

APPROACHES TO EMPLOYMENT PROBLEMS
OF ASIAN YOUTH

(A summary)

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When we deal with approaches to employment problems of youth in Asia we should first in a short summary inform ourselves about the basic facts of youth employment and under-employment as well as the main causes. We should then examine the policies pursued by Asian governments, directed towards youth employment, and finally the possible employment potential within the different sectors of the developing economies.

I. SOME BASIC ISSUES

Asia's population is young. Just a glance at any demographic statistics for the region reveals that in almost all the Asian countries young people - if we also include children - represent on an average more than 60% of the total population. Youths in the 15-24 age-group represented during the mid-sixties more than a quarter of Asia's population and also of Asia's labour force.* The extensive population growth during the last decades has not only resulted in the fact that youth represents a substantial proportion of Asia's population and of the individual country's labour force. The youth population and youth labour force are increasing at a higher rate than the total population and the total labour force, with the exception of Japan. The share of youth within the Asian labour force is likely to increase further. Labour force participation of youth follows largely the traditional pattern that exists in Asia but varies considerably between the individual countries, depending on the percentage of those working

* Working forces equal population within the age-group 15-64.

in the primary sector, the standard of the educational system, the degree of female participation, etc.

As to unemployment, a ratio of about 10% of the total labour force is an accepted average in Asia. But unemployment occurs in particular among those who are looking for a job for the first time, i.e. youth. More than 50% of the total unemployed belong on average to the youth age-group. This trend is likely to intensify, owing to, inter alia, the heavy rural migration of youths to the towns.

In the metropolitan areas we can observe, in particular, a disequilibrium for certain occupational groups, which can partly be ascribed to a misconceived educational system, resulting in an over-supply of educated youth - who are, if employed, mostly qualitatively underemployed - and a strong demand for middle-level manpower. Underemployment is especially widespread among rural youth, where it is known to affect large segments of the rural youth population. Chronic underemployment of rural youth will be a customary characteristic of the Asian labour scene.

In addition, the serious qualitative and quantitative imbalance of the labour market towards youth is aggravated by the youth job-seekers themselves, as far as their limited adaptability, their ambitions and their attitudes towards blue-collar work are concerned.

On the demand side of the labour market we find that wage employment has not increased at the expected rate, on account of generally slow economic growth and development; in particular, industry has failed, by and large, as a substantial employment creator. It appears obvious that the greatest employment potential rests with the agricultural sector.

II. EMPLOYMENT-ORIENTED POLICIES

It is worth discussing here whether there is such a thing as particular employment creation for youth. Youth is part of the labour force, representing the youngest but in sheer numbers strongest age-group within the work force of Asia. Employment problems of youth cannot be solved in isolation but must be tackled within the context of economic and social development. Although private individuals, viz. the employers, are an important factor in the employment of youth, it is finally and above all the government which plays a decisive role, by pursuing policies designed to create employment or by actively stepping in to employ youth

gainfully.

It appears only logical that any sort of employment programme for youth requires a set of general and more specific, long- and short-term policies, in particular, policies with the aim of:

- (a) intensifying the family planning programmes without limiting them to the cities and by-passing the poorer groups of the population in the countryside;
- (b) creating additional employment in the different sectors of the economy. These could include fiscal policies to encourage investment - local and/or foreign - in highly labour-intensive industries, and wage policies that would make the employment of labour interesting for the employer, instead of encouraging him to invest in labour-saving equipment;
- (c) granting of tax privileges for investment in specific industries, as is done in Malaysia and Thailand, or, in the case of the Republic of China, for investment in export-oriented industries (export processing zone).

Policies established with a view to assisting youth in search of employment would have to focus on the improvement of the administrative framework within the labour information system. This would include:

- (a) the refinement and extension of manpower planning techniques, and the placing of a manpower planning unit at the highest level within the government hierarchy;
- (b) the establishment of an effective national employment service, designed to reach and attract particularly rural youth and oriented towards greater labour mobility;
- (c) vocational guidance service to put youth workers in a position to make free

occupational choices, and, on the other hand, to enable the employer - private or public - to fill the vacancies with exactly the type of person he is looking for.

Additional employment creation for youth requires educational policies which guarantee an education that is more streamlined to future job requirements. The education of youth could be implemented through the formal and non-formal educational systems.

