevails East Asia especially with regards to oil. The World Bank notes that repeated external shocks could threaten the long-term resilience of East Asian economies, raising the need for coordinated policies to mitigate these concerns (“Pacific Economies Must Shift...”). As many countries implement innovative technologies, national strategies need to be updated to ensure responsible use of AI. Further, international meetings should be organized to share and monitor regional progress and establish measures for accountability to promote balanced growth and coordinate regional recovery.

Glossary

Hikikomori

Individuals, especially among the youth, that withdraw themselves entirely from social participation and job-seeking, instead looking for isolation and self-confinement (“5-day Hikikomori intervention – Japan”).

NEET (Not in Education, Employment, or Training) rate

Defined by the World Bank as the share of youth (ages of 15 and 24) not currently in education, employment, or training (“Metadata Glossary”).

NTD (New Taiwan Dollar)



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Taiwanese currency traded at an exchange rate of USD 0.032 per NTD 1, as of Sept. 2026.

Underemployment

A situation where individuals are working in often low-paying jobs that underutilize their skills and do not reflect their qualifications, such as training and education (Chen).

Vocational training

Instructional programs aimed at fostering skills required for a particular occupation in the job market (“Vocational Training…”).

White-Collar jobs

Typically, higher-paying and higher-skilled jobs requiring college-level education and training; for instance, office works which do not involve manual labor (Hayes et al).

Youth unemployment

Defined by the OECD as a measure of unemployment among 15-24 years olds (“Youth unemployment rate”); all figures given in this report are based on this parameter, unless otherwise specified.

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