Symposium on Globalization and the Future of Youth in Asia

Creating working opportunities and enabling environment for young people

2004.12.2 THU. 14:00-17:45  
2004.12.3 FRI. 10:00-18:00

UN House, Tokyo, Japan

Organized by the Ministry of Health, Labour and Welfare of Japan, the International Labour Organization, and the United Nations University

In cooperation with the Japanese Trade Union Confederation (RENGO), Nippon Keidanren, the ILO Association of Japan, Inc., the Japan Institute for Labour Policy and Training, the Japan Overseas Enterprises Association, and Japan Productivity Center for Socio-Economic Development.
Symposium on Globalization and the Future of Youth in Asia

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2004.12.2THU. - 2004.12.3FRI.
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* The country papers submitted from each country are published in the separate volume.
Today, globalization and employment and skills development for the future of our youth are global issues. To address these issues, the Ministry of Health, Labour and Welfare of Japan, together with the ILO and the United Nations University, organized a two-day international symposium. With the participation of the Director-General of the ILO, the rector of the United Nations University, representatives of the government, employers, and labor unions of Japan and other Asian countries, and academic experts, we held high-level discussions and publicized the conclusions of the discussions to the rest of the world.

It is our sincere hope that the symposium would serve as a catalyst for bringing people together, from the government, the private sector, and other circles, for realizing "fair globalization" and "society in which young people can participate actively in the working life."

April 2005

The International Labour Organization

The United Nations University

The Ministry of Health, Labour and Welfare of Japan
Program

Day 1

14:00 Opening Address
   Mr. Seiichi ETO, *Senior Vice Minister of Health, Labour and Welfare of Japan* (General Chair)
   Brief Explanation of the Purpose of the Symposium
   Mr. Seiichi ETO, *Senior Vice Minister of Health, Labour and Welfare of Japan*

14:20 Speech
   Prof. Hans van GINKEL, *Rector, United Nations University*
   “Fair Globalization-Benefitting All”

14:40 Keynote Speech
   Mr. Juan SOMAVIA, *Director-General, ILO*
   “Globalization and the Future of Youth in Asia”

15:20 Coffee Break

15:50 Panel Discussion 1 “Globalization and the World of Work”
   * Panelists
     Mr. Taizo NISHIMURO, *Member, World Commission on the Social Dimension of Globalization; Chairman of the Board, Toshiba Corporation*
     Ms. Halimah YACOB, *Assistant Secretary-General, National Trades Union Congress, Singapore*
     Dr. Young-vae KIM, *Vice-Chairman, Korean Employers’ Federation*
     Mr. Juan SOMAVIA, *Director-General, ILO*
     Prof. Yoshio HIGUCHI, *Keio University*
   * Moderator
     Prof. Kazuo TAKAHASHI, *International Christian University; Visiting Professor, United Nations University*

17:10 Questions and Answers

17:30 Closing Session and Preview of Day 2
   Prof. Kazuo TAKAHASHI, *International Christian University; Visiting Professor, United Nations University*
Day 2

10:00  Keynote Speech

Ms. Jane STEWART, Officer-in-Charge of the Employment Sector / Director of the Skills and Employability Department, ILO

“The Importance of youth employment in a globalizing world: the ILO viewpoint”

10:30  “Policy and Measures for Youth Employment and Human Resources Development in Japan”

Keynote Report

Mr. Toshiaki OTA, Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare of Japan

Comments

Mr. Nobuaki KOGA, President, Japanese Electrical, Electronic and Information Union; Vice President, JTUC-RENGO

Mr. Takeo KATO, Adviser, Fuji Electric Holdings Co., Ltd.

11:25  “Policy and Measures for Youth Employment and Human Resources Development in Asia”

Presentations on youth employment policies and successful cases by participants from Asia

Mr. SHIN Young Chul, Director General, Employment Policy Bureau, Labour of Korea

Mr. Kirnadi, D.G. of Manpower Development and Domestic Placement, Dep. of Manpower and Transmigration of Indonesia

12:40  Lunch Break

14:00  Voices of Youth

Presentation on working life by young people from Japan

* Panelists

Ms. Hiromi HAYASHI, Formation Module 1, Paint and Resin Plan Saitama Factory, Honda Motor Co., Ltd.

Ms. Megumi OMURA, Shinomiya Bamboo Craft Shop

Ms. Moto SESHITA, PR Section, President’s Office, Watami Food Service Co., Ltd.

Mr. Ken TAKANARITA, Research fellow, Institute for Labour Studies

* Moderator

Prof. Yuji GENDA, Associate Professor, University of Tokyo

15:15  Panel Discussion 2  “Globalization and Youth Employment”
( A coffee break during this session )

* Panelists

Ms. Halimah YACOB,  Assistant Secretary-General, National Trades Union Congress, Singapore
Dr. Young-vae KIM,  Vice Chairman, Korean Employers Federation
Prof. Koichiro IMANO,  Gakushuin University
Ms. ZHANG Libin,  Research fellow, Institute for Labour Studies, MOLSS, P.R.C
Ms. Jane STEWART,  Officer-in-Charge of the Employment Sector/Director of the Skills and Employability Department, ILO

* Moderator

Prof. Yasuo SUWA,  Hosei School of Policy Sciences

17:45 Closing Session

Summary of the Symposium

Prof. Kazuo TAKAHASHI,  International Christian University; Visiting Professor, United Nations University

Presentation of the Chair’s Conclusions by the General Chair

Closing Remarks

Ms. Mitsuko HORIUCHI,  Director, ILO Office in Japan
Prof. Hans van GINKEL, Rector, United Nations University

Prof. Dr. Hans van Ginkel is the Rector of the United Nations University, Tokyo, since September 1997. From 1968 to 1985, he worked at Utrecht University in the Netherlands, in the Faculty of Geographical Sciences, and later as the University's Rector from 1986 to 1997. He also serves as a member and officer in several professional associations and organizations such as vice-chair of the Board of Trustees, the Asian Institute of Technology (AIT, Bangkok) and member of the Academia Europaea. He holds a Ph.D. cum laude in Social Sciences from Utrecht University. He has published on geography and other wide variety of areas.

Mr. Juan SOMAVIA, Director-General, ILO

Mr. Somavia, a national of Chile, has been Director-General of the International Labour Office since March 1999. He held senior Government posts between 1968-1973 and has had a distinguished diplomatic career. In March 1990 he was appointed Permanent Representative of Chile to the United Nations where he served as president/chairperson of a number of UN bodies including ECOSOC and the Security Council. His experience also spans the private sector and the academic world and he has been active in various non governmental organizations. The hallmark of his career has been a strong concern for social development, peace and democracy. He continues to pursue these goals through his vision of decent work for all in the global economy. His work has earned him several citations and awards.

Mr. Taizo NISHIMURO, Member, World Commission on the Social Dimension of Globalization; Chairman of the Board, Toshiba Corporation

Mr. Taizo Nishimuro was born in 1935. After graduating from Keio University (Faculty of Economics), he joined Tokyo Shibaura Electric Co., Ltd. (today's Toshiba Corporation) in 1961. After serving as the general manager of the International Operations-Electronic Components, the Semiconductor Marketing Division, and the Overseas Operations Promotion Division, he successively assumed the posts of Vice Chairman of Toshiba America, Inc. (concurrently Director of Toshiba Corporation) and Senior Vice President and Executive Vice President of Toshiba Corporation. He took over as President and Chief Executive Officer in 1996 and as Chairman of the Board in 2000, the post he currently holds. He is also active as a member and a trustee of various organizations outside Toshiba.
Ms. Halimah Yacob, Assistant Secretary-General, National Trades Union Congress, Singapore

Mdm. Halimah Yacob earned a Bachelor of Laws (Hons) degree from the University of Singapore in 1978. She has been an Advocate and Solicitor of the Supreme Court since 1981 and obtained a Master of Laws degree from the National University of Singapore in 2001. She was elected as a Member of the Parliament of Singapore during the General Elections in November 2001. She is a Deputy Member of the Workers' Group of the ILO Governing Body and serves as a member of the Feedback Unit Supervisory Panel, the Housing and Development Board, the Nanyang Polytechnic Board of Governors, the Economic Development Board, the National Environment Agency, the Tribunal for the Maintenance of Parents, and the Inter Ministerial Committee on Aging. She is a trustee of several labour unions.

Dr. Young-vae Kim, Vice-Chairman, Korean Employers Federation

Dr. KIM Young-vae obtained a bachelor's degree in economics from Chung-Ang University in Seoul, South Korea, in 1979 and doctor's degrees in economics from the University of Georgia in the U.S. in 1986. He joined the Korea Employers Federation in 1987 as a director of the Research Department. He served as the managing director from 1996 and as the senior managing director from 2001. He is currently serving as the vice-chairman & CEO at KEF. He currently holds an additional post as a professor at Chung-Ang University in Seoul. He is also an executive director of the National Pension Corporation and a member of the Tripartite Committee, the Industrial Accident Compensation Insurance Council, and the Vocational Training Council.

Prof. Yoshio Higuchi, Keio University, Department of Business and Commerce

Professor Yoshio Higuchi was born in 1952. He graduated from Keio University (Faculty of Business and Commerce) in 1975 and completed the doctoral program of Keio University Graduate School of Business and Commerce in 1980. He was a visiting researcher at Columbia University (Department of Economics) before assuming the current post in 1991. In the same year, he was awarded a doctorate in commercial science. Later, he served as a visiting professor at Hitotsubashi University's Institute of Economic Research, a visiting researcher at Stanford Institute for Economic Policy Research, and a visiting professor at The Ohio State University. He currently serves as a member of the MHLW's Labour Policy Council and as chairperson of the council's discussion group on labor demand and supply systems.
Prof. Kazuo TAKAHASHI, International Christian University; Visiting Professor, United Nations University

Professor Kazuo Takahashi graduated from International Christian University (Division of International Studies and Division of Public Administration) and completed a doctoral program at Columbia University. He worked for the Organization for Economic Co-operation and Development (OECD), the Sasakawa Peace Foundation, and the Foundation for Advanced Studies on International Development before assuming the current post in 2001. He also serves as a visiting professor at the United Nations University and the National Graduate Institute for Policy Studies. He is President of the Society of Researchers of International Development, a member of the Governing Board of the Society for International Development, and a member of the Board of the International Development Center of Japan.

Ms. Jane STEWART, Officer-in-Charge of the Employment Sector / Director of the Skills and Employability Department, ILO

Joined the ILO in May of 2004 as Director of the Skills and Employability Department, having participated in elected politics in Canada for a decade. She was a member of Cabinet for eight years and led three ministries including Revenue, Indian Affairs and Northern Development and Human Resources Development. The Department of Labour was part of the Ministry of Human Resources Development. Ms. Stewart co-chaired Canada's Innovation Strategy with the Minister of Industry and was Chair of the Cabinet Committee on Economic Policy. She also has the responsibility for coordinating youth employment work of the Employment Sector, and has been Officer-in-Charge of the Employment Sector since 1 October 2004.

Mr. Nobuaki KOGA, President, Japanese Electrical, Electronic and Information Union; Vice President, JTUC-RENGO

Mr. Nobuaki Koga was born in Fukuoka Prefecture, Japan in 1952. After graduating from the University of Miyagi (Faculty of Engineering) in 1975, he joined Matsushita Electric Industrial Co., Ltd. and became a member of Matsushita Electric Industrial Workers Union (MEU). After assuming the post of chairman of MEU’s central executive committee in 1996, he became chairman of the central executive committee of the Japanese Electrical, Electronic and Information Union in 2002. Since September 2004, he has been concurrently serving as President of the Executive Board of the Japan Council of Metalworkers’ Union (IMF-JC). He holds other external posts including those of Vice President of JTUC-RENGO and Director of Zenrosai Kyokai. He is a member of the MHLW’s Labour Policy Council.
Mr. Takeo KATO, Adviser, Fuji Electric Holdings Co., Ltd.

Mr. Takeo Kato was born in Tokyo in 1938. After graduating from the University of Tokyo (Faculty of Law) in 1961, he joined Fuji Electric Co., Ltd. (today’s Fuji Electric Holdings Co., Ltd.). After serving as the general manager of the Corporate Planning Department and the Personnel Department, he was appointed Director in 1988, Executive Vice President and Representative Director in 1998, and Chairman and Director in 2000 before assuming the current post of Adviser in June this year. He is also the Co-Chairman of Nippon Keidanren’s Committee on Labor-Management Relations, a member of Japan Association of Corporate Executives (Chairperson, Committee for Promotion on Interaction Between School and Corporate Executives), and Chairman of the Board and Principal of Kaisei Academy.

Prof. Yuji GENDA, Associate Professor, Institute of Social Science, University of Tokyo

Professor Yuji Genda was born in 1964. He graduated from the University of Tokyo (Faculty of Economics) in 1988. He was a Full-Time Lecturer, Associate Professor, and Professor at Gakushuin University (Faculty of Economics) before assuming the current post in 2002. He has a doctorate in economics. He has authored numerous publications including Shigoto no Nakano Aimaina Fuan (Vague Anxiety in Work) and Job Creation. Shigoto no Nakano Aimaina Fuan was awarded the Suntory Prize for Social Sciences and Humanities and the Nikkei Economic Book Prize. Job Creation won the Japan Institute for Labour Policy and Training’s prize for outstanding labor-related books.

Prof. Koichiro IMANO, Faculty of Economics, Gakushuin University

Professor Koichiro Imano graduated from Tokyo Institute of Technology (Faculty of Science and Engineering) in 1971 and earned a master’s degree from Tokyo Institute of Technology Graduate School of Science and Engineering in 1973. He was assistant at Kanagawa University (Department of Industrial Engineering and Management) and lecturer and then associate professor at Tokyo Gakugei University (Faculty of Education) before taking up his current post in April 1992. He also works actively as chairman of Smaller Enterprise Retirement Allowance Mutual Aid Council, research fellow at the University of Sussex, member of the Central Vocational Ability Council, and researcher at Tokyo Metropolitan Research Institute of Labor. He is member of the Central Minimum Wages Council.
Ms. ZHANG Libin, Research fellow, Institute for Labor Studies, MOLSS, P.R.C.

Dr. Zhang Libin was awarded Ph.D. in Labor Economics in 1998. She has more than ten years' study and research experience in the field of labor economics and labor policies, and has implemented nearly 30 important national and international research programs either as a principal or key member. As a Chinese expert, she has participated in cooperative research projects with the World Bank and ILO. These researches cover the following issues: macro economy and employment, globalization and employment, vocational training effects, youth employment issues, industrial relations, etc. Many of her articles and papers have appeared in the Economic Daily and other newspapers.

Prof. Yasuo SUWA, Hosei School of Policy Sciences

Professor Yasuo Suwa was born in Tokyo in 1947. He graduated from Hitotsubashi University (Faculty of Law) in 1970. He studied at the University of Tokyo Graduate School of Legal and Political Studies (Doctoral Program) and at the University of Bologna as the Italian Government scholarship student. He was a visiting researcher at the University of New South Wales, a visiting professor at the University of Bologna, and a professor at Hosei University (Faculty of Social Sciences) before assuming the current post this year. He is also a public member of the Labour Policy Council of the Ministry of Health, Labour and Welfare. He is the author of Koyo to Ho (Employment and Law), Roshi Communication to Ho (Labor-Management Communication and Law), among many others.
Ms. Hiromi HAYASHI (19), Formation Module 1, Paint and Resin Saitama Factory, Honda Motor Co., Ltd.

After graduating from high school in 2003, Ms. Hiromi Hayashi joined Honda Motor Co., Ltd. She is responsible for checking the body finish and managing the procedures for cleaning and intermediate coating. As a high school student, she liked the view of the rear of Honda cars, which she found out were assembled in the nearby Saitama Factory. When she took a tour of the factory, she was thrilled to see how cars were assembled from sheets of steel. This was the reason for her decision to join Honda Motor Co., Ltd.