Much has been said about the necessity to restructure and diversify the educational system. This has been implemented in almost all countries of this region, resulting in the splitting of secondary education into academic and vocational streams. The training of those outside school has also considerably improved in most of the Asian countries. In fact, it could be said that in these countries the largest part of the skill-building process is done outside the formal and organised vocational educational system, viz. in the form of short-term skill training, accelerated training programmes, upgrading, retraining of youth already in the labour force, etc.

The only system promising success in actual skill development, however, appears to be on-the-job training. Apprenticeship training has already been introduced in India, Pakistan, Malaysia and the Republic of China with varying success. Apprenticeship schemes, as developed in the industrialised countries, cannot be directly transferred into the developing countries without major shortcomings and frictions, one limiting factor being the employers, who would have to do the training of their future skilled manpower. Employers in this region are often reluctant to take apprentices, the reasons being numerous, e.g. uncertain economic perspective, the simple lack of productivity-mindedness and an inability to evaluate and even understand the possibility of future returns of investment made today. Some reasons are just biased and have their root in the attitude that all education and training is the business of the state.

Several measures have, therefore, been suggested to involve industry more and more in the skill-building process and to secure implementation through special taxing of industrial undertakings or even compulsory intake of trainees.

The high percentage of rural youth in Asia as well as the high drop-out rates have already been touched upon.

Agriculture in Asia is now in a state of immense transition. Since employment opportunities, other than in farming, can hardly be expected in the rural areas, the need for more diversified training in subjects associated with modern farming is urgent. Subjects to be taught could include modern agricultural production techniques, agricultural technology, technical training, management, etc. With a view to reducing unemployment and under-employment in rural areas, this would qualify youth in the rural labour force for the necessary introduction of modern techniques and practices, as well as for the demand by small-scale industries, by agro-based and agro-oriented industries, which are expected to be set up in rural areas during the next decades.

Greater participation of rural youth in the development process requires a more thorough and better training along the lines given above. The purpose is to make them more employable, while simultaneously training them towards responsible leadership in community affairs. Some governments in the region, as well as non-governmental organisations, have pursued different approaches for a more systematic and comprehensive programme of agricultural training, viz. through national youth services and settlement schemes which have a predominantly rural orientation, vocational farm training and rural youth clubs.

The concept of vocational farm training has been introduced as a pilot project in Ceylon and proved to be very successful. As in vocational/technical training, innovations within the field of agricultural production, management and farming techniques can be efficiently transmitted only by putting rural youth more to practical farm work than to theoretical classroom teaching. The introduction of farm-based training programmes in this region was therefore suggested. The idea is to encourage rural youth, who either come from farm families or are working as unpaid family workers, to stay on their own farmland and to give them training plus services. According to this concept rural youth actively engaged in farming on their parent's land are trained on the land by one qualified agricultural trainer. The basic idea is to train 60-80 rural youth by one vocational agricultural teacher-cum-extension worker.

This scheme of supervised vocational farm training has shown satisfactory results in Ceylon and is now being tested in the Philippines. The advantages seem obvious, as the trained youth are already committed to practical farming. Furthermore, the vocational farm training scheme profits from a favourable teacher/trainee ratio (1:60 or 80, as compared with 1:20 in

vocational agricultural schools), with the result of relatively low unit costs. Given proper organisation and full support by government, vocational farm training as described should have potential for the successful training, and finally employment, of rural youths.

Our discussion on training rural youth would be incomplete without at least mentioning the considerable efforts in the field of agricultural training and related problems made by private organisations in this area. The voluntary movements, as for example the Junior Free Farmers in the Philippines, the Young Farmers Association of India, the Young Farmers Clubs in Ceylon and the 4-H Clubs in various countries of this region, are fairly representative of the private efforts taken in Asia, mostly at the village level. The success and existence of these private organisations, however, depends largely on the spirit and enthusiasm of rural youth themselves. Incentives given by governments are necessary to make these organisations operational.

III. APPROACHES TO YOUTH EMPLOYMENT

(a) Employment opportunities for youth in agriculture

International experience has shown that the maximum employment potential for youth lies with agriculture. This is for three reasons: the high labour intensity of agriculture, traditional or modern, the majority of Asian youth living in rural areas, and the limited freedom of movement of labour from the agricultural into the modern and the services sectors, owing to the fact that both, in particular the former, do create much fewer employment opportunities than the traditional sector. This pattern is not likely to change in the less developed countries and the number of youth dependent for their livelihood on jobs in the agricultural sector will continue to grow. The reality of this issue becomes evident from the plan documents of Asian countries.

