

# *Globalization and Youth Employment*

## *From employers' viewpoint*



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# *Economic Impacts of Globalization*



**Rational Utilization of Resources**

**Efficiency**

**Economy of Scale**

**Free Trade**

**Job Creation**

**Promotion of Quality of Life**

**Globalization**

**Economic Hegemony**

**Interdependence**

**Income-gap Polarization**

**Industrial Hollowing-Out**

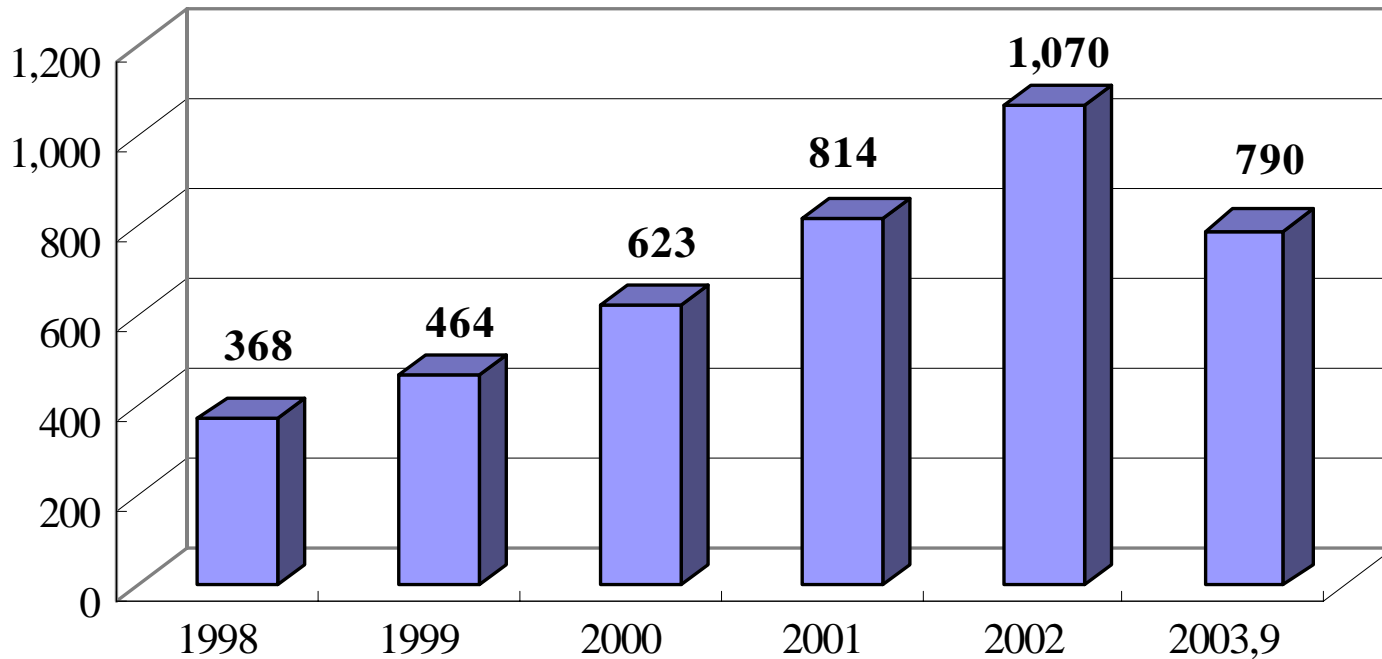
**Youth Unemployment**

**Non-Regular Employment**

# *Economic Impacts of Globalization in Korea*



<Fig 1> Number of Korean Companies Moving Overseas