Ms. Emi OMURA (22), Shinomiya Bamboo Craft Shop

While attending Kakegawa Higashi High School, Ms. Emi Omura visited an industrial fair in Shizuoka Prefecture where she was enchanted by the delicacy and grace of bamboo crafted products and decided she would pursue bamboo craft. Through career guidance, she was introduced to and became a pupil of the traditional Suruga Sensuji bamboo craftsman Mr. Yasuhiro Shinomiya, who is also a vice-chairman of the board of Shizuoka Bamboo Craft Cooperative Union. (She was supported by Shizuoka Prefecture’s craftsman support program for training successors of local industries.) She joined Shinomiya Bamboo Craft Shop after graduating from the high school. She is now in her fourth year of apprenticeship.

Ms. Moto SESHTA (27), PR Section, President’s Office, Watami Food Service Co., Ltd.

After graduating from Ochanomizu University (Division of Languages and Culture, Department of Japanese Literature), Ms. Moto Seshita joined Watami Food Service Co., Ltd. She chose Watami Food Service because it offered aspiring employees a chance to become a manager of its restaurants in a very short period of one and a half years. After serving as a restaurant manager, she is now responsible for public relations in the president’s office. She prepares company newsletters and video letters from Watami Group whose mission is to “provide a better environment and an opportunity for uplifting humanity of all people in the world”.

Mr. Ken TAKANARITA (30), Secretary General, East Kanko Headquarters, Japanese Worker’s Co-Operative Union

After graduating from Aoyama Gakuin University (College of Economics) eight years ago, Mr. Ken Takanarita joined Japanese Workers’ Co-Operative Union. As one of the managers of the union, he leads an organization of 4,000 workers nationwide. While engaging in a variety of volunteer activities during his college days, he aspired to take on a job that allowed him to work in local regions and that gave him a sense of direct involvement. This was the reason for his entering into the current occupation.
On 2 and 3 December 2004, the ILO (International Labour Office), the UNU (the United Nations University) and the Japanese Ministry of Health, Labour and Welfare (MHLW) held the above-mentioned symposium in Tokyo with high-level participants from Asia, Mr. Juan Somavia, the Director-General of the ILO and Prof. van Ginkel, the Rector of the UNU. The symposium was attended by 14 government officials including Mr. KIM Dae Hwan, Minister of Labour of Korea, and a number of social partners from Asia. The 14 countries were Afghanistan, Brunei Darussalam, Democratic Socialist Republic of Sri Lanka, India, Islamic Republic of Pakistan, Japan, Kingdom of Thailand, Malaysia, People’s Republic of Bangladesh, People’s Republic of China, Republic of Indonesia, Republic of Korea, Republic of Singapore, and Socialist Republic of Viet Nam.

In the midst of rapid globalization, active discussion took place on ways of providing all men and women with opportunities to enjoy the fruits of globalization through the world of work. The discussion highlighted effective approaches to attaining Decent Work in Asia, through the exchange of information on innovative policies and measures adopted in participating countries.

The theme of the Symposium on the first day was "Fair Globalization." After the speech by the Rector of the UNU on "Fair globalization-benefiting all," the ILO Director-General presented his keynote speech "Globalization and the future of youth in Asia," which was then followed by a panel discussion participated by representatives of social partners and academics.
The next day, the symposium reconvened under the theme "Globalization and Youth Employment," and Ms. Jane Stewart, Officer-in-Charge of the Employment Sector/Director of the Skills and Employability Department, ILO made a keynote speech entitled "The importance of youth employment in a globalizing world: the ILO viewpoint." At the following session after the policies and measures for youth employment and HRD in Japan were introduced, participants including those from Asian countries exchanged information about the efforts made in respective Asian countries in this field. That was followed by a session that featured young workers and their voices. A panel discussion took place after this session.

The symposium was very fruitful and participants were highly appreciative of the sincere efforts made by governments, the ILO, the UN, and social partners. They also agreed that all parties concerned should strive towards a fair globalization and the creation of a society where young people can actively work and fulfil their aspirations.

At the closing session, Prof. Kazuo TAKAHASHI of the International Christian University and Visiting Professor at the UNU summarized the Symposium. Subsequently the Chair’s conclusion was presented by Mr. Seiichi Eto, the General Chair, Senior Vice Minister of Health, Labour and Welfare, Japan.
We aim to share basic understandings on the necessity of the realization of decent work for all to achieve a fair and “people-centered” globalization by considering "globalization" from a viewpoint of people’s work, and to promote discussion on the role of governments, corporations, labor unions, experts, and individual persons.
Opening Address

Senior Vice Minister of Health, Labour and Welfare of Japan
Mr. Seiichi ETO

Since Minister Hidehisa OTSUJI, of the Ministry of Health, Labour and Welfare of Japan, cannot come here on account of State business, I am presenting a welcome address for him. My name is Seiichi ETO, the Senior Vice Minister of Health, Labour and Welfare. I would like to say a few words on behalf of the organizers of the "Symposium on Globalization and the Future of Youth in Asia".

To the government representatives of 13 Asian countries, and all of you from related bodies including workers’ and employers’ organizations, and all of you who are interested in this issue; I must thank you most sincerely for participating in the “Symposium on Globalization and the Future of Youth in Asia” today. In addition, to Mr. Somavia, the Director-General of ILO, and to Prof. van Ginkel, the Rector of UNU; thank you for your cooperation as co-organizers of this symposium, and your kind acceptance to deliver lectures.

The Japanese Government, the ILO, and the United Nations University for the first time in their history jointly hosted a symposium to which high-level participants from Asian countries are invited. I feel greatly honored to have this meeting here in Japan.

Now, we are about to start a two-day symposium, which theme is globalization and the future of youth. I am looking forward to thorough discussion that takes account of viewpoints unique to Asia on what we can do to make all people in the world share the profits of globalization while globalization accelerates, and how we should address youth employment issues in such environment.

These issues are becoming very important in Japan, too. Above all, it is essential to create the environment where young people, the bearer of the future, can exercise their capability fully. This is one of the most important issues for the young people themselves and consequently for the whole society. To address it, young people have to display initiative to develop their ability further, and make efforts continuously to acquire knowledge and skill that society requires. Relevant parties, such as governments, workers, employers, and international organizations, need to assist these efforts.
I am sure that the discussion at this symposium will enable us to find out future direction of the relevant parties in every country including Japan to address this issue. I believe that our discussion at this symposium about how to realize ‘fair globalization’ and society where young people can exercise their capability fully will be fruitful with your valuable views and experience.

Thank you for your kind attention.
I will serve as the General Chair of the "Symposium on Globalization and the Future of Youth in Asia". I am very pleased to serve the meeting in this capacity.

I would like to explain the purpose of the symposium.

First, this symposium has two themes, "Globalization and the World of Work", and "Globalization and Youth Employment".

Rapid globalization in recent years has created many economic opportunities, and has promoted economic growth all over the world. This trend has brought about high economic growth also in Asia. On the other hand, we have to accept the fact that many countries and people are not sharing in the benefits. When we focus on the dimension of people’s “work”, it is also true; we cannot say that people share the benefits of globalization sufficiently. Some sectors like the modern manufacturing sector and information technology sector are prospering, and they bring larger income to their workers. On the other hand, it has broadened the economic gap between urban and rural areas, and among regions. Opportunities for decent work remain limited.

Under these circumstances, the ILO established “the World Commission on the Social Dimension of Globalization” in February 2002, and its report was released in February 2004. This report makes a close analysis of the impact of globalization and is an epoch-making accomplishment that analyzes calmly its influence on people, and offers a new viewpoint for realizing fair and human-centered globalization. Moreover, in the International Labour Conference this year, it was proposed that providing Decent Work, or humane work to all should be set as a concrete goal of "fair globalization" based on this report. These points will become the starting point of the discussion on globalization, one of the subjects for discussion of this symposium.

Next theme is "Globalization and Youth Employment." This problem is shared by the entire world now. Youth's unemployment rate has continued increasing for the past ten years. 88 million youths have lost their job all over the world in 2003. Moreover, even when the young
are able to find work, they are under severe conditions -- many young people are obliged to labour for low wages or for long hours. Thus, youth are susceptible to the negative impacts of globalization, as they are in vulnerable position of being new entrants into the labour market. On the other hand, youth possess brilliant creativity and flexibility. The youths are assets that possess great potential to contribute widely to the development of society and the economy, if their capabilities can be fully demonstrated. I would like to invite you to discuss how the government, labour and management, and international organizations, etc., should tackle youth employment problem, especially focusing on improvement in employability from the viewpoint that youths are assets.

On the basis of recognition of these issues, we are to discuss "Globalization and the World of Work" during the sessions on day one, and discussions on the theme of "Globalization and Youth Employment" will take place during the sessions on day two.

The theme on the 1st day is "Globalization and the World of Work". First, Prof. Hans van GINKEL, Rector of UNU, will make a speech entitled “Fair Globalization-Benefiting All”. Next, Mr. Juan SOMAVIA, Director-General of ILO will deliver a keynote lecture on the theme "Globalization and the Future of Youth in Asia."
Then, a panel discussion will take place on the theme of " Globalization and the World of Work" with the participation of representatives of labour and management, academic experts, and the member of the World Commission on the Social Dimension of Globalization. It is expected that discussions be deepened further based on the lectures by the Rector and the Director-General.

The theme on the 2nd day is "Globalization and Youth Employment".
First, a report presented by Ms. STEWART, ILO Director of the Skills and Employability Department about "The Importance of Youth Employment in a Globalizing World".
Next, there would be presentations of situations and actual results of policies and measures for youth employment and human resources development from three nations in Asia, including Japan. Here, the aim is for the governments, labour and management, international organizations, and all of whom participated in this symposium to share practical knowledge and experience about youth employment issues.
After this session, the Japanese youth will speak about their thoughts on work and people and words that support their efforts in a session entitled "Voices of the Youth". We sometimes have negative images about youth employment problem. But I want us to look at the brilliant young persons who are playing active roles in the frontlines of their workplaces.
Based on the above, Panel Discussion on the theme of "Globalization and Youth Employment"
will be held. I would like to invite you to discuss about the role which the young people themselves, the government, employers and employees, international organizations, etc. should play, and search for direction towards solution of the youth employment problem to create a society where young people can actively work and fulfill their aspirations through raising their employability.

I will release the summary document based on the discussions in this symposium at the conclusion of the second day. I strongly expect that in the course of these two days, active discussions will take place from various angles on the interface of globalization and the future of youth and corresponding policies, and a positive message will be formulated first to the people in Asia and then to the world.

I hope that this symposium will bear fruitful results owing to your cooperation.
Honourable Mr. Hidehisa Otsuji, Minister of Health, Labour and Welfare of Japan, Mr. Chair Seiichi Eto, Senior Vice-Minister;
My good friend and colleague Juan Somavia, Director-General of ILO;
Excellencies,
Ladies and Gentlemen,

First of all, I would like to welcome you at UN House, Tokyo; the United Nations University. It is a great honour and pleasure to have all of you here for such a noble cause: to focus and reflect on the future of youth.

Let me quote Secretary-General Kofi Annan to frame our work today and tomorrow:
• “Globalization: Benefitting All”, and
• “There are no simple answers to complex questions.”

Disappointing as it may be: when we have a real, complex issue to address: we must sit down, take some time and try to formulate real answers. This is certainly true for a topic like ours “Globalization and the Future of Youth”; to make globalization benefit all, in particular the next generations.

This is in particular true as globalization has become such a complex, often contested concept. As globalization has, at the same time, become an ideology, a programme and a process. Trying to address globalization is like a skirmish with a shadow, indeed, like shadow boxing. The world globalization has come to mean many different things to different people, good and bad. Therefore: to have a meaningful discussion, we have to clarify first, what do we mean by globalization.

One way to understand the term globalization more coherently is to look at its multi-dimensional character, or in other words, to break it down into its constituent elements. One such dimension is the geographical: maybe that is even the fundamental one. It is based on location and distance, on the characteristics and qualities of places, both localities and regions, on site and situation.
It is often related to exploration, discovery and colonization: processes we are familiar with from history; but also with commuting and migration, population change and urbanization, location theory and the regional balancing of people, employment, housing, provisions, etc. The moment we do understand the geographical and historical character of globalization, put the process into its proper context, we do understand that there does not exist such a thing as a “level playing field”, as at the end of the day all places are individual, have different resources, different potential, different challenges to address, opportunities to seize.

Other major dimensions of globalization are the economic, the cultural, the social and the political. In discussions and an analysis of the ongoing globalization process each of these dimensions can be placed front and center stage. Either individually or in combination with one or more of the other dimensions. More often than not, however, the economic dimension is given the major importance, almost at the exclusion of all other. This, however, handicaps severely our ability to understand really what is happening.

However, even when there does not exist a level-playing field, and there will never be one, we still have the obligation to do all our efforts to make the process more fair. What is fair is debatable. A minimum condition, however, seems that globalization to be fair should benefit all people in the present, as well as future generations. It should help us to achieve a safer world and a better life for all. To make such a world come true we have to work hard to improve market access, for those who are excluded to a large extent at present; we must rethink how to balance more fairly our regulations with regard to free mobility of goods, money, ideas and people. How can we claim so much freedom for the movement of goods and money and not of people?

We, indeed, live in a world full of paradoxes. A world, also characterized by a huge gap: a huge gap between what we say we want, and what we actually do - every time, when we have the choice. A world of quantity, rather than quality!

One of the major paradoxes of our times is, that we were never so rich, yet still one third of humanity lives in conditions of serious, even abject poverty. We were never so rich and yet we think ourselves poor. Those who have it most in their power to change the situation of the world’s poor, continuously claim that they are too poor - now - to do it.
The GNP is rising almost everywhere; yet we let it happen that Africa’s GNP is now some 10 per cent below the 1980’s levels. In fact: one of the appalling paradoxes is to see that Africa is endowed with very rich natural resources, but yet it is not a wealthy continent. So: what are the root causes for this state-of-affairs? What can we do to address these? And let us not forget: Asia is not free from the scourge of poverty! After all, more than half of the world’s population lives in Asia. Even if as a percentage the problem seems less, it still is enormous in quantitative terms, in sheer size. So, we must do what we can to make globalization fairer, to benefit our youth.

Asia is the mega-diverse continent. Full of opportunities, but also characterized by many places, mega-cities and others, with extremely high population concentration and density. There, environmental issues become crucial. And together we are set on an unsustainable course: when we continue our present line of development - in the current manner - improving the level of living in India and China, for instance - together more than one third of our planet’s population - we will soon need two or three planets earth to supply the necessary natural resources. Is that the major reason behind the Mars - Explorer? Who then will own the resources of Mars? When the exploration proves successful? Will we have another Antarctica?

It is, indeed, a time to re-think our course. Do we really want all this? Is this the world we will leave to our children and grandchildren? How come that we know so much about economic growth? But that economists have not yet developed soft landing models? or equilibrium models? Models focused on quality rather than quantity?

There will always be a place where labour is cheaper, but do we really want to continue this race-to-the-bottom? Did we ever think the consequences through? Did we ever do any serious impact-analysis? In a world of shrinking and - still, but for how long more? -- growing populations? Do we really want to continue to bring people to the places where the work is, globally? Or can we reverse the process? Bring the work to the people? What is in fact already happening, but in an unorganized, almost unconscious way? What will be the social and security consequences of these economic processes? How do we link progress and peace in optimal ways? Indeed, many issues to re-think, to start to formulate policies on.

The report “A Fair Globalization: Creating Opportunities for All”, is a beginning of the dialogue among various stakeholders and specialists, as well as among citizens around the world. There has been a broad support of the main thrust of the report. UNU and ILO already organized, jointly with the Ministry, a symposium - on 1st July - titled “In Pursuit of an Inclusive Global Community - A Fair Globalization in a Turbulent World.” I am sure that Prof. Takahashi, who
organized that symposium with Ms. Horiuchi of ILO, will be able to bring the conclusions of that symposium in the discussion today and tomorrow. After all: the report on “A Fair Globalization” is not the end, rather the beginning of a process, as was accentuated by the Co-chair, President Halonen of Finland in her recent U Thant Lecture on UN Day in UNU. I am eager to listen to what Juan Somavia - at this stage - has to say on “A Fair Globalization and Decent Work”.

Thank you.
I want to thank the United Nations University, and in particular Rector Hans van Ginkel, for hosting this event with the Ministry of Health, Labour and Welfare and the ILO Tokyo Office.