The objective of creating more income-earning job opportunities in the rural areas implies two sets of actions:

- (a) to develop traditional subsistence farming into more intensive agriculture, supported by agricultural services;
- (b) to conduct land reforms, where these have not yet been introduced, to enable the farmers to work on their own holdings.

The first objective implies a package of measures by introducing intensive farming. In the course of the "Green Revolution" the traditional agricultural pattern, with stagnant production and seasonal employment, will be changed into a new type of farming through the use of high yielding varieties, inter-cropping, multiple cropping or mixed farming. As has been experienced in a number of countries, more intensive farming will not only result in increased agricultural output and higher income - providing prices remain stable - but also, on account of the high labour intensity implied in diversified agriculture, in greater demand for manpower - not just for more labour but for better educated and better trained manpower.

Without any doubt the increased demand results in job openings particularly tailored for rural youth, since their training can be assumed to be much better and their "development-mindedness" considerably higher than those of the older generation. Young people can be profitably employed to do such work as transplanting, scientific fertiliser application, marketing and sale of inputs to agriculture, control of insects and weeds, soil preparation, cultivation and harvesting.

Intensified and diversified agriculture is not likely to be implemented successfully without a viable structure of agro-services. This again calls for more well-trained, articulate agricultural technicians. Diversified agriculture is highly dependent on inputs which have to be purchased, processed and marketed (or stored). This requires facilities for agricultural credit through governments or co-operatives, warehouses, processing plants and marketing facilities. Finally, extension services, which are an indispensable complementary instrument in modern agriculture, would require a permanent pool of qualified and experienced technicians for production, marketing and co-operatives.

Indirect employment effects are induced by the establishment of agricultural services and sophistication of agro-industries which will complement the diversification of agriculture. Job creation can be especially expected from distribution and marketing facilities for agricultural inputs, as well as the processing and marketing facilities of output. It has been estimated that the indirect employment effects will be at least as high or even higher than the direct job generation effects through the "Green Revolution".

From the short summary given above, it is learned that

the technical implementation of intensified agriculture, as well as the indispensable constitution of additional agricultural services and industries, carries a very high employment creation potential. Furthermore, the job requirements are such that preferably young people, if properly trained in agriculture, small-livestock raising, agro-technical skills, marketing, banking, organisation, extension, etc. could act as innovators in the process of rural transition and would represent an ideal pool of appropriate labour.

What is the response of Asian youth? The generally poor educational background, the mental reservations against manual labour, in particular against farm labour, have already been mentioned. Asia's youth cannot, however, be treated as a complete entity. There are some countries where the young people could be easily persuaded to work on farms, provided that the basic necessities of life could be met with income derived therefrom. There are others where educated young people are reluctant to engage themselves in farming. In the latter case the main objection seems to be low income, coupled with the lack of so-called 'status', in societies that show wide disparities between the urban and the rural young. The traditions, social conditions and economic aspirations of Asian youth vary from one country to another. In formulating an acceptable programme of work for each country of the region these constraints will have to be taken into account. All efforts can, however, be successful only if - as the First Malaysia Plan puts it - "the conditions of living and the material rewards of agriculture become relatively attractive". What is necessary to mobilise rural youth is to make the rural areas attractive, and give the youth financial incentives and pride in their work.

(b) Employment opportunities for youth in the modern sector

The industrial sector is comparatively small in most Asian countries compared to the predominance of agriculture. The prospects of additional employment creation, particularly in the modern manufacturing sector, are therefore somewhat limited, at least in the short run of three to five years. The impact on the unemployment problem appears only marginal, even if rapid expansion is pursued and the available capacity fully utilised. Due to its small - even if gradually increasing - share in GDP and employment in most of the Asian countries, its absorptive capacity is limited. As a long-term instrument, however, industrialisation with its rising labour productivity provides the dynamic element for the development process.

above, the employment possibilities of Asian youth in industry will depend on the government's ability to create additional jobs or to induce entrepreneurs to make more investments, preferably in small-scale industries and/or rural industries. However, not only will the possibilities of creating employment in the industrial sector be limited; it will also take considerable time for new jobs in industry to be made available. In the meantime the governments will have to look for other ways of creating additional employment for their youth.

(c) Employment opportunities for youth in the services sector

The importance of the services sector is dictated for the most part by the overall growth of economic activities. In the course of economic development in Asia the services sector has for long been a potential employment creator. Opportunities for increasing productive employment were created mostly through the partly rapid growth which could be observed during the last decade within the modern sub-sectors. The services sector, which accounts in a number of Asian countries for up to 30 per cent of the labour force (e.g. Ceylon 30 per cent, Malaysia and Singapore 34 per cent), is credited with a high future employment potential. Many plan documents mention expected shortages, particularly in the education and health sector and in the field of management.

In the less developed countries, many youth, particularly those who do not find employment in the modern sectors, turn to the services sector in search of white-collar clerical or related jobs. The high preference among youth for this type of work has already been touched upon. There are other fields, in the public and private sectors, where youth could be productively and gainfully employed. In the private sector tourism has recently created a considerable demand for young qualified people. Furthermore, there is a great demand in most Asian countries for qualified middle-level management. Less optimistic is the picture among self-employed youth, where heavy disguised unemployment can be observed, particularly in urban areas. Government-supported self-employment schemes, as pursued in India and Ceylon, are too new a concept to comment on. As to the public sector, there are ample employment opportunities for educated youth to work in the rural areas as teachers and para-medical staff (particularly in family planning programmes), as well as limited openings in general government employment.

The policies in respect of industrialisation adopted in the past by the governments of the region have been rather detrimental to long-term growth of employment. Industry in the Asian countries is still too dependent upon the capital-intensive technologies developed by and for industrialised countries. The application of labour-intensive techniques as an instrument to absorb labour surpluses has, in the meantime, become a big issue in almost all plan documents of Asian countries. The Asian planners have underlined that emphasis should be laid on labour-intensive industries, such as construction of all types and light industries (electronics, optical industries, etc.). Both industries hold a high labour component.

As to construction, experience (gained particularly in India) has proved that the input of substantial numbers of workers rather than investment in heavy earth-moving equipment has shown satisfactory results in large construction projects.

As to light industry, the majority of Asian countries have recognised small-scale industry as an important instrument in employment strategy. The basic argument for encouraging small enterprises is that a given investment in this sector will result in a higher employment effect over a large area without sacrificing output, if it is made in small units. Besides, the capital/output ratio is known to be, in general, higher in small-scale industries than in medium and large sized industries. Countries like the Republic of China, India, Pakistan, the Republic of Korea and Malaysia have in their plan documents expressed their intentions of developing this sector. Rural industries, which have already been mentioned in the context of the "Green Revolution", are likely to open ample employment opportunities, particularly for well-trained youth.

What are the implications of these policies for the employment of youth? All countries have realised the particular employment problem of the youth population. In the highly competitive industrial labour market, however, there do not exist special preferences for youth at the threshold of employment. What makes these new entrants to the labour market more suitable for employment, however, is the fact that they can be assumed to be, in general, better educated and/or have technical skills, i.e. experience. In addition, youth will progressively become less traditional in outlook and will be more adaptable to occupational requirements and new challenges.

Chances are, therefore, that, as has been outlined

The above measures are only indicative. They give, however, a general view of what the requirements, suggestions and actions taken in countries of this region are regarding employment generation for unemployed youth in the services sector.

In concluding the issue of employment opportunities for youth in the traditional, modern and services sectors, we may say that the agricultural and services sectors appear to be major sources of employment for youth, while the outlook for recruitment by the industrial sector remains limited. More specifically, the agricultural sector must in future attract youth from the countryside. Out-migration of youth from urban to rural areas in search of work in agro-industries is not to be expected. Rural under-employment will, in the long run, not completely be abolished.

Employment generation in the modern sector will remain, for the time being, limited. Even if significant additional employment could be generated in this sector, this will be a lengthy, long-term process. In the immediate future there appears to be no possibility of any spectacular rise in job opportunities.

The rush of youth into the services sector in search of white-collar jobs is likely to continue. The successful employment of the backlog of educated unemployed youth in this sector frequently requires their retraining, as has been seen. This again could turn out to be an arduous, time-consuming undertaking. Youth cannot wait that long, and they will not. The employment problems of youth in most Asian countries can satisfactorily be solved only over the long term. This requires governments to step in with immediate crash employment and relief programmes, as otherwise the backlog of unemployed youth plus the annual additions to the labour force will continue to be a burden on the entire development effort

(d) Youth mobilisation schemes

Conventional measures are, as has been outlined, likely to operate too slowly and too indirectly to absorb immediately out-of-school youth into productive activities. What is required is a comprehensive attack on the problem. For this reason, therefore, most governments in this area have taken autonomous measures to combat their problem of increasing youth unemployment. The approach in the individual countries is through youth mobilisation schemes of all kinds, operating under different institutional structures, pursuing different economic objectives

with emphasis on either rural or urban programmes, on training or employment catering for youth with different educational achievements, etc.

The basic argument in favour of these schemes from a macro-economic point of view is the temporary absorption of new entrants to the labour force, viz. youth from the labour market. The success of such interim solutions will be highly dependent on whether in the meantime the rate of job creation will be higher than the increase in the labour force. In other words, to justify the heavy financial burden involved in the realisation of mobilisation schemes and to avoid politically dangerous frustration on the part of youth, it is imperative that jobs must be created where youth can be employed prior to their being discharged from the schemes. For the individual youth this means that participation in a special scheme is only an interim affair and limited to a certain period, usually 24 months.

Without going into too much detail about what has been done in the Asian countries - agricultural development schemes, settlement schemes, rural work programmes, urban schemes - a few words should be spent on their effect. A major limitation is the relatively small contribution such schemes can make to the gigantic problem of youth under-employment and unemployment. Their coverage seems, by experience, too small. This makes the problem of proper selection of participants an important and highly delicate matter. By far the most prominent obstacle which seems to have handicapped a more widespread distribution of schemes in this area is the heavy financial costs involved. Calculation of benefits is a difficult and complex affair, particularly in schemes with a heavy emphasis on training and small provisions for productive work. An analysis of cost and benefits of the schemes seems to have proved that expenses for the administrative set-up represented the lion's share of total costs.

Summary

The solutions to youth unemployment being offered by special schemes are somewhat difficult to achieve. The successful implementation of special schemes is too dependent on a multitude of different factors. Whereas the additional employment (and income) creation, the skills taught and the change in attitudes effected may be listed as positive results, the final implementation of the schemes still seems to encounter many shortcomings and frictions, particularly as far as organisation is concerned. The expenditure on administration seems to be on the rise. Besides,

the financial burden and obligations of special schemes are of such an extent that it might be advisable to start first with pilot projects in selected areas and with small batches of selected participants, in order to make the establishment of schemes a successful undertaking. Proper planning, linkage to the country's development plans and high level administrative control are prerequisites for a successful accomplishment. As may be realised, however, even the successful implementation of special schemes does not provide a spectacular solution to the grave and continuing unemployment problem of Asian youth.

IV. SUGGESTIONS

(1) Policies for employment creation should aim:

- (a) to make rural areas more attractive through the establishment of an efficient infra-structure (in the widest sense) viz. opening-up of road networks, establishment of agro-industries, banking, recreational facilities and provision of amenities;
- (b) to improve the labour information system through efficient and widespread employment services (in the rural as well as the urban areas) and vocational guidance (including aptitude tests) at school level.

(2) The training of youth should aim:

- (a) to avoid drop-outs and to ensure that would-be drop-outs will be trained at least up to Grade 5;
- (b) to pursue, where possible, the concept of on-the-job training for farmers, as outlined, i.e. vocational farm training through vocational agricultural-cum-extension workers;
- (c) to set up highly operational apprenticeship schemes, supported by sufficient legal powers to enforce apprenticeship training on private (or public) enterprises;

- (d) to reduce the number of grants given to students for higher studies abroad and establish instead a "peripatetic university" where qualified personnel from abroad would teach.

(3) The employment of rural youth

Since intensive farming is not just a question of technical inputs, but can only be materialised if skilled manpower is available, it is suggested that rural youth should be employed as:

- (a) extension workers;
- (b) co-operative specialists;
- (c) agricultural technicians.

(4) The employment of educated youth

Since the well-functioning of developing economies requires a pool of efficient educated manpower, it is suggested that educated youth should be employed as:

- (a) family planning advisers, particularly in rural areas;
- (b) teachers, particularly for rural primary schools;
- (c) land development administrators;
- (d) middle-level managers.