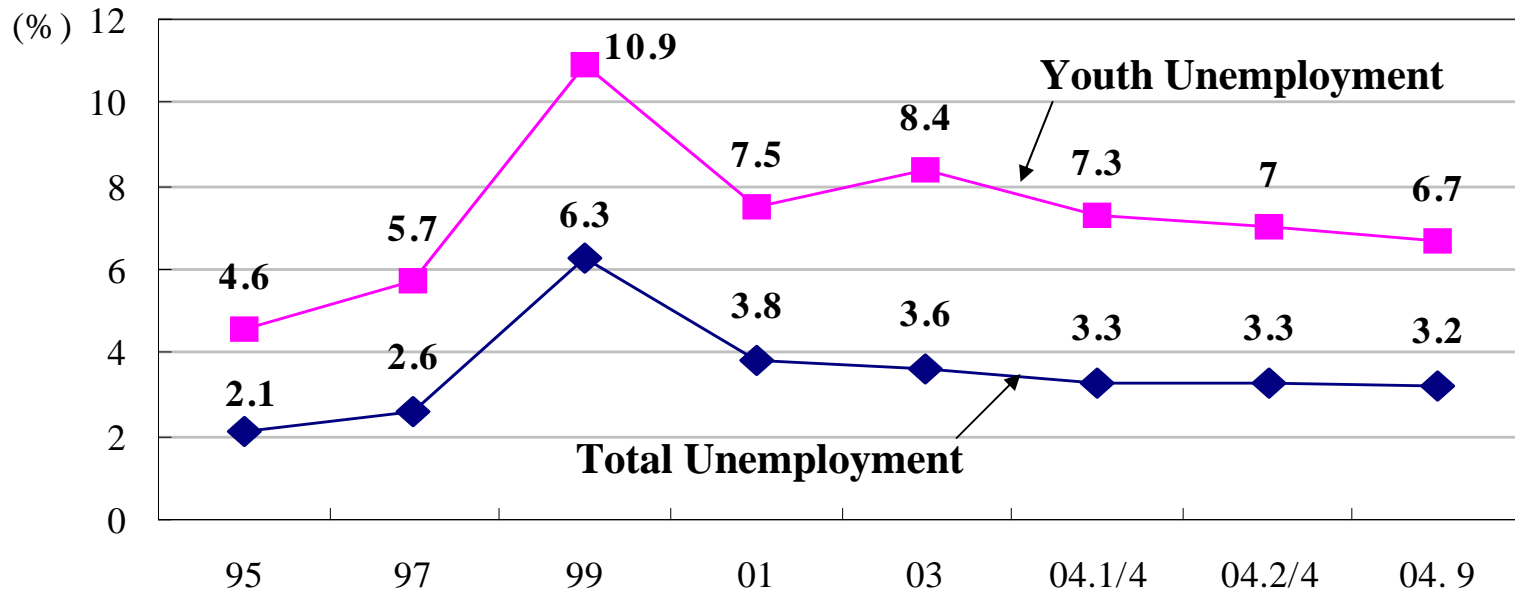


Source: Korean National Statistical Office, September 2003

# Impacts of Globalization upon Youth in Korea



<Fig 2> Trend of Total Unemployment and Youth Unemployment in Korea



Source: Korean National Statistical Office, *Economically Active Population*, each year

# *Impacts of Globalization upon Youth in Korea*



## ● **Backdrops of High Youth Unemployment in Korea**

### ● **Growth without Employment**

- Technologic Innovation and a Shift into High-Profile Industrial Structure
- Employees per GDP 1 billion KW : 68.7 (1990) → 41.9 (2002)

### ● **Mismatching between Industrial Demands and School Education**

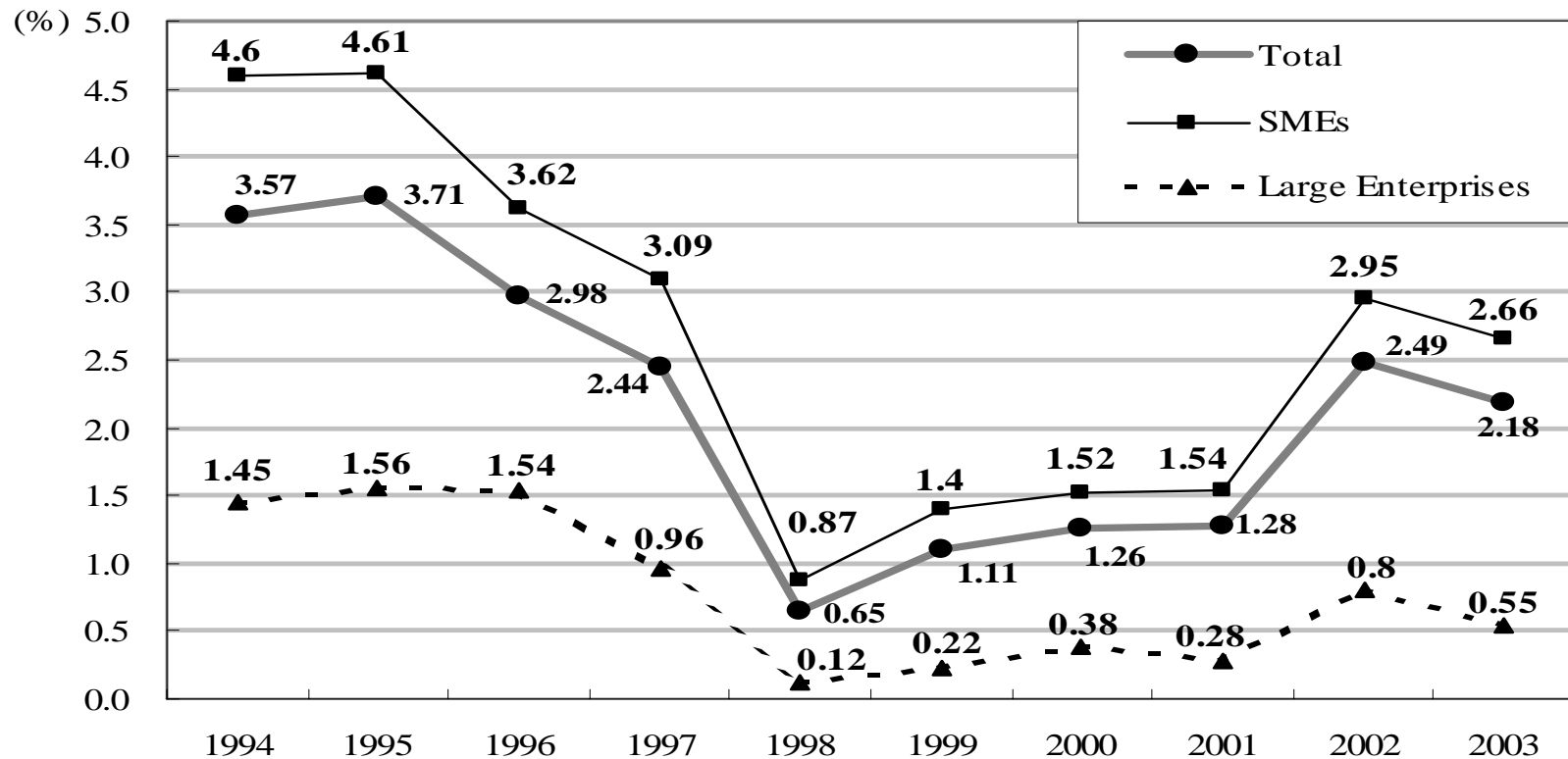
- Employment of Experienced Personnel : 39.6% (1996) → 79% (2004)

### ● **Overnice Eyes of Job Seekers**

- Resulted in Gaps in Labor Shortage Rate between SMEs and Large Enterprises

# Impacts of Globalization upon Youth in Korea

<Fig 3> Labor Shortage Trend in Korea



Note: (1) SMEs: 30-299 workers employed. (2) Large Enterprises: 300 or more workers employed.  
Source: Ministry of Labor, *Report on Labor Demand Trend Survey*.

# Impacts of Globalization upon Youth in Korea



## ● Anti-globalization Policies

- Excessive Protection of Employment and Wages for Existing Regular Workers
- Laws and Regulations Deficient in Guaranteeing Labor Flexibility

### <Fig 4> OECD Report on the Korean Economy

Highly restricted right to dismiss

Reluctance to hire regular employees

Increase in non-regular workers

Deepening duality of the labor market

### Solutions

- Expansion of the social safety net for non-regular Workers
- Improvement of labor flexibility for regular employees

Source: OECD, *Economic Surveys: Korea*, 2003. 2. 20.



# *Roles of Youth for Sound and Fair Economy*



## ● **To Cope With Globalization**

- Right Views of Values and Sound Outlook on Jobs
- Face Up to the Reality of Globalization
- Not Lifelong Workplace, But Lifelong Vocation
- Develop Your Own Employability
- Balance between Various Experience and Specialized Skill

# *Scheme for Employability Improvement*



## **Linkage between Schools and Industries**

- Industrial-Educational Cooperation
- Market-oriented Educational Programs
- Competition among Colleges with the Educational Market Open

## **Governmental Support**

- Guarantee of Autonomy of Educational Affairs for College
- Supporting Alleviation of Re-training Costs of Industries
- Employment Security Service

## **Active Individual Attitudes**

- Self-realization through Lifelong Vocation
- Sustaining Personal Competitiveness