The University is a think tank for the UN and a vital bridge between policy makers and the world of research. In the fields of international relations and development thinking we have to review our intellectual tools, many of them shaped before we entered the present era of globalization.

We need to shift away from education for conformity to education for creativity.

Rector, you are leading the way in getting up from the easy chair of scholarly comfort to explore the horizons of analytic innovation.- thank you for it.

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It is indeed an honour and pleasure to be back in Japan-a nation that is such a vital voice in the entire international system and has played a key role in the ILO.

The Japanese government is a permanent member of our Governing Body since rejoining the organization in 1954, and Japanese worker and employer delegates are regularly elected too. Our organization, as well as the entire UN system, has been enriched and energized by Japanese ideas, insight, talent and, perhaps most of all, commitment to multilateralism.

Modern Japan has grown out of a vision that puts people’s security and entrepreneurial creativity as driving forces behind your development options and socio-economic policies. It builds on your own experience that without qualified human resources at all levels, your other resources will not flourish.

Competent and skilled workers employed in companies committed to innovation and social responsibility in a society that is not indifferent to its weaker members, has proved to be a remarkably successful formula which many want to emulate.
Today you are faced with the challenge of preserving those values while adapting to a fast paced and fast changing global economy. I have no doubt that you will succeed in finding the right national solutions based on your proven capacity for dialogue and consensus building.

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I would like to reflect on two interlinked global issues: youth employment and the shaping of a fair globalization. And in doing so I want to invite you to think about the role of Japan and of Asia in working with the ILO on these topics of vital significance to our future.

A useful concept to begin with is Human Security which Japan has done so much to advance on the global agenda. The report of the Commission on Human Security, co-chaired by Sadako Ogata and Amartya Sen, was a major contribution to deepening our understanding of the full meaning of security.

This is a subject dear to my heart. I have long believed and argued for the need to go beyond the traditional concept of security. The need to reinforce People’s Security was the core message of the South American Peace Commission which I helped to establish in the 1980s.

Security is about more than law and order or what we loosely call “international security”. And it has become more complex with the multiplication of local conflicts and the emergence of terrorism globally.

Yet for most individuals, families and communities in the world today, the most pervasive forms of insecurity are growing poverty and social exclusion in too many countries. Growing global unemployment. Growing impacts of all sorts of violence in the home and in society.

This is also touching the better off. More and more middle class families are wondering if their children are going to have the same chances they had.

Unless we concentrate on human security—people’s security in their daily life—classical notions of security alone will not lead to stable societies.

Getting there means looking at policies through the diverse eyes of people, rather than as objects of policies based on one-size-fits-all solutions.

What is the meaning of democracy, some ask, when it is not delivering the decent job I need to provide for my family?
For the generation who struggled to restore democracy in Latin America in the seventies and eighties, there is an understandable reaction towards policies that, as the results of a recent regional opinion poll showed, are causing around three quarters of people to fear that they would lose their job in the course of the next year. Worse still, it adds that more than half would not mind an undemocratic regime if it solved their economic problems.

These questions aren’t unique to any society or region. They are pervasive. And they are real.

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We need some new ways of connecting the work of international institutions to the lives of people if we are to increase security in the full “human” sense of the term.

When I was elected Director General, I launched a major review to see how the ILO could best respond to help people meet the social challenges of the global economy.

As I consulted our worker, employer and government constituents, talked with many people from many walks of life, the same message came through loud and clear. “Give me a fair chance at a decent job.”

Work that will provide for the health and education of the family. Work that will ensure basic security through life, adversity and old age. Work that respects human rights. Productive work based on a competitive economy.

We reorganized the ILO around the foundation of Decent Work based on four pillars-job creation and enterprise development, workers rights, social protection, and social dialogue.

The Decent Work approach permits each country to find the optimal combination of the four objectives in the context of their own realities and the challenges of globalization.

Using the decent work concept as a development tool the ILO is helping countries to place employment at the heart of their poverty reduction strategies and is encouraging international development institutions to support this policy thrust. This is particularly important for young women and men. Although decent work is the main route out of poverty for most people it is not yet an international policy priority. But a consensus is emerging that it should become a global goal.

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Worldwide in the coming decade, over one billion young women and men will start looking for their first job. More than half will be in developing Asia.

Unless we improve our ability to ensure that young women and men do get a job whatever their level of education, the current total of 88 million unemployed youth worldwide will continue to climb. And these figures do not cover the young people subsisting in the informal economy. Today, the young face official jobless rates that are two and three times that of adults.

It is little consolation to know that this generation of young men, and especially of young women, is the best educated and best trained ever. We are getting more children to school but we are failing to get them into productive and decent work.

As the Conclusions of a recent ILO Tripartite Meeting on Youth Employment stressed, this challenge “calls for an integrated and coherent approach that combines interventions at the macro- and microeconomic level, focuses on labour demand and supply, and addresses both the quantity and quality of employment”.

My colleague Jane Stewart who is leading the ILO sector responsible for our work on youth employment will speak in more depth on our approach tomorrow.

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In response to this challenge and at the request of UN Secretary General Kofi Annan, we at the ILO are leading a global Youth Employment Network to help do just that. The World Bank is our partner.

The idea is to learn from each other’s experiences about what works and what does not and establish a track record that other countries will wish to follow.

Ten countries have stepped forward to volunteer as lead countries: Azerbaijan, Brazil, Egypt, Mali, Namibia, Rwanda, Senegal and in Asia, Indonesia, Iran and Sri Lanka.

Each country is developing national action plans, following the recommendations of a high level panel set up by the Youth Employment Network sponsors. Incidentally, we call ourselves YEN.

I might also add that with more than half a billion young people entering the Asian labour market in the coming decade YEN is particularly relevant. This is a good area for Japanese leadership. A regional project could make a major contribution to the life chances of Asia’s
young working women and men.

Maybe it would be possible to put some Japanese Yen behind an Asian YEN initiative!

Here in Japan there is growing concern for the so-called young NEET—that is, not in employment, education or training. This is a trend we’re finding in many countries.

Getting the insights of young people—social and psychological—is critical to policy formulation. They face a diversity of situations and we have to respond with the right approach applicable to very different national conditions. But we still have a long way to go.

We talk a lot about solidarity among generations in the context of environmental challenges—passing on to children cleaner air and water; as well as not dumping on them the consequences of unsustainable fiscal policies.

But I can’t imagine a more important expression of generational solidarity than if adults who are managing the world today provided young people with the opportunity of dignity at work. The parent’s and grandparent’s generation has the power, the means and the responsibility to come up with the solutions.

A key element for success is to ensure that we have a model of globalization that creates opportunities for all—parents and working age youth—and in the process condemn child labour to the archives of history.

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The Twenty-First century is set to be the era of globalization. And the ILO has positioned itself with a Twenty-First century concept, decent work for all.

It is well-rooted in our Constitution that mandates us to be the international advocates of social justice as the foundation of peace.

There is no doubt that in all our countries globalization has provoked strong feelings both for and against.

Breaking out of what I have called this “dialogue of the deaf” was the main reason the ILO took the initiative to set up a World Commission on the Social Dimension of Globalization.

The Commission brought together 26 personalities from across the spectrum—geographically, ideologically, in fields of experience. It was co-chaired by two sitting Presidents, President Halonen of Finland and President Mkapa of Tanzania. The Commission was enriched by a
number of members from Asia-including Taizo Nishimuro.

Mr. Nishimuro will tell you more about the process but let me just say now that he played a very important role in building bridges between the world of business and the different worlds of trade unions and civil society activists.

His ability to listen, to be convinced, see things from the other person’s point of view and then try to work out how all the varying interests, ideas and perspectives might find convergent paths, was really important to our conclusions.

I wish to place on record here in Japan my personal appreciation of his contribution to the work of the Commission.

This was an independent Commission that went about trying to find common ground by looking at the challenge in an integrated way. And the Commission put its trust in dialogue holding consultations and conversations around the world - including several in Asia-in the Philippines, China, India and an Asian regional meeting in Bangkok.

It found in these dialogues that, in the main, people did not take an ideological position for or against globalization. They had a very practical test. What is it doing for my chances of finding and keeping a decent job? This was a decisive influence on the way the Commission formed its conclusions.

There are four key messages I would like to highlight.

First, start at home. National policies matter in all countries-developed and developing. And they can yield better or worse results in dealing with globalization. A strong and effective state. Productive and efficient markets. An honest, open and well-functioning public and private sector. Stronger capabilities of individuals, enterprises and social institutions which support widespread participation and dialogue. Respect for freedom of association, gender equality, among others.

The report highlights the key role of entrepreneurship and an enabling environment for investment and enterprise creation, with corporate social responsibility.

It backs the ILO’s advocacy of social dialogue as a means not just of resolving disputes but also of improving productivity and working conditions.

In sum, there cannot be a successful globalization without a successful localization.
Second, even if countries make the right policy decisions at home, those choices can only take hold and be sustained on an international playing field that is level and fair. So we need to focus on fairness.

Today, there is a feeling by many that globalization has developed in an ethical vacuum based on a “winner-take-all” mentality.

The rules favour the strong—be it the individual, the community, the enterprise, or the country. And there is very little recognition that not everyone, not every country, can take advantage of openings right away.

The fairness issue shows up in the unbalanced pattern of trade liberalization, in migration, in the contagion effect of instabilities in capital markets, in commodity prices and ill judged conditionalities.

We are learning how to make wealth faster than we are learning how to share it justly.

Third, make decent work a global goal. Work is the lens through which most people see globalization. Global markets must deliver jobs.

One of the greatest political challenges in the world today is about creating jobs and the linkage between employment, stability and security.

Unless the goal of decent work is moved up the priority list, the benefits of globalization will not be fairly shared.

Amongst other things if we are to have an intelligent and humane treatment of migration we need to base our policies on responding to the demand for employment where people are born and generally want stay and want to live.

The last International Labour Conference gave us a mandate to work on a rights based non-binding multilateral framework on migration for work, that adequately considers the interests of sending and receiving countries as well as the migrants themselves.

Fourth, rethink global governance. Global markets are moving far ahead of economic and social institutions.

We need to upgrade the way global institutions perform and talk with each other, and adapt the post World War II architecture to 21st century priorities.
Today we still have disjointed decisions on trade, or finance, or labour, or education, or health policies, or development cooperation. Too often, they are conceived and applied independently. Worse still, some financial and monetary policies can be contradictory to sound social policies.

But globalization is an integrated phenomenon. And a fair globalization needs integrated solutions and integrated policies.

There are many policy fields where such an approach would be beneficial but none more central than sound policies to promote full employment.

The best place to start therefore is by working together on policies to promote sustainable and balanced growth, investment and entrepreneurial development that expands the opportunities for decent work.

This would respond to a major democratic demand in all countries and demonstrate the capacity of the multilateral system, acting together, to find creative solutions to address it. We all know that if we don’t solve the employment challenge, global stability is at risk.

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As I said at the beginning of my talk, it is a privilege to speak from this platform of the UN University in Tokyo.

Here we all feel that the future belongs to Asia. What we don’t yet know yet is how inclusive Asian societies will be. Will globalization expand social divides or build a bridge between the haves and have nots?
I for one, believe that this region will find its own route to greater social cohesion and more opportunities for all.

But it will be more difficult if the present model of globalization is left on auto-pilot. Balanced and reasonable changes are necessary; but most importantly possible.

Yes, they are possible - a fair globalization that creates opportunities for all, is possible.

One of the reasons I feel confident about this is the growing high level political support for the report of the World Commission and its reasoning.

During the course of this year several top level meetings of various types have backed the ideas of decent work and a fair globalization. In April, the China Employment Forum brought
together key policy makers from all over that country with international visitors to map out the contours of a decent work strategy for China.

In September, we had a special African Union summit on employment and poverty reduction which endorsed the Commission report and a decent work approach to poverty reducing development.

In October, the Group of 24 finance ministers from developing countries highlighted the importance of the World Commission report in their statement to the Annual meetings of the IMF and World Bank.

Next year, we will have a Summit of the Americas on work for poverty reduction and democratic governance. And in October 2005, the theme of our Asia and Pacific Regional Meeting in Korea is Decent Work as an Asian Goal.

Shaping a fair globalization around the goal of decent work for all will not be easy. Difficult decisions are ahead. But unless we have a vision and a commitment, change does not happen.

Furthermore, I believe we owe it to the next generation to end the scandal of unemployment rates two or three times that of adults.

We must manage to translate the potential of the best educated generation in the world’s history into the most productive workforce in the world’s history. If we do, we can solve the problems of poverty, meet the Millennium Development Goals sooner than at the present rate, and shape a fair globalization that people in different regions feel comfortable with.

And Asia is the crucible in forging these steps forward.

Thank you.
Panel Discussion 1 “Globalization and the World of Work”

*Panelists

Mr. Taizo NISHIMURO, Member, World Commission on the Social Dimension of Globalization; Chairman of the Board, Toshiba Corporation

Ms. Halimah YACOB, Assistant Secretary-General, National Trades Union Congress, Singapore

Dr. Young-vae KIM, Vice-Chairman, Korean Employers Federation

Mr. Juan SOMAVIA, Director-General, ILO

Prof. Yoshio HIGUCHI, Keio University

*Moderator

Prof. Kazuo TAKAHASHI, International Christian University; Visiting Professor, United Nations University

NATIONS AND THE TWIN PROCESSES OF GLOBALIZATION

Moderator Takahashi:
First let me present the direction of this panel discussion. Globalization tends to mean the process of rapid globalization mainly occurring in the marketplace. Market globalization has both advantages and disadvantages, possibly leading to various problems that the world must address, including a widening gap between the rich and the poor, environmental destruction, and regional conflicts. In making such efforts, global connections, led by NGOs and civil society have been established, and they have been participated by international organizations, including the United Nations, and assistance agencies in developed countries. Another process of globalization led by citizens has started.

Currently we are faced with a complicated situation where these twin globalization processes exist and nations must seek to fulfill their own responsibilities in this context. Each country’s responsibilities, affected by the two processes of globalization, are changing from traditional roles, such as being a watchman state or a welfare state. Some nations have established the rules of market globalization, ask people to abide by them, and make new rules where deemed necessary, while also facing the new responsibility of strengthening the other citizen-led globalization process. Nations’ responsibilities are being pulled in two different directions.

A Process Led by Scholars and Experts

In the course of the G7 summit meeting and the UN summits, the world has made a variety of
efforts in the course of the 1990s to change itself into a global community from that with an axis of the East versus the West and the North versus the South, which had its origins in the Cold War. The world community was tired of big conferences. The September 11th terrorist attacks occurred, which pushed the world into a more complicated chaos.

A different process this time led by scholars and experts has now started, rather than an intergovernmental process. This new process has provided or will provide the world with six reports: 1) Eminent Persons Group on Human Security led by Japan; 2) A Fair Globalization, a World Commission report; 3) a report on “Civil Society” released in June this year; 4) a report on “Security Challenge” released in New York yesterday; 5) a report on “Global Public Goods” to be released next April; and 6) a report on the status of the United Nations Millennium Development Goals (MDGs) to be released early next year. What impact will these reports have in a globalized world after September 11th?

**Positioning Decent Work in the New Process of Globalization**

The content of globalization will be created by three major players, namely the market, the citizens, and the nations. The six reports mentioned earlier, provide the background, against which we consider how to position decent work as a key component of this new globalization. The World Commission report raises important questions to advance discussions.

I hope that this panel discussion will be an opportunity to deepen the discussion how Asian countries, which have attained rapid economic growth and will be dynamic leaders in the world economy, will deal with globalization focusing on decent work.

**Attending a Discussion of the World Commission**

**Mr. Nishimuro:**

The World Commission faced difficulties in its work of consolidating varied opinions. However, I think that it was very meaningful that, in the end, the commission was able to send a positive message that globalization can contribute to both economic and social growth, despite diversity and differences in the members’ opinions.

The report stresses that “beginning at home” is important to utilize globalization in achieving growth in economy and society. Globalization does not mean that nations will become mere background or that international boundaries will disappear. A nation’s involvement in globalization basically depends upon what policies or systems they will adopt in seeking for people’s happiness. It was a fruitful experience for participating countries to again acknowledge that it is important for each country to take the most effective policy in view of their own domestic conditions.

**Corporate Responsibility**
The report states that the governance of globalization requires nations as well as all the actors such as international organizations, multinational corporations, workers, workers’ associations and civil society to act their parts well, aiming to establish a better society and achieve an equitable globalization.

On corporate responsibility, the report emphasizes that, in any country, decent work is essential so that all may benefit from globalization. To get decent work, involvement in corporate activities in whatever form is the key. Forming enterprises in a variety of ways or participating in corporate activities will be a step to access wealth by finding ways to earn money and escape from poverty. Besides providing economic safety, work is also important to connecting people to the society and enabling them to feel dignity by becoming independent. Businesses must continue in their work and keep up their efforts to provide more people with more wealth, in other words, create jobs, increase the number of jobs, and further improve the quality of those jobs. Corporations not only initiate globalization but are also subject to the effects of globalization and have to cope with ever-intensifying international competition. They should believe that strengthening competitiveness through innovation and continuing activities to create added value will eventually contribute to the expansion of decent work. Also, they should develop operations that follow this direction. I believe that, in addition to such efforts, businesses need to fulfill their corporate social responsibility (CSR) and contribute to the sustainable development of society so that they may continue to exist as social entities.

**Viewpoint from Asia**

Compared with other regions, Asia seems more successful in alleviating poverty and improving living standards by taking advantage of globalization. Asia, which can be characterized by its diversity, is taking a variety of approaches in dealing with globalization. We can find cases of success in Asia in attracting direct investment, growth through export expansion, and the utilization of information and communications technologies (ICT). A challenge for us living in Asia is to learn from a variety of successes and failures experienced in Asia to find the best policy for each country.

What we can see in common behind the cases of success in Asia is a large amount of investment in education. A nation’s ability depends on the ability of its people. To have excellent human resources as leaders in government and industry, or to have skilled workers within industries is the key. With our expectations for the youth who will forge the future, which is the theme for today, I believe that both governments and corporations should make greater efforts to foster human resources in boldly tackling globalization.

**The Erroneous Expectation that the Market Will Maintain a Balance**

**Moderator:**

Ms. Halimah Yacob from Singapore, please.
Ms. Yacob:
A fair and nonexclusive process of globalization is what we urgently need. The present process of globalization is no longer sustainable. The greatest challenge for us today is to address the erroneous expectation that the market will maintain all the balances and bring about an equilibrium. Strong policy intervention either on an international or domestic level will be crucial to alleviate poverty and create job opportunities. Governments used to strive to achieve full employment, but it is no longer a target for many of the developed countries. Instead, economic growth and measures to deal with inflation draws the most attention. Creating job opportunities seems to have been dropped as a target for development and economic growth. I think that is one of the root causes of the problem.

Imbalances Seen in the World

Income imbalance is deteriorating both within countries and between countries. Looking at the world as a whole, many are still poor in spite of their hard work and are lacking in basic assistance in housing, elderly life, and health. In India, for example, GNP is growing yearly by 6% on average over the last 20 years, but the growth of job opportunities remained at 1%, including the informal sector. It can be said that while GNP is growing, the problem of poverty, under employment and joblessness still remains.

In the U.S., the upper income brackets that occupy just 1% of population earn as high as 17% of national income. Short-term contract workers are increasing, making them feel insecure about their economic future. While in Japan, jobs have been created but wages are decreasing because the number of part-time workers, contract workers, and temporary employees has increased.

In today’s world, 115 million children in developing countries do not go to school, 65 million of whom are girls. More and more women are facing poverty all around the world.

It will be necessary for us to correct such imbalances and achieve a socially and economically nonexclusive globalization and growth. A World Commission Report says the problem does not lie in globalization itself, but in its governance. Although the global market is expanding, the necessary social or economic systems have not been established, hampering the smooth function of globalization. If people are not placed at the centre of development and the globalization process is not fair, it will not be sustainable in both domestic and international fields.

The Role of Labor Unions

Workers and poor people must be given opportunities to influence the globalization process. We have to recognize the role and the contribution to society made by labor unions. A labor union is the place where ordinary people's voices are heard and, further, the organization can
input such voices into the process of globalization. I think this will help make the globalization process nonexclusive. When labor unions are weak and less organized, they are relegated to a lower status and that will place a pressure on the incomes of workers and prevent workers' quality of life from improving. Labor unions must send representatives to (governmental) programs or institutions and participate in establishing social and economic policies. Not having the right to speak means they are deprived of opportunities to express their wishes.

In Singapore, labor unions are represented in major institutions such as the Housing and Development Board and the Economic Development. This ensures that we are able to influence economic and social policies which have an impact on workers. Being able to input the views, opinions, and wishes of workers will certainly contribute to realizing a fair globalization.

Establishing an agenda of decent work in each country also means that realizing basic working rules such as freedom of association, protecting the right of collective bargaining, the elimination of discrimination within labor, as well as the elimination of child labor and forced labor. Therefore, protecting workers' basic rights and the rights of labor unions protects a nonexclusive globalization process at the same time.

**Role of Companies**

In today's society where companies operate beyond their national borders, they may lose the sense of responsibility in the country where they are operating. We want them to be responsible not only for shareholders but also for workers, regional society, and the environment. In Singapore, we are promoting corporate social responsibility as an initiative made up of three parties.

Another responsibility lies in the field of employment. This is an important point to stabilize income and improve economic development. Without employment, there will be no stable income. Even if a company cannot provide lifetime employment to its employees, the company and the government must at least develop workers' employability so that they can become competitive and find future work.

Although businesses say that workers are important assets for them, it seems that they are not investing enough to develop their potentials.

**Role of the Government**

In ILO's core treaty, it is stated that primary education is a basic human right. I sincerely hope that government officials will discuss ways to implement lifelong education and ability development on a national level.

As lifetime employment is becoming less popular, labor transfers between corporations must be made smoother. In transferring employment among businesses, social security networks will be essential to avoid disorder in society.
Fair and nonexclusive globalization is attainable. To this end, influential activities by labor unions, integrated macro-scale policies by the government and development centering on employment will also be important. Further, we need to secure fair and transparent government policies.

**The Effects of Globalization**

Next, Vice Chairman Kim from South Korea, please.

**Dr. Kim:**
Advancement of globalization can also be described as a unification process of the global economy. Highly developed information and telecommunication technologies affect trade volume, for example, increasing the amount of international trade fairly. This trend also applies to international direct investment and short-term capital movements. Looking at other figures, income gaps widened in the U.S. and the U.K., while remained unchanged or narrowed in Sweden, Germany, and France. Comparing the income gap of the 20 richest countries and the 20 poorest countries in terms of per capita GDP, it stood at 121.1 times for the period from 2000 to 2002, while it was 53.9 times from 1960 to 1962.

In South Korea, wage gaps exist in accordance with the size of business, and it is gradually widening. Globalization is the cause of problems between employers and employees, as well as between companies such as small-, mid-, and large-sized companies. In that context, many people point out that globalization has both advantages and disadvantages. The failure to adapt to globalization actually leads to economic inequity. On another front, globalization has contributed to human prosperity, and at the same time, encouraged job creation, and created improvements in productivity and economic growth.

**Adapting to Globalization**

South Korea faces a variety of difficulties in relation to globalization. Examples include unstable labor-business relations and a rigid labor market. These hamper the transfer of both capital and workers. Under such circumstances, foreign capital or foreign investors are reluctant to invest in South Korea. Other examples are expensive production costs due to excessive government intervention and regulation, housing costs, and the exclusive attitude of labor union to foreign workers. I believe that one key to adapt to globalization lies in the acceptance of globalization in a more harmonized way. We need legal and institutional reform as well as a reform of our attitudes, traditions, and actions.

**The Relationship between Trade and Employment**
Moderator:
As the final speaker, Professor Higuchi, please.

Prof. Higuchi:
I would like to comment from a neutral standpoint of view, independent of the government, ILO, or employers or labor unions.
First, there are two issues in globalization. One is the development of globalization through international trade, in other words the transfer of goods and services beyond national borders. The other is what is happening in the international direct investment or foreign investment in Japan.
Looking at the real status of exports and imports without consideration of price fluctuations, exports and imports account for more in terms of GDP. In Japan, exports have exceeded imports for a long time. From the aspect of employment, trade has had a significant effect in job creation in Japan. When price fluctuations are considered, the price of export goods and import goods have been decreasing considerably compared with the price of domestic services and fiscal expenditure. In such circumstances, businesses have been faced with harsh competition, including the lowering of prices and forced cost reductions. I think this has led to wage repression, job cutbacks, and business streamlining.

Relationship Between Foreign and Domestic Direct Investment and Employment

I’m going to focus on the number of foreign workers that Japanese companies employ overseas through foreign investment, and that of Japanese workers employed by foreign companies in Japan. Foreign companies employ a maximum of 350,000 workers in Japan, while Japanese companies have created four million jobs outside Japan, particularly in Asia. Although Japanese companies employ foreign workers overseas through international direct investment, foreign businesses do not employ so many Japanese in Japan, which has a negative impact in job creation in Japan. It can be said that trade (exports and imports) has a positive effect but direct investment has a negative effect in job creation in Japan.
Looking at the number employed in Japan by companies directly investing in foreign countries, their direct investment in foreign countries does not necessarily lead to a decrease of jobs in Japan. Companies that have expanded overseas are gaining added value for their products and enjoy competitiveness. Considering this, discontinuation of globalization will not result in stopping the decline of employment in Japan. What is important is how companies take advantage of globalization to be more competitive and to create jobs through globalization. At the same time, they must foster suitable human resources to develop value-added products.

Polarization of Young People in the Wake of Globalization
In Japan, less educated people are more affected by cutbacks of permanent staff by businesses. Globalization has an uneven effect, bringing advantages for skilled workers and disadvantages for unskilled workers at manufacturing sites.

Next, the number of irregular employment positions, including temporary workers and part-time workers, has evidently increased in recent years among young people from 15 to 24 years old. Fifty percent of women and more than forty percent of men in the workforce are employed in irregular positions. Globalization makes the employment status of young people unstable and decreases the number of permanent workers.

While part-time workers are increasing, more and more workers are working for longer hours since the ’90s. Young workers are polarized—those who work for shorter hours with low wage and those who work for long hours but with stable employment.

**Challenges for Governments and International Institutions**

Overall demand for unskilled workers is decreasing in Japan because of the shift of unskilled jobs to overseas. On the other hand, as demand for highly skilled workers is increasing, job training and education will increasingly play an important role.

The Japanese government has subsidized companies in education and job training. However, as more and more people are changing jobs, the government must provide direct support for education and training. Examples include a scholarship system to help develop careers or establishment of a tax relief system for self-development costs.

As the competition becomes more severe, companies must seek for cost reductions, cutting not only wages but also skills-development costs. Therefore, the government must assume a greater responsibility in ability development for irregular workers.

Furthermore, in an age when companies can choose the country to invest in and foreign direct investment is easy, providing an arena for internationally fair competition is essential. I hope international institutions, including the ILO, will take the leadership. I expect that disseminating decent work advocated by the ILO will be a key to upgrading jobs in terms of quality and volume.

**The Most Important Point in Placing Decent Work at the Center of Globalization**

**Moderator Takahashi:**
I would like all the panelists to describe in a nutshell what is the most important issue in order to place decent work at the center of globalization.

**Mr. Nishimuro:**
The first point is that each country must adopt a policy to clearly aim at decent work. Second is that companies actually offering jobs should consider decent work in a sincere manner.
Ms. Yacob:
First, governments should position employment at the center of development, both in terms of quantity and quality. Education, employability, skills training, re-training, social dialog, and a three-party participation system must be strengthened in promoting decent work. This will help workers to participate in a fair and nonexclusive globalization process.

Dr. Kim:
I agree with the others. I think the definition of decent work will be important. As countries are all different, I think a rigid definition will not be accepted. I completely agree with the importance of skills training and education.

Director General Somavia:
I think the most important point is organization. We tend to forget about the power of local government, which is the closest to the people. I believe that the role of local governments will be important.
Also I would like to comment on how to define decent work. Decent work itself is the objective. The four important pillars are rights at the workplace, job creation, social protection, and social dialogue, but these do not define a universal standard for decent work. That’s why each country can implement the decent work agenda according to its priorities. This is also why organization plays a central role. Organizations represent social opinion. Dialogue is key to finding solutions to the challenges of globalization.

Prof. Higuchi:
As the word “decent work” is a little bit abstract, we need a more concrete definition. Moreover, we have to recognize that the definition of decent work is diversified and need to consolidate opinions in each country. To that end, a numerical target for each country will be necessary.

Conclusion and Q&A from the Floor

Moderator Takahashi:
We now have a clear understanding that each country has started its own efforts on employment. To be more specific, education in the broadest sense has been pointed out as one important element.
What we should be concerned about is that there is a higher possibility that economic growth may be achieved without job increases or wage increases if we do not take proper countermeasures against market forces. When international competition intensifies, companies must reduce costs to survive in the competition, which often forces workers to change their jobs. Under such circumstances, a safety net provided by society in general, rather than the
traditional safety net provided by companies, will be important. In making such efforts, globalization mainly in the marketplace may gradually provide the focus on decent work.

Next, I would like to have any comments from the floor.

**Comment from the floor:**
I agree with Professor Higuchi that globalization has various impacts in each country and the definition of decent work is diverse. Work should be considered with each country’s history, tradition, sense of ethics, and social practice in mind.

**Comment from the floor:**
I agree with Professor Higuchi in general, but local people will face difficulties if they lose the jobs they have at present.

**Comment from the floor:**
Young people are not benefiting from social protection. In view of the basic rights and principles that ILO advocates, we need broader social provisions that provide fair opportunities in employment.

**Comment from the floor:**
Facing the situation where there are so many unemployed people all over the world, what matters most is that every one of us is a worker. Whether the work is “decent” or not counts less. Both in Japan and South Korea, companies are cutting back jobs. I doubt whether these companies are executing their corporate social responsibilities as the number of people out of work is ever-increasing.

**Director General Somavia:**
Unemployment is commonly at the heart of social instability, so we will not achieve stability unless joblessness is solved. In a situation where many people have no jobs, some see no alternative but to take any job regardless of working conditions. This puts pressure on workers’ rights. Our aim is to promote opportunities for productive work which also respects human dignity and which takes into account the quality of work. If the work force is treated as a product, human and family dignity will not be respected, bringing social tension. This must be treated as a political or social problem, not a technical one. As the global jobless rate is at a historical high, society on the whole must address this problem. As I said in my earlier address, we need sustainable and environmentally-friendly growth. This will connect producers and job creation.

The ILO integrates fundamental rights and principles in the definition of decent work. Fundamental rights in areas, such as freedom of association and child labor are universal – they are the same for all countries and must be respected as such. Countries themselves decide whether or not to ratify ILO Conventions. The ILO is different from other international
institutions in that we agree on a decent work agenda as an Organization without forcing member States to pursue it. Each country makes that decision and has the responsibility of implementing the agenda. I believe that labor and management can find appropriate and productive ways to make progress towards the objectives of the decent work agenda depending on the specificity of each situation.

Prof. Higuchi:
I think the gap between job creation and the jobless rate in the regions is really widening. The Japanese government has made efforts to narrow the regional gap by adopting macro policies and fiscal policies. But considering the limitations of macro policies, we should transfer power to local governments so that each region can develop its own employment strategy to create more jobs. In the wake of globalization, localization will be essential. Local people or local governments, not the national government, know best what can be done in that region. Effective measures can be taken by changing traditional ways to those conducted by local people and the local government, together with labor unions and businesses. The national government should support establishing a system of developing strategies for local employment. The national government will be required to take the responsibility for fostering human resources.

Dr. Kim:
We understand the pain of workers caused by business restructuring, as well as the responsibility of management for creating jobs and maintaining employment. Compare a company to a human being. If a person gets too fat, he or she is susceptible to serious diseases such as high blood pressure or cerebral injury. If a daily health check is performed, there will be no problem. But without such checks, it can become a major problem causing pain and a threat to life. Daily care of the human body is the daily restructuring for a company. Another way of restructuring is through innovation. Restructuring is not an option but is essential for companies.

Mr. Nishimuro:
In my first presentation, I said that companies should continue their business so that they contribute to the creation of social wealth and to the provision of jobs. To this end, it will be essential for them to maintain international competitiveness in the climate of globalization. In order to maintain international competitiveness, many things are required, including technological development, capital investments, and marketing. But the most important is the highly skilled employee. Companies need to provide continuous training and a variety of opportunities for each employee. Without skilled employees, companies will not be able to maintain international competitiveness. Therefore, what is important is to retain the internationally competitive workers they have fostered. If companies are forced to cutback their workforces, they must help their employees to fully understand that there was no
alternative in order to survive. This happened to electrical industries in 2001. Manufacturers, including Toshiba, reduced the number of regular employees, which was a tough decision for all of us. Although we invested a considerable amount of money in education and maintained highly skilled workers, faced with severe international competition, we had to make such a decision. Fortunately, companies have regained their competitiveness and are gradually increasing the number of jobs. Our most important goal is to develop competitive companies that can grow up together with highly skilled employees. At the same time, we will make every effort not to have to cut back our workforces against our wishes.

Ms. Yacob:
Let me comment on restructuring. There was an explanation that to maintain international competitiveness, restructuring will be necessary or it will be difficult to maintain the current employees. However, companies are able to alleviate some of the workers' pain. For example, they can invest in skills training for their workers. Such training will be effective when workers change jobs and move to growing companies. I think it is important that governments, together with enterprises, invest in training for reemployment. This will make career changes easier if workers lose their jobs. I also hope companies will shift extra workers to expanding departments within or outside the company, before making a decision on restructuring. Job counseling for reemployment or supporting activities for job hunting at company facilities before laid-off workers leave the company will also help alleviate their distress. Social security will also play an important role. With social security, workers can accept restructuring or reemployment. Lastly, I would like to stress that, in my opinion, switching regular employees to irregular ones in the course of restructuring should not be acceptable.

Moderator Takahashi:
Reaching a conclusion on this subject will be difficult even if we continue the discussion all night long. As time is limited, let me end this session here.
Thank you all.
The challenge of globalization from the perspective of the corporations is that, on the one hand they need to carry out substantial restructuring, but on the other, they are fully aware of their responsibility to create employment. This is a dilemma as faced by the corporations. Growth without employment, growth with detrimental effects to wages these phenomena may develop with globalization, if left in the hands of the market. This is the very challenge that we are faced with and is the overarching theme that we have seen today. I believe there are seven points which I thought would be extremely crucial.

1. In order to improve globalization with focus on Decent Work, there need to be efforts towards localization, or to make the local area the principal actor. Globalization and localization do not contradict, but do complement each other.

2. Economics until now have focused on the quantity whereas we need to shift our attention to the quality. As part of it, it is important to look at the quality of work as we formulate our model.

3. With the process of globalization so far, it was the people that moved towards work and with regard to the movement of people there were lots of restrictions which had posed us with dilemmas. What we need to endeavour is to devise an approach so that the work should approach the people.

4. In Decent Work there are some common principles to be found, but at the same time the contents could differ depending upon culture and social contexts. We need to utilize our sensibility when we see the differences as well as the similarities of Decent Work.

5. In looking at the localities, there could be comparative advantages in terms of employment creation. We need to make the best use of it, and at the same time, the national government should put in place systems to support these advantages.

6. Corporations need to secure more competent workers in order to enhance their competitiveness. In order to do so, education in the wider sense of the definition is becoming
ever more important.

7. In globalization, special consideration should be imparted to the socially vulnerable than ever before. Such special consideration, whereas in the past may have been given on a national level, perhaps need to be considered at the international level, with the creation of an international safety net in scope.
We aim to share in the awareness about the future direction of youth measures by deepening discussion particularly on the current state of and outlook for youth employment policies in Japan and other Asian countries as well as by listening to the voices of youth. Finally, the conclusions will be summarized in a joint appeal.
Keynote Speech “The importance of youth employment in a globalizing world: the ILO viewpoint”

Officer-in-Charge of the Employment Sector / Director of the Skills and Employability Department, ILO
Ms. Jane STEWART

Good morning, ladies and gentlemen. It is my pleasure to be here. I would like to thank the Government of Japan for joining with the ILO to provide us all with an opportunity to continue our dialogue on the important issue of youth employment. I say, continue, because Feb of 2002 in Bangkok, we joined our forces to have what was probably one of the first discussions in the new Millennium on youth employment. Since that time, many of the countries participating today have increased their efforts in support of their young citizens. Sri Lanka and Indonesia for example, made the political decision to become lead countries in the ILO-led Youth Employment Network, partnership of the UN, the World Bank and the ILO and numerous stakeholders including young people. The Government of Korea has provided what is arguably the first direct investment to the ILO in support of youth employment initiatives and we are currently using those funds in the countries of Viet Nam, Nepal, Sri Lanka, and soon in Mongolia and China. Certainly as I read the important and valuable reports from participating countries today, I can tell you they will help me and the ILO to formulate and prepare for the general discussion on youth employment to be held in 2005 at the International Labour Conference in Geneva.

Since our meeting in 2002, there has been an ever-increasing interest by governments, and employers and workers organizations, about the importance that youth play in their success, socially, economically and politically. All are recognizing that the importance of tackling youth employment is key to the broad issues discussed at yesterday’s sessions including poverty reduction, sustainable development, indeed, even stability and world peace.

At the International Labour Office, we have been continuing our work increasing our research and analysis to better understand and be able to respond as to:
- Why youth unemployment continues to increase. As mentioned by the Director-General yesterday, the number of youth unemployed in 1993 was 69 million. A decade later, they are 88 million, or half of all the world’s unemployed, despite being only the 18% of the world’s population.

- We are interested in why youth unemployment compared to adult unemployment rate is at best two times higher, and in some countries over five times higher. As the Director-General said yesterday, this is a fault line between generations and we are all responsible to deal with it.

- We are interested in why young women continue to find it harder to find employment than young men. What the impact of increasing part-time, contract, temporary work is having on young people, how the fact that 93% of job opportunities for young people are now found in the informal economy will impact youth and their employment today and in the future.

- We are vitally interested in school-to-work transition. Traditional transition is being replaced by far more varied, complex and lengthy transitions. The NEETs of Japan, those “not in education, employment or training”, certainly is a reflection of that changing transition.

- We are researching and trying to better understand changing youth aspirations toward the world of work and think of the “freeters” who themselves may be reflecting the changing aspirations.

- Of course, we remain interested in very specific realities of young people with disabilities, those who are indigenous peoples, minority youth, and those who are affected by the HIV-AIDs pandemic.

These questions were discussed fully at the recent tripartite meeting on youth employment held in Geneva in October. Countries and social partners who participated agreed that with these and other complex questions abounding, tackling the youth employment challenge has become even more important. They advised that understanding the dynamics of youth unemployment is critical but only the tip of the iceberg and that our work must include those young men and women who are employed but in circumstances that are far from being described as Decent Work.

The participants acknowledged that there is no one size fits all solution, but the days of thinking that the solution is a programme here or a programme there is gone. As the Director-General mentioned yesterday, a key conclusion of the meeting was that our policy
message recognize the need for an integrated and cohesive approach that includes interventions at the macro economic and the micro economic level, focuses on labour supply and demand, and on job quantity and quality.

Thinking of the importance of the macro economic policy, we know and many of you in your reports highlighting the necessity of increased aggregate demand and economic growth. At the same time, as was clear from yesterday’s discussion, leaving it strictly to the market does not always mean there is a pro-employment aspect to that growth. The meeting concluded that we have to ensure that employment is placed at the heart of macro economic policy and not just left as a derivative. It was interesting yesterday to hear how many panelists referenced the complementarity of globalization and localization. This highlights the important roles that meso and micro policy play in any effective youth employment strategy. Communities knowing their local population of young men and women need to take the responsibility for policies at the local level. When we think of supply and demand, we know from our experience that on the demand side, there are opportunities for young people when countries and communities use employment-intensive infrastructure programmes. When sectoral policies of encouraging economic sectors reflective of the interests of youth like ICT are supported, when appropriate flexibility and protection are considered in labour market regulations, when entrepreneurship is encouraged and when wage supplement and other related schemes are thoughtfully utilized. On the supply side, and significantly supported yesterday, we know that investments in basic primary education, vocational and technical education and training and life-long learning are essential. Employment services, including career counselling, pertinent labour market information, support employability.

As mentioned, increasing the quantity of jobs available is important, but the quality of those jobs is equally important. Here, good governance in labour market regulation, use of labour standards and the involvement of social partners are all essential ingredients.

Finally, and perhaps most importantly that the participants of the tripartite meeting recognized that the voices of youth and their inclusion in the development of policies and programmes supporting their employment is what will make or break our 21st century solutions.
The ILO is critically placed to encourage and support such an approach. Our Decent Work agenda is the paradigm into which these conclusions fit. And our Global Employment Agenda, that is, the employment strategy of the Decent Work agenda, gives us an integrated and cohesive framework in which to work. Our leadership is important in the Youth Employment Network, or YEN, as a global platform through which to work. And I hope the Director-General’s suggestion of “more yen for YEN” will be something for which we can work together.

Finally, the tripartite meeting encouraged us to ensure that our policy messages on youth employment become overlaid on other national programmes including Poverty Reduction Strategy Papers (PRSPs), Decent Work country programmes and other work associated with the Millennium Development Goals. The participants also concluded that the work of the Office should continue to develop more and better indicators of youth employment challenge, identify and share good practices at the national and I would suggest even at the local level and to prepare and provide tools for youth as appropriate country by country, to respond to the specific needs of their young citizens.

Ladies and gentlemen this is a short summary of where we find ourselves with regards to the ILO’s policy message and technical programme. And we look forward to the important discussion that will occur at the June International Labour Conference in 2005 to get confirmation of this preliminary conclusions and support from member states and social partners to go forward in our efforts to meet the youth employment challenge. I hope that the work of today’s sessions will help you in your own planning and participation in the discussion at the International Labour Conference.
Ladies and gentlemen, good morning. My name is OTA Toshiaki, and I’m director-general for policy planning and evaluation at the Ministry of Health, Labor and Welfare in Japan. I’m very pleased to be here, to speak about the employment of young workers in Japan. I would like you to look at the documents, which were distributed, while I’m speaking about our latest employment situation, and employment of young people and measures, and also about issues to come and that we must face.

The recent employment situation

First of all, I will deal with the recent employment situation in Japan. Please look at the first page of the document.

Our latest results about total unemployment rate date from last October and is of 4.7%. On January 2003, and a month last year we had a rate of 5.5%, the highest in our history. This rate is now of about 4%, we can observe a slight improvement. At long-term, compared to the international situation, we can say that Japan has still a low unemployment rate. For example, the total unemployment rate at the beginning of the 90’s was of about 2%. But the situation has suddenly deteriorated after the end of the “bubble” economy. The unemployment rate was of about 3% in 1994, 4% at the first time in 1998, and 5% in 2001 and our highest rate was of 5.5% as I’ve just said. With the recovery of economy, this rate has been of about 4%. Thus, we can admit a slight improvement of the situation. An other index of the hello work, the Japanese PESOS, shows us that the job offer/job seeker proportion is of 0.88 times. This means that the situation has improved since 2 or 3 years. This improvement, 0.88 times, hasn’t been seen since 1993. In short, our employment situation is on the way of improvement despite some serious problems. What could be these serious problems? We can mention two. First, the employment situation of young workers, and secondly, the difference of situation growing between cities and regions, but I won’t deal with this second problem today. I will just say that the unemployment rate is of 3% where the employment situation is good, and is of 8% in regions, which have serious problems. Our aim is to make it fall until 4% and we are searching for appropriate measures for that. I will finish about the general situation of Japan.

I would now like to deal with the employment situation of young workers, using more full data. Please look at page 2 to page 4 of the document. The unemployment rate of young workers under 24 years old has especially increased from 5.1%, 10 years ago to 10.1%, today,
the double of the average. The situation has become worse. There is 3.11 million jobless people in Japan, and half of it, that is to say 1.50 million of young workers under 35 years old have no job. We can say that it is usual that the unemployment rate of young workers is higher than the average of global unemployment rate. But if it is, it is because young workers often leave their job to find a more appropriate one, or as most of them are not married, it does not cost much when they change job. In Japan, as I said, one young worker in ten have no job. As it is said in page 3, we call part-time worker “freeter”, and its number has more than doubled to 2.00 million from 1.00 million 10 years ago. The irregular employment as well as instable employment has increased. Moreover, the number of “NEET”, young people who are neither working nor studying at school has reached 500 thousand and reveals serious social problems. At page 4, we can observe the employment situation in details, of young people after graduating high school or college. Compared to 10 years ago, the employment rate among high school graduates considerably decreased. For example, the employment rate of high school graduates decreased from 29.7% or 500 thousand to 6.4% or 210 thousand. On the other side, the number of jobless young high school graduates doubled from 5.2% to 10.3%. For college graduates, the employment rate decreased from 76.2% 10 years ago to 55.0%. Actually, only half of the college graduates can find a job. The number of unemployed rapidly increased from 7.1% or 30 thousand to 22.5% or 120 thousand people. Besides, even if they can find a job, the number of those leaving work is increasing too. The rate of those leaving work within three years after graduation is 50% for high school graduates and 30% for college graduates. Thus, after graduating school and finding job, the number of young people leaving their work has incredibly increased.

The cause of severe employment situation

Now, why young people don’t work or have an instable work or leave their work? We can find some reasons to this. First, from the point of view of employers, we must mention the economic recession and the increase of employers removing their production stronghold to foreign countries, which lead them not to employ young employee. Then, we must think of the increase of employment of irregular employment, such as part-time workers, “Alubaito” who cost much less than regular employee. Finally, rather than employing young and fresh workers who has just graduated school, employers prefer to employ workers who have already some experiences. They expect immediately useful workers. Thus, young workers have nowadays to face with lots of difficulties to find a job. There are some other reasons from the point of view of young people about this problems, but I think most of the causes remains in the fact that their are not motivated enough to work and don’t know or can’t decide what they exactly want to do. Also, young people don’t have enough information about work nor experience, and they don’t really know what kind of job there are. In the third point, most of them lack of basic knowledge as a worker. Problems on the companies’ side and on the young workers side lead to a vicious circle. Companies have difficulties to find good material so they tend to reduce
employment, while young workers loose their self-confidence and their desire to work. I think these are the main reasons of the increase of instable employment and the number of those who do not work. On the other hand, we can also say that government has not provided enough information about work, training counseling services until now.

**Social influence which young people's unstable working style etc. affects**

This kind of situation might cause serious problems. If workers do not accumulate enough knowledge or techniques while they are young, this might cause serious damage in their professional life hereafter. From a global point of view including politics, economy and society, we can say that without young workers development projects, we could face a reduction of economic growth and a fragilisation of social security. That’s why young workers’ unemployment problem is a imminent one and not only is it an employment problem, but also a problem involving education, industry, and society, so the government should work on this as a national topic.

**The measures of the Japanese government**

This perception is now shared by the government, and last year, the minister of education, the minister of economy and industry, the minister of economy and finance policies, as well as the ministries concerned met together to realize a youth independence and challenge plan. In the ministry of Health and Labour, we are now trying to plan measures according to this plan, which are presented from page 5 to page 7. For example, we propose to promote to regular employment the transfer by adopting probationary period employment. Employers employ young part-timers for a test employment and then adopt them for regular employment. The transfer rate is about of 80%, so we can say this measure is rather successful. Moreover, local governments are also working on a one-stop job placement service center (the so-called job cafe) and the introduce of the Japanese version of “Dual System”permitting to offer education at training institutions in conjunction with practical training in companies is also one of the key measures.

**Job Café**

Among these measures, I would like to present you in details two measures that were enforced from this year. First, I will deal with the job cafe noticed at page 6. This is a one-stop job placement service center for young workers. This cafe aims to collect young people opinion, to develop appropriate and useful measures. Local government has taken this new initiative. Concretely, local government in cooperation with local school and educational institutions provides job information service, opportunities to gain workplace experience, and job
placement services for young job seekers. The ministry of health and Labour, in response to the local governments requests, has established PESO as an annex to the job cafe. This was planned to be establish until July, and this system has just started to work in the 43 prefectures, but there are already 310 thousand users in the first half of the year, and ten thousand of them succeed in finding work. The opinion about the job cafe is rather good: young people seem to stop at the cafe when they want. Moreover, with careful counseling and seminar, most of them can hope to accumulate knowledge, or with psychological support, the possibility to find job is higher than before. Finally, as the target is limited to young workers, they are motivated for they belong to the same generation so they recognize more easily their problems, which are particular to them.

**The Japanese version of dual system**

The second new initiative is the Japanese version of “dual system”. For this, you can look at page 7. We have had the German dual system as model, and the ministries of health, labour and welfare, with the cooperation of the ministry of education establish this education system since this year. The target of this system is a young worker, and it aims to launch an offer education at training institutions in conjunction with practical training in companies. There is a sort of test the end of this course, to accomplish the education of a “real” worker, and consequently, we hope the situation will stabilize at work. Young worker can now study and work at the same time. For example, for hotel service, young workers can have classroom lectures at educational institutions about manner or service during three days a week, and then, they can have they can develop their aptitude at the hotel for two days a week, through work and accumulate practical experience. Workers under the age of 35, searching for a stable work without having access to it, and who are motivated to find work through this method, are the main targets of this educational system. Concretely, we are thinking about young people who couldn’t find work after graduating school or jobless people, or “freeter”. Of course, if they can find work thanks to this system, our aim is accomplished. But even if some of them cannot find work after it, we can assure ourselves that we can at least develop their capacity through this system. Thanks to that, we hope that people without job after school, or jobless people or “freeter” will not take root among society. This system has just started. By September, 13 thousand people have started this scheme. Until now, I’ve spoken about the main measures of the ministry of health labour, and welfare.

**Youth Independence and Challenge Action Plan**

But today, the Japanese society is confronting another problem: the increase of “NEET”, young people who are neither studying at school or at trainings institutions, nor working. Most of them are not motivated enough to work, or they were once, but they’ve lost their motivation. A solution to this situation must be found immediately.
Thus, 5 minister concerned, that is to say, the minister of education, the minister of health, labour and welfare, the minister of economy and industry, the minister of finance and the chief cabinet secretary gathered together in September to make the “youth independence and challenge plan” take form, as you can see at page 8. We demand a budget of 81 billion yen. This plan contains three main points: first, from elementary school to college, school will be in close collaboration with local communities and industries, to help young workers develop themselves. Secondly, we will raise willingness for those who have lost it, and lead them to find a stable job through general measures, and thirdly, develop young workers abilities through active involvement of private sector in HR development. To realize that, we have six policies. The first one is to enhance vocational education and develop specialized workers, the second one is to raise willingness to work among“freeter”and those who do not work nor go to school, the third one is to develop HR to support growing of industries, the fourth one is to promote in-employers HR investment, the fifth one is to promote grass-roots “E-Learning” programs, the sixth one is to promote national movement. Since we have not enough time, I would like to present you only the important points.

First, it is about enhancing vocational education and develop specialized workers: we’ve found that teaching about work from high-school or from college is too late to resolve our problems, so we’ve thought to give vocational education from elementary school or junior high-school. Junior high-school students will participate in workplace training for 5 days or more, and learn the importance of working by themselves. The central role for this will be for the ministry of education, and the latter will realize this system on all public juniors high school of Japan, within 3 years, that is to say 10 thousand public junior high school. PESOs would send some staffs of employers to school. The ministry of health, labour and welfare, the ministry of education as well as the ministry of economy and industry would cooperate together to enhance this“career”education.

Then, the second point is to raise willingness among“freeter”and those who do not work nor go to school. The main role for that is for the ministry of health and labour, and as I’ve just said, this measure helps young people who have lost their self-confidence or their desire to work to find it again. There are five points for that : first, there is the establishment of a“Wakamono Jiritsu Juku” 《 school of independence for youth 》. This school is based on a training camp model where young people must live in-group and work together. Through these experiences, we expect them to obtain basic knowledge as a working person, self-confidence and motivation to work, to finally find work opportunities. The second point is about short-term vocational training. This leads young workers to skill up their communication abilities or basic business manners by the use of private sector companies, to make them find a work at an earlier stage. The third point comprehend the development of Job Passport scheme, to enhance ability to obtain a job through unpaid work experience which are evaluated, so that companies can know the worker’s capacities. The fourth point aims to expand the framework of free practical vocational training for young workers, provided by private institutions, and start to receive applications at the “Job cafe”.Finally, the fifth point aims at promoting the
The concept of “Monozukuri Rikkoku” (manufacturing kingdom) supports visits of children and their parents to factories, private or public training institutions, or symposiums about this theme. Furthermore, we aim to open competitions for young workers of manufactured goods to ultimately create a society based on this and elevate its technique.

Finally, I will talk about the national movement. It is a national issue, therefore we feel the necessity to raise interest among the public about the employment of young workers. For this and to increase the desire to work, we must promote cooperation among the economic world, the labor trade union world, local governments, etc., by holding a national conference.

At last, I would say that Japan will become a society where population would considerably diminish, 3 years later, that is to say in 2007. The number of people of productive age, that is to say between 15 and 65 years old, has been diminishing since 1996. The working population has also been diminishing since 1999. Consequently, as I’ve said, it's crucial for Japan to construct a society where everybody, including young workers or elder workers, women, can work, according to their motivation and capacities. Above all, young workers must recover their self-confidence and motivation, and work in their best conditions. At this present symposium, I’ve had the pleasure to listen to the ILO and the other Asian countries, and that will be a precious hint for us. Also, I have to thank the labour and management support, as well as all those who are concerned about this issue. I hope we can all resolve this young workers employment problem. Thank you for listening.
Good morning. My name is Nobuaki Koga and I am from the Japanese Electrical, Electronic and Information Union. Mr. Ota has made an extensive report on the circumstances of employment for young people and their working conditions and the measures that need to be taken.

We, as members of labor unions, feel that these problems of young people not only influence the vitality of our society but also reduce productivity and make it hard to maintain the balance of the social system, which is based on public assistance, self-assistance, and mutual assistance. This is because young people are placed outside the framework of taxes and social security.

We also feel that the employment of young people and the development of human resources are important issues in addition to the so-called 2007 problems Mr. Ota pointed out, and that measures needed to improve overall employment, including the so-called “freeters” or workers not seeking permanent positions, and “neets,” or people who are not in education, employment, or training.

We also believe that many parents of these “freeters” and “neets” are worried and that cooperation with schools, universities and colleges, and with the local people of the regions is also very important.

I believe that the background of these trends reflects the wide variety of views on work that now exist among young people. However, I feel that as a result of prolonged economic slump and intensified global competition, a change has occurred in the surroundings in which younger workers are cherished as permanent employees on a long-term basis and trained as a member of society and the professional abilities that are formed. Namely, it is clear that the opportunities for acquiring professional abilities have decreased in line with the changes in employers’ human resource requirements and in employment strategies.

I would like to point out some issues and make some suggestions as to what we should do.

Firstly, it is necessary for us to socially recognize the companies that are cooperating in the employment and capacity development of young people and to prepare and expand assistance to those firms.

Secondly, it is necessary to promote measures for the employment of young people based on the actual situation of the regions in cooperation with NPOs and labor unions, as well as accelerating development of capacities that meets the needs of society and the companies, utilizing local educational institutions and public and private job training centers.

Thirdly, the establishment of a national council has now been proposed, as Mr. Ota pointed out.
We also deem this a very important policy and would like to play an active role in it as union members. I think it important that the national council makes good use of the people who are actually experiencing both the joy and severity of working.

Fourthly, I think it necessary to develop learning-by-experience courses for young people to help them seek their own aptitudes and get practical experience of work in order to cultivate their own view of the professions and trades.

**The measure in Japanese Electrical, Electronic and Information Union**

**Electrical machinery industrial occupation academy**

I would like to take this opportunity to introduce the Professional Academy of the Electrical, Electronic and Machinery Industries, which was established in October 2004.

Now, members of the unions are individually facing the problem of how they should work and how they should develop their careers in order to realize a fruitful and happy life. Up to now, we labor unions have made strenuous efforts to create comfortable working conditions. However, we must now reflect how deeply we have tackled working itself and whether we have promoted our movement in such a direction. As I mentioned just now, we have reached the time to seek our happiness as workers by enhancing our professional abilities and attaining self-realization and to think about our careers ourselves to that end. Therefore, the labor unions have established this Professional Academy of the Electrical, Electronic and Machinery Industries in order to help union members.

We are promoting four activities. Firstly, we have developed a system of aptitude tests that can be taken on the Web site of the Union. Secondly, we have developed a system in the Career Design Center within the Union that provides advice on the development of professional abilities and careers. Thirdly, we requested the member companies of the Union to open their training courses to all members under the Union so that everyone can be free to participate in the training courses of any firm. Fourthly, we created a Web site on which information on the employment plans of the member firms of the Union can be openly seen. In addition, we plan to train career development officers who will assist the career progress of union members, as the most important step for the future. This plan has started in October 2003. About 200 career development officers have grown up. This is not an easy step to take, but by continuing such efforts step by step, we would like to establish careers and work styles from the viewpoint of the labor unions and of working people.

Lastly, as Chairman of IMF-JC, I would like to add that the IMF-JC has a concern about the tradition of “craftsmanship,” which is in danger of fading away, and we are trying to hold “craftsmanship courses in primary schools and middle schools to give the pupils and students, as well as retired union members the opportunity to really experience the tradition of “craftsmanship.” This is also a new area that the labor unions want to develop.

Thank you very much for your kind attention.
Good morning. My name is Takeo Kato and I work as Chairman of the Committee of Labor-Management Relations of Nippon Keidanren (Japan Federation of Economic Organizations). Keizai Doyukai (The Japan Association of Corporate Executives), a group of businessmen within Nippon Keidanren also feels a strong interest in the problems concerning the employment of young people and the development of their abilities, and active discussions are now being held.

The subject that managers should tackle

Today, I would like to pick up four issues among those that management must address immediately.

The first issue is, as Mr. Ota pointed out, to establish long-term employment plans and solid measures concerning employment. Under the prolonged depression, many companies have been forced to solicit their employees to take early retirement or to switch careers. We must admit that this has consequently narrowed the doors to opportunities for young people and caused a grave influence to their employment circumstances. Fortunately, the business climate is now on a course for recovery, and we believe that this is the time for companies to make a continued and stable employment plan from a long-term viewpoint. What we are concerned about at the moment is that the unstable employment of young people dependent on the business climate may create a distorted composition of personnel in firms in the future, and very important traditions of manufacturing firms, such as the handing down of techniques and craftsmanship may be discontinued. We, as management, would like to contemplate these grave effects and develop a stable and continuing employment plan as an important theme.

The second issue is to promote communication between schools and firms. Recently, cooperation between universities and firms has developed remarkably. But communication between middle schools and high schools, and firms has not yet been promoted sufficiently. In particular, not enough effort has been made in reflecting the needs of the firms in the curriculums of middle schools or high schools, which plays an important role in helping students to form a view on work. At the moment, Keizai Doyukai is trying to promote communications between schools and the management of firms. In practice, senior management of firms visit middle and high school to talk to the students and also to take the opportunity to talk freely with teachers. Last year, 150 senior managers visited schools and this year the number will be more than 200. In exchange, we would like to invite teachers to
experience life in one of our companies. We plan to increase the opportunity for teachers to take training courses at companies.

The third issue is the improvement of company experience for students. As Mr. Ota mentioned, there is an increasing number of firms that have adopted the system of internship. Now, one-third of large companies have adopted this system. The present system is, in most cases, accepting students who are scheduled to join the firms for three or six months as pre-employment experience. But we believe it important that companies should accept more students, not limited to those students that are to join the firm, and expand the doors to include middle and high school students as well as university and college students as at present.

As Mr. Ota mentioned just now, there are reports to the effect that middle school students experience work for one week in Hyogo Prefecture and Toyama Prefecture and this experience really helps them form their views on work. I understand that the Ministry of Education, Culture, Sports, Science and Technology is going to expand this scheme nationally in 2005, with a focus on the second year of middle schools, namely fourteen-year-old students, as that is the most important age group. Many companies are hoping to take part in the work experience of students of this age.

The fourth issue is the improvement of on-the-job training within companies. According to statistics, the time spent for planned OJT by the firms has reduced over ten years from 74% in the early 1990s to 42% in the early 2000s. The training expenses over the same period are reported to have decreased by 100 billion yen. This is partly because companies tended to seek employees that provided immediate benefits. However, firms must change direction and take measures to strengthen both on-the-job and off-the-job training programs.

Recently, we have been discussing a possible decline in power of work sites in manufacturing operations. In these operations we have experienced industrial accidents. We must again improve our OJT to recover and reinforce this power of work sites that is a characteristic of Japanese industries. This is our fourth theme. I am afraid that I concentrated on the concrete themes only, but these are the themes that we in management would like to address immediately.

Thank you very much for your kind attention.
Question from Audience: No. 1
I have two questions. The first is: it was said that in the past the problem for Japan was that of older people, but now the problem of young people has emerged. Which is to be focused on? I would like to ask each of the members of the panel. The second is: there seem to be two factors in the discussion, namely, stability and change. As I understand, Mr. Koga focuses on the changes and Mr. Kato is inclined toward stability after adjusting to changes. I think that the answer may be “Both factors are important,” but I would appreciate a rather simple answer like “which is which.”

Question from Audience: No. 2
My question may be a kind of request to the Administration. We are now involved in managing the National Homes for Working Youth, which now numbers about 500 throughout Japan. These institutions were established based on the Working Youth Welfare Law of 1959 with the aim of providing professional training to young working people, encouraging professional training, and to provide leisure facilities for young people who started working for medium and small enterprises through the post-war mass employment and who may lack friends or places to play in apart from their homes. These 500 homes will be involved in the training of young people as discussed in the speeches of the panel. At the moment, 115,000 youngsters are registered and take part in various activities and training courses held at various homes. The facilities of these homes include gymnasia and training rooms and many young people are making use of them. But, these homes are now being closed one after another and 30 homes have been closed monthly.
One reason is the influence of Administrative and Fiscal Reform on local governments and also know-how for operating these homes has not been accumulated in the regions. All these homes have a high concern about this “freeter” problem. Another point is that I would like to request you to utilize these 500 facilities for youth employment measures. Every year, registration is renewed in these homes and about 20% of the youths leave the job column blank. Whether they do not want to disclose their work or are really without job, 20% are “quasi-NEET's.” I would like to request the Administration to utilize these facilities that with their 30 years’ history.

Question from Audience: No. 3
I have two questions. The first is to Mr. Ota. I think education is actually necessary for parents of 45 to 55 years old who allow their children to become the “freeters” or “NEETs.” What do you think of this, please?
And to Mr. Kato. I think the visits of businessmen to schools and visits of teachers to firms are wonderful. Especially, giving teachers experience in a company is very important. But I have tended to find that senior businessmen speak only about superficial matters at school. So, I would like to request younger businessmen in their twenties or with about five years’ company experience to talk about real life in a business. May I ask your opinion?

**Mr. Toshiaki Ota: Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare of Japan**

I am going to answer the questions of each questioner. The first one is about the balance between older people and younger people. We believe that both older people and younger people are important, though this may not completely satisfy you. As I mentioned just now, we are facing a society with a decreasing population after 2007, and the labor population has already started to decrease and it is anticipated that the labor population will decrease by 4 million by 2015. This will have a strong impact on the growth of the economy and it is important to build up a society where younger people, older people, and women can take equal parts in all activities, as I mentioned before. If younger people, older people, and women can work in society, the decrease of labor population would be limited to just 700,000 as compared to 4 million if left as it is. I believe that this is an important subject to work on, although the measures needed may be different.

The second question is about the use of the youth welfare centers. We are actively addressing measures for the employment of young people over these two or three years. I think it is important to make full use of the experiences of such centers, in addition to the job cafes and special training schools for independence that we are promoting as a comprehensive approach.

The third point is the education of parents. We quite agree with your opinion. We believe that this is a problem that must be tackled not only by young people but also by the whole of society and involves education, industry, society, and other parties. As we are trying to approach the problem by enhancing the consciousness of the National Council in which employers, employees, and the representatives of local communities will participate, it is important to tackle the problem with the whole society—including, of course, parents.

**Mr. Nobuaki Koga: President, Japanese Electrical, Electronic and Information Union; Vice President, JTUC-RENGO**

As to the problem of older people and younger people, naturally, both are important. But I think we must reconsider where the main problems are. For example, People may ask, “What does employment mean?” I think that expanding these options of ways of participation or involvement in society is also very important.

As to the second problem of stability and change, I don’t think stability and change contradict themselves. And I feel that we are living in a new age where we should synthesize matters that in the past were thought to be contradictory. In that sense, it is not a choice between this or that, but rather seeking a balance between stability and change is the most important thing.
Mr. Takeo Kato: Adviser Fuji Electric Holdings Co., Ltd.

As to the statistics, Mr. Ota has already talked about that. We are concerned about the 2007 problem. The year of 2007 is the time when the so-called baby boomers that were born from 1945 to 1947 turn 60 years old. Those people are said to be seven million in number and 20% to 50% more than other generations. We are concerned whether the tradition of techniques and craftsmanship will be properly maintained when these people leave their present positions. Therefore, we must prepare places where these people can get a soft-landing. This is a measure for older people. And preparing the conditions for young people to take over and acquire the techniques and skills of these older people, this is the gist of the measures for young people.

As to stability and continuity, what I mean by stability is the continued policy of employment of new people. On the part of companies, there is now a reflection on the employment policy of the past. They employ 500 university graduates when business is good and reduced the number to 100 or zero when business is poor. Regretfully, that was the actual shape of employment of many firms. But I think a continued and stable employment rate based on a long-term view is important.

Lastly, about sending businessmen to schools, I admit that sending younger people of 30 to 40 years old who are actually in the forefront of business will inspire students and give them hints about their future direction. So, yes, we would like to promote this. However, an interesting thing is that senior management often get very tense when faced with giving a lecture to 50 students at school—much more than when they make a speech to their employees! I think this is a good thing for them, too, because it gives them a good opportunity to really think about education. So, I will try to arrange a good combination of these two groups.
I would like to express my deep appreciation to the Japanese Government and ILO representatives for their dedicated efforts to prepare for this symposium.

I am particularly pleased and thankful for the opportunity to introduce Korea’s youth employment policies.

Mr. Chairman, and distinguished guests!

The theme of this symposium, “Symposium on Globalization and the Future of Youth in Asia”, represents a challenge we have to overcome through concerted efforts of Asian countries as well as the entire international community.

As the concept of national boundary becomes blurred, competition is becoming fiercer in every facet of our society, and the market is compelling all members of society to change for their own survival.

Globalization and competition may bring material abundance to mankind by enhancing economic efficiency. However, globalization, emphasizing efficiency only, would end up benefiting certain classes, and fail to improve quality of life for all.

Particularly, globalization may have greater impact on youths trying to enter the labor market for the first time after graduation. Youths would fail to find their place in fierce competition, due to lack of vocational ability and labor market information.

This is why we need to tackle the problems of globalization and issues related to youth employment at the same time.
The impact of globalization takes various forms not only within a country, but among different countries. This can especially be true for Asia composed of countries with distinct diversity.

Now, I would like to introduce Korea’s experience, hoping that Korea’s case can be helpful in making the globalization process bring prosperity and well-being in Asia.

Distinguished guests,

Since the 1960s, Korea’s labor market remained fairly stable in the midst of rapid economic growth. With the implementation of export-driven growth strategy at the time, the key industry sectors experienced labor shortages. Naturally, the employment policy concentrated on training and supplying skilled worker.

Since late 1997, Korea’s labor market started to undergo huge changes in both quantity and quality. The financial crisis that hit Korea and other Asian countries in 1997 forced the Korean economy to transform itself.

All sectors, public and private, had to undergo restructuring in order to survive in the market. During that process, numerous insolvent companies were forced to exit the market.

The restructuring efforts and exit of insolvent companies led to reduction in annual hiring, which was compounded by reduced employment absorption capacity, making unemployment rate jump to 7% in 1998, from pre-crisis level of 2~3%.

The sudden deterioration of the labor market had the greatest impact on youths trying to find a job for the first time. The youth unemployment rate climbed to 12.2% in 1998, from 4.6% in 1996.

Faced with unprecedented massive unemployment, the Korean Government named itself as the ‘Anti-Unemployment Cabinet’, and exerted all-out efforts with all the people to overcome unemployment problems.

Short-term measures such as large-scale public works project, support for self-employed to start a small business, internship programs for youths, etc., were carried out to provide jobs to the unemployed.

Along with these short-term solutions, mid-to-long term measures were also implemented. They include creating jobs by fostering SMEs and venture companies, expanding social safety network such as expanding the coverage of employment insurance, building infrastructures
that stabilize employment, and strengthening vocational training.

Korean Government’s response to unemployment, buoyed by the effects of continuous restructuring and reforming effort, played a key role in stabilizing the labor market by reducing the unemployment rate to 3% level.

Nevertheless, the restructuring and reforms carried out in the private sector discouraged companies to hire more workers on a regular basis, and youth unemployment rate is still high recording 7% level, even when the overall labor market is being stabilized.

The most significant change that took place in Korea’s youth labor market is reduced job openings for youths on demand side. Economic growth has slowed down, dropping to 3.1% in 2003 from 7% during the 1990s. And the capacity of creating employment is reduced due to the sophistication of industrial structure.

Major changes in terms of labor supply include big increases in the number of college graduates resulting from increased college enrollment rates. The college enrollment rate of high school graduates, which was only 33% in 1990, surged to 81% in 2004. In total, the number of college graduates has almost doubled during the period of 1985-2003.

Job preference among youths who tend to avoid difficult work is one of the causes of youth unemployment. The number of “decent jobs” such as those in large enterprises, financial institutions, public enterprises which college graduates prefer is dropping, while small and medium companies are suffering from labor shortages as youths are reluctant to work for these companies.

The employment support infrastructures, such as public employment service in charge of job placement, job counseling, and etc., remained weak. Another factor is lack of the system that provides information on job openings, industry-specific demands, and etc.

Acknowledging these causes for youth unemployment, the Korean Government has recently introduced various measures to tackle the issues.

Firstly, the Government is aiming to create more jobs through strengthening growth potential, and develop human resources qualified for industry needs by strengthening linkages between industry and academia.

The focus is also being placed on developing vocational ability and building infrastructures that secure employment stability, to enable smooth school-to-work transition.
However, it will require significant amount of time for us to witness tangible results of these long-term measures. That is why short-term measures to motivate youths to find a job and maintain their employability are being carried out hand in hand with the long-term measures.

Also, efforts to minimize elements of friction in the employment process include creating public sector jobs, providing various work experiences, and facilitating job placement.

The Korean Government is implementing the Work Experience Program as the major program for tackling youth unemployment. Through this program, youths in school can have the opportunity to work for a private company or a public organization.

Students participating in this program can enhance their understanding in various jobs and occupations, and choose the right jobs for themselves in the future. I believe that it is essential to provide work experiences to youths who naturally lack social experience and specific future plans.

We will establish a system in which all youths can receive phase-based vocational training and counseling, in order to enable youths to develop sound vocational mindset and job searching capability.

Vocational training and job counseling services should always be provided to youths at school. For youths neither at school nor at work, vocational ability development programs should be provided, to help them enter the labor market.

In particular, development of vocational ability of “youths at risk,” or youths that dropped out of school, will improve their labor market participation rate by helping them accumulate work experience.

In order to prevent “youths at risk” from being excluded from the economy and society, and to help them maintain stable jobs, life-long ability development opportunities should be offered to them.

Vocational ability development is required not only before entering the labor market, but after entry as well. With the emergence of globalization and rapid technological innovation, demand for workers with high skills and expertise is increasing. Meanwhile, the demand for unskilled workers for manual work is declining.

Furthermore, companies opting for flexible employment system are on the rise, as companies are trying to flexibly respond to changing business environment.
Against this background, developing vocational ability has become an important task to improve individual employability and productivity of companies, and to achieve social integration. Knowledge and technological gap among workers have emerged as a major factor causing inequality in the labor market.

This is why life-long learning system, which provides learning opportunities to anyone at any time and at any place, is strongly emphasized. Therefore, the Korean Government is planning to implement “life-long learning welfare system” which links learning, employment, and welfare.

Mr. Chairman, and distinguished guests!

I believe that this timely symposium holds its significance as a forum to discuss ways to respond to youth unemployment trend, which has emerged throughout Asia in the midst of globalization.

Recognizing the urgent nature of youth unemployment issues, the ILO will discuss youth unemployment during the 2005 International Labour Conference.

I am also looking forward to the 2005 ILO Asian Regional Meeting, which is to be held in Busan, Korea. The youth employment has been selected as a major agenda for the Meeting, allowing in-depth discussion on the matter.

The Korean Government sincerely hopes that the results of this symposium and upcoming events in 2005 will be an informative reference for the entire Asian region as well as for the member countries of the ILO.

I assure you that Korea will continue to be active in mutual cooperation.

Thank you for your undivided attention.
Mr. Chairman,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of the government of the Republic of Indonesia, I would like to express our gratitude to the Government of Japan for the warm reception and hospitality of being the host of this Symposium. In this opportunity, I would also like to express my profound gratitude to the International Labor Organization, the United Nations University, and the Ministry of Health, Labor and Welfare of Japan that prepared this important symposium to exchange the view of youth and Globalization. This symposium is very important, since we will discuss and share our experiences in dealing with the problems of youth employment.

The problem of youth employment is a serious issue leading to situations of social, economic, and security unbalance which causes eventual marginalization and exclusion amongst youth. Youth unemployment has other national and global impacts notably increased violence, crime and political instability. These problems causes concern and solutions need to be found by making comprehensive policies.

Based on the 2003 National Labor Force Survey, there are 9.5 million unemployed people in Indonesia, in which almost 60 percent of them are under 25 years old, even though this age group was composed by only 20 percent of the total labor force.

The majority of youth in Indonesia, most of them are females and who live in rural areas, have limited access to employment opportunities because of limited education, training, and experience. Furthermore, an average of 32.36 percent of employed youth is underemployed. This implies that they work less and do not earn sufficiently.

I will explain briefly the situation of youth employment and the challenges of being an unemployed and underemployed youth in Indonesia. At the end of presentation, a number of policies regarding action in support of youth employment will be briefly explain.
Youth Labor Market

A. Limited Employment Creation
The Indonesian economic development has recovered after experiencing recession and stagnation. The economic growth improved by 4.0 percent in 2003 and is expected to rise to 4.5 percent in 2004. With such an economic growth, employment creation, particularly in the formal sector, is very limited and not considerable enough to accommodate the increasing labor supply including youth labor. Those who cannot be employed in the formal sector have to continue being either unemployed or employed people in the informal sector that acts as the last resort.

The industrial structure of Indonesian employment has been changing profoundly and affects the youth employment. In the context of youth employment, it is no surprise that in most industries, the percentage of employed youth has been on the rise. Although most of youth work in the agriculture, manufacturing, and trade industries, however, there has been a decline in the proportion of youth who work in the agriculture and social service industries in the period 1990-2003.

The proportion of youth working in the agriculture industry is decreasing, from 55.2 percent in 1990 to 42.8 percent in 2003. The manufacturing sector marked as the second sector that is more likely to be occupied by youth and its proportion is increasing. With respect to residential areas, urban youth have a different pattern as compared to rural youth. Urban youth mostly work in the manufacturing and trade industries, while in the rural areas most of youth work in the agriculture industry.

B. Education Level
Most of the youth have either elementary or general junior high school degree, accounting for 66.8 percent in 2003. Although the total percentage of both degrees are almost the same compared to 1990, however the proportion of youth with elementary degree decline from 42.2 percent in 1990 to 30.0 percent in 2003.

C. Youth Population
The 2003 Labor Force Survey counts about 39.80 million people who are youth aged 15-24 years, where females account for 49.2 percent of total youth population and most of youth live in rural areas. This equates to 18.30 percent of the total population, which is slightly lower than the 21.60 percent record in the 1990.

D. Labor Force
Of a total population of 39.80 million youth in 2003, approximately 20.48 million are in the labor force, increased from 17.29 million in 1990. Youth labor force participation is around 51.5 percent in 2003 up from 50.93 percent in 1990, which is below the total labor force, 65.7
percent. The participation rates of youth in the 15-19 age group are lower than those in the 20-24 age group between 1990 and 2003.

In addition, youth participation in the 15-19 age group have a decreasing trend while those in the 20-24 age group have an increasing trend. In general, male youth have a higher participation rate than female youth.

**E. Youth Employment to Population Ratio**

The number of employed youth in the 15 to 24 years age group is 14.77 million in 2003 decrease by 1.13 million from 1990 with male and female employed youth having a decrease of 0.22 million and 0.91 million, respectively. The decrease of employment in the 15-24 age group can be accounted for by the decrease of the employment in the age group of 15-19. In addition, the ratio of youth to population has decreased from 46.86 percent in 1999 to 37.12 percent in 2003.

**F. Youth unemployment**

Unemployed youth form a large proportion of the total unemployed population. Of the 9.5 million unemployed people in 2003, about 5.7 million or almost 60 percent are of the aged 15 to 24 years, with the most being in the 20-24 age group.

In 2003, the youth unemployment rate is 27.88 percent compared to an overall unemployment rate of 9.50 percent, almost three times the national rate. Over all the unemployment rates are higher for females than for males.

**G. Underemployment**

The underemployed youth constitute an estimated 4.78 million or almost 16.80 percent of the total underemployed people in 2003, decreased by 2.06 million compared to 1990. This decline is mostly accounted for by the decrease of youth in the 15-19 age group from 3.81 million in 1990 to 1.87 million in 2003. Among underemployed youth, male and female account for 56.70 percent and 43.30 percent, respectively in 2003.

**H. Duration of Youth Unemployment**

The job search strategies of youth job seekers vary according to age group, suggesting a certain degree of labor market segmentation. The mean job search duration for youth job seekers, aged 15-24 years, is about seven months in 2003 decrease from nine months in 1990.

**Youth Employment Policies**

The role of young people in Indonesia's development is considered strategic by the government. This important issue has long been concerned and stated in the national policies that consider youth as one of the nation’s resources of development that needs to be taken care
Efforts and measures in developing youth require attention and should be properly handled by making comprehensive employment strategies and programs which is principally aimed to:

1. Employ and utilize youth optimally and humanly,
2. Accomplish an even distribution of youth employment creation,
3. Provide labor protection for youth,
4. Increase the welfare of youth labor.

The strategies to overcome the unemployment youth can be broadly categorized into supply-side-oriented and demand-side-oriented approaches that associated with employability, entrepreneurship, employment creation, and equal opportunities that are closely interlink.

Based on those policies on combating youth unemployment, the Government of Indonesia has carried out efforts to set up action-programs. Most of the programs involve various stakeholders including the government, private sector, non-government organization, and other concerned parties.

Below are some of the programs that have been done:

**1. Indonesian Youth Employment Network**

In order to coordinate and harmonize all youth policies and programs, the Government of Indonesia has already set up Indonesia Youth Employment Network (Indonesian YEN). This is aimed to set up networks, national action plan, and partnerships among governments, employers’ organizations, trade unions, youth organizations and other civil society groups to pool efforts and resources in alleviating youth unemployment.

**2. Training Development**

The problem of unemployment is partly attributable to the fact that education systems often offer curricula that are not related to the world of work.

A vast variety of training programs have been developed to increase the work competency of youth that can be used in the labor market. This involves the development program of a national professional qualification framework. Such programs have been carried out by Department of Manpower and Transmigration and other institutions. Some training that has been carried out is as follows:

a. A variety of training such as mechanic, automotive, welding, electric, and commerce that offer by vocational training center. The government currently operates about 153 vocational training centers located in all provincial and most of district capital, including six big vocational training centers under the management of central government.

b. Training to become self-employed, usually involving a combination of training in business
methods, facilitated access to credit or grants and access to work space.  
c. Training to become entrepreneurship that involves the development of entrepreneurial talent which is important to sustaining a competitive advantage in a global economy.

3. Expansion of job opportunities  
Program of job creation are also carried out through special programs for a certain group of the labor force such as the unemployed and underemployed youth in rural areas that are designed not only to reduce youth unemployment but also to create permanent jobs. The program is implemented through labor intensive project that are mostly tied to district development programs.  
Program measures are also made to develop job creation through the utilization of volunteer workers. Youth are mobilized to become volunteer workers to work side by side with young people that they guide, supervise, and be trained to be self employed.

4. Development of Public Employment Service  
One of the main problems of labor market with respect to unemployment is imperfect information causing frictional unemployment. The effort in strengthening employment service is seen as a key instrument in addressing the youth unemployment problems of the labor market. Establishing the Indonesian-Jobnet, an automated job and applicant matching system as an employment service online, is one of our priorities.

5. Job Fair  
The Department of Manpower and Transmigration has carried out a National Job Fair last May 2004 that brought together prospective employers with prospective employees, particularly youth job seekers. This job fair will be expanded in December 2004 with the collaboration between the central government and several provinces government to carry out job fair in their area at the same time.

6. Strengthening Career Guidance At Schools  
The Department of Manpower and Transmigration and Department of National Education support career guidance teachers and counselors in secondary schools. The efforts are made to improve knowledge of new entrant or student the principles of labor market and to facilitate the transition from educational system to the work world prior to their employment.

These are several major features of youth employment and labor policies provided by the Indonesian government. We hope that this presentation will help you understand better the perspective towards youth labor market issues in Indonesia.

Thank you.
Following countries made remarks on the actual situations of young workers and policy and measures for the youth employment of their own country. (For details, please refer to the country reports, which are compiled into a separate volume.)

Vietnam, China, Malaysia, Singapore, Pakistan, Bangladesh,
Thailand, Sri Lanka, Brunei
Present condition of Japanese Youth

Moderator Genda:
During the Symposium on Globalization and the Future of Youth in Asia, sessions on various subjects have taken place. In this session, in a little more than one hour, we will hear firsthand from the voice of youth.

At present, the youth of Japan seem to find considerable difficulties in their lives. They are distressed about living. According to various international comparisons, a greater proportion of Japan’s youth has no hope for the future or cannot anticipate a future compared with their counterparts in other countries. In fact, various indications of this tendency can be seen. To be sure, the Japanese economy has gradually been recovering, but the unemployment rate for teens and those in their twenties remains high. Furthermore, the number of non-regular workers, known as “Freeters,” or job-hopping part-time workers, has grown, though they are not included in the unemployed. Indeed, it is rather hard for young people to get steady jobs. Moreover, since 1998, juvenile crime and other difficult problems have been mounting in Japan. Nowadays, there are young people who are neither unemployed nor are Freeters, and who have lost hope of working. They are called “Neets,” an acronym for “not in education, employment, or training.” Accordingly, a growing number of young people find it difficult to work and live in this country.

What should we do about that? I think this is not a problem for Japan alone because other Asian countries will face similar challenges in the future. However, it should also be noted that
not all young people are facing such hard conditions and, even in difficulties, there are young people who are carving out their careers for themselves through trial and error. Today, we have four young workers.

**Introduction of Panelists**

**Moderator Genda:**
Ms. Hiromi Hayashi, who was introduced earlier, is working at a manufacturing workshop. Amid intensifying globalization, how will Japanese manufacturers be changing? Aren’t there a number of difficulties? Despite such apprehensions, she will talk very happily later – you can expect a promising future for her. Ms. Emi Omura lives in the world of craftworkers. After finishing school, she joined the ranks of craftworkers to work under a master, hewing out her future. In our increasingly globalized world, many may have pessimistic views about the future of craftworkers. But what will she say about such views? Ms. Moto Seshita works for a service-sector company. The company operates nationwide over 400 franchise izakaya, or establishments combining a bar and a restaurant. Most young employees working at its franchises are not regular employees but part-time workers. Many consider that jobs for part-timers are easy, monotonous ones. Is that true? Also, in that industry, there are many people who wish to be assigned to various franchises and become restaurant managers to manage such establishments. What are those workers other than regular employees thinking now? What can we do to assist them? Mr. Ken Takanarita is involved in the activities of a workers’ co-operative union, a nonprofit organization. The number of NPOs has grown rapidly in Japan. However, those who are involved in NPO activities are very limited in developed countries. But their activities are now attracting young people’s attention as a new way of working. I personally have met many young people who wish to do something not for themselves but for society and undertake worthwhile activities. Indeed, such young people are on the rise. Supporting elderly or handicapped persons, they wish to do something for their own future and for society. Young men and women who have such a mind visit Mr. Takanarita’s office. What do they think and how does Mr. Takanarita feel? I would like to ask about that later. Before that, let me show you a video, which will give a brief introduction to them. After the video presentation, we will hear their voices firsthand.

**Video**

A video was played, which showed the four persons in their workplaces. It also showed interviews with them and their supervisors regarding issues such as their attitude towards work.

**The situation of working**
Moderator Genda:
Thank you for watching that 15-minute video. What impression did you get of them? Was it the same or different from the image you have built up of the youth of Japan? I understand that many hold the view that young Japanese people are low in spirit, that you don’t know what’s on their mind, and that they are lethargic. But this short video shows that such impressions are not necessarily applicable to all young Japanese. Mr. Takanarita, could you give us your frank comments about the video, which showed the four of you in your workplaces?

Mr. Takanarita:
I was impressed by that Ms. Hayashi and Ms. Omura are so young, 20 or so. At that age, both Ms. Seshita and I were loafing around, weren’t we? I was a student and had no idea what to do or what job I would get in the future. It’s great that they have guts to determine careers to live on at their age. Have you never thought of quitting?

Ms. Hayashi:
No, I have hardly ever thought of quitting because I enjoy my current job very much.

Moderator Genda:
Isn’t it tough at all?

Ms. Hayashi:
Shift-work is tough.

Moderator Genda:
What is tough about shift-work?

Ms. Hayashi:
It’s tough to wake up early in the morning.

Moderator Genda:
What time do you wake up?

Ms. Hayashi:
We start working at 6:30 on the early morning shift, so I have to wake up at 4:30 to go to work. It’s really hard.

Moderator Genda:
Do you find any difficulties in human relations?

Ms. Hayashi:
I have very good relations with my colleagues thanks to their kind consideration.

**Moderator Genda:**
Ms. Omura, what do you feel hard in your working life?

**Ms. Omura:**
I don’t think things are so hard for me. I sometimes get injured, but I don’t want to quit at all for that reason. Perhaps, I don’t want to give up halfway anyway.

**Moderator Genda:**
Ms. Seshita, what is your impression of those in the video?

**Ms. Seshita:**
Although both of them are younger than me, I feel empathy for them as they are pursuing their own courses. They are working together with their senior colleagues and have found their own positions and pleasure in working. I’ve received a very good impression of them.

**Moderator Genda:**
Ms. Omura, have you found anything that is different from Ms. Hayashi?

**Ms. Omura:**
I think Ms. Hayashi and I are alike in that both of us are engaged in manufacturing. Ms. Seshita and Mr. Takanarita are in supervisory positions, teaching others, while I am in a subordinate position. So, I am not clear about their situation. Nevertheless, I feel that they are good targets for me, knowing that they are working with older persons.

**Moderator Genda:**
Mr. Takanarita, how about you?

**Mr. Takanarita:**
To be sure, in the manufacturing sector, workers themselves are involved in development or creation, and Ms. Seshita also may be involved in the creation of new restaurants. In my case, I feel pleasure in creating new public services and offering social welfare places that are meeting the demands of the times. Since our organization is nonprofit, it is not certain whether I will be able to continue to live on, but yet I am very satisfied with my current position as I can actually feel what I am doing, rather than being a little cog in a giant company machine.

**Moderator Genda:**
In that context, Ms. Hayashi works for a large company representative of Japan, doesn’t she?
Mr. Takanarita:
Right. It seems that she is engaged in very simple work in a sense. It is really astonishing that a teen-age woman is doing such unspectacular work.

Ms. Hayashi:
Although my job may be simple, if I do not do it properly, that will cause trouble in the following processes. So, I always keep in mind that I am doing a simple but important duty.

Moderator Genda
By the way, what are simple jobs? Let us discuss this matter from a viewpoint of part-time workers in Watami. Watami has a manual for part-time employees, doesn’t it?

Ms. Seshita:
Yes. We have our manual for simple jobs. But Watami has for its motto, “Throw away the manual.”

Moderator Genda
What does that mean?

Ms. Seshita:
If an employee considers it good for customers, the employee is allowed to do anything for customers in the restaurant, even if it has not been described in the manual. All employees are encouraged to do anything that gives customers pleasure and satisfaction. This is our corporate culture.

Moderator Genda:
Think and judge for yourself, right?

Ms. Seshita:
In our company, both regular and part-time employees perform their duties by trial and error for themselves.

Moderator Genda
When you were the restaurant manager, what did you say to employees? Did you tell them to throw away the manual and think for themselves as you said?

Ms. Seshita:
I told them first to have consideration for customers. This is a spiritual aspect. Another aspect is a technical one, including the ways of making bows and greeting customers, and how to use trays. A good restaurant cannot be created without either of these aspects and their
well-balanced development is needed. Most part-time workers in Watami are in their teens, high-school students, or older. When a boy or girl works for the first time in his or her life, the youth may have little awareness of earning money or may hardly feel responsibility for what he or she is doing. Therefore, I wanted to teach them about the appropriate mental attitude towards work, in addition to work procedures. I believed that a restaurant could be improved noticeably by conveying to each employee ideas more than a mere exchange of time for money and that that would eventually benefit the young employee. I made efforts to manage the restaurant in such a way.

**People of the circumference supporting youth**

**Moderator Genda:**

Until recently, there had been a typical idea of work in Japan. That is, after finishing school, a youth would join a company as a regular employee and receives various types of training through jobs, known as on-the-job training. The worker would improve his or her skills and capabilities through various experiences. Thus, Japanese companies have attached great importance to person-to-person training, which led to seniority-based wage systems and long-term employment. These systems have helped develop the Japanese economy. However, the situation has changed now and various opinions have arisen. Here are some examples: those systems are outdated; amid intensifying globalization, we cannot afford to do time-consuming jobs like training personnel; workers need to make efforts to improve their capabilities by themselves; students need to master skills that can be used immediately after finishing school; new employees must contribute to the company right away. These ideas have been strongly expressed particularly after the bursting of the bubble economy. But after watching the video, I wonder to what extent a young person can do by his or her efforts alone. The first video and the video of Ms. Omura and others show that, to develop human resources, persons who take responsibility for education are needed, who are supposed to train young workers—sometimes in a strict manner and sometimes kindly. Thus, the company should attach more importance to nurturing employees; otherwise there will be no future for the Japanese economy. Ms. Omura said earlier that Mr. Shinomiya, her master, rarely scolds. Have you never been scolded or praised by him?

**Ms. Omura:**

No, I’ve never been scolded severely.

**Moderator Genda:**

Is there anything that was said by Mr. Shinomiya that has stuck in your memory?

**Ms. Omura:**

I have not been scolded. But when I was working, or more exactly, receiving training, Mr.
Shinomiya made some chance remarks. For instance, “you seem to have an aptitude for craftwork.” Such words made me very happy as I thought the great master has recognized me.

**Moderator Genda:**
What sort of a high-school student were you?

**Ms. Omura:**
There was nothing worth special mention. I am now involved in artistic work, but I neither took an art course nor did creative work.

**Moderator Genda:**
So, was your encounter with sensuji bamboo work fateful?

**Ms. Omura:**
That’s right. If I hadn’t come across this work, I may still be spending aimless days without knowing what to do.

**Moderator Genda:**
Ms. Hayashi, I think most of your colleagues are male workers. Would you talk about your experiences about either being scolded or praised?

**Ms. Hayashi:**
I once mistook the color setting. My duty is to set the middle-coat colors.

**Moderator Genda:**
Could you describe that more plainly so that everybody can understand? Is that painting work?

**Ms. Hayashi:**
Our painting process starts when we receive a steel car body from the welding shop. The body will go through the processes of under coat, middle coat, and finish coat, and is then inspected before going to the assembly line.

I handle the base coat in the middle coat process and my duty is to set the base coat colors. I once made mistake – I mistook to change color settings, though on a rare occasion. I was urged caution on such occasions. But we are told at our company that making a mistake is not bad and that we should just make efforts to avoid recurrence of similar mistakes.

**Moderator Genda:**
Ms. Hayashi works for Honda Motor, in which the philosophy established by its founder Soichiro Honda is still alive. I like the company. I’ve heard that, immediately after joining Honda, new employees are told that the greatest persons are those who make mistakes. They
are strongly encouraged not to fear to face challenges and make mistakes. However, at present, young Japanese people are not allowed to fail because, as I said earlier, they are supposed to contribute to the company right away and become a useful worker quickly. I suppose they feel distress if they are not allowed to fail. I talked about distress at the beginning of this session. That is perhaps related to this point. The youth of Japan are frequently told to find what they want to do and to determine their aims in their early days. But they won’t be able to easily find what they want to do, in their teens or twenties in particular. Besides, they are told to behave properly. Japanese young people’s inability to find what they want to do is by no means due to their dependence or laziness. I feel that it is absolutely necessary for our society to allow them to fail. This may be the process of nurturing as mentioned earlier. Mr. Takanarita, I think you meet many young people through your work in supporting elderly and handicapped persons. Would you express your feelings about today’s youth?

**Mr. Takanarita:**
As introduced in the presentation by the officer from the Ministry of Health, Labour and Welfare in the morning, my organization is offering a program called the dual system, which combines training courses and actual work on site. I am now engaged in training young people up to the age of 30. I have the impression that young people are now greatly interested in the welfare area. As shown in the video, this may be common to everyone, young people are increasingly wishing to engage in work to which smiles and thanks are returned directly. But training for such work is not easy. It is impossible to do this type of job only by gaining nursing care skills. What we place greater emphasis on is the aspect of attitude and heart. I think it very important to let trainees consider how care receivers feel when providing nursing care and other services.

**Communication**

**Moderator Genda:**
Are there any points that are characteristic of the young people who visit your organization? Do you feel some apathy or powerlessness?

**Mr. Takanarita:**
It is certain that many of them are not good at communicating with other generations. If they are to engage in nursing-care work, they have to talk with the generation of their grandfathers and grandmothers, older even than their parents. It is hard to help them have smooth conversations with elderly persons.

**Moderator Genda:**
Are there any tips for that?
Mr. Takanarita:
What I know is not to be overeager to please or care for the elderly. Instead, you should do what you enjoy yourself and what you can laugh about together. Or they will not enjoy it, feeling they are being amused by such a youngster. So, I think it is absolutely essential to develop the skills to deal with the elderly in ways that you can enjoy yourself at all times.

Moderator Genda:
Ms. Hayashi, you said in the video that you became able to speak to anybody. Could you do that from the start?

Ms. Hayashi:
I did not speak at all in the tearoom at the beginning.

Moderator Genda:
What were the events that made you speak?

Ms. Hayashi:
The head of our team took good care of me and other people also began speaking to me. Then, I began chatting with them.

Moderator Genda:
Didn’t you have any opportunities to talk with persons of different ages in your school days?

Ms. Hayashi:
No, I didn’t.

Moderator Genda:
How do you feel now? Do you enjoy yourself? They may have different values and there may be gender gaps. Don’t you talk with them on different wavelengths in many cases?

Ms. Hayashi:
Not really. Although they may be concerned about me, I can frankly speak to people about myself. In fact, I enjoy talking with them.

Moderator Genda:
Ms. Omura, I think you also work with other bamboo-ware craftworkers of different ages. Could you let us know your feelings about that and other similar matters?

Ms. Omura:
My boss and other masters of various kinds of craftwork, such as woodworking and
lacquer-work, are of course much older than I am. But they often speak to me, and they informally talk on matters that are instructive to me.

**Moderator Genda:**
Could you give us an example?

**Ms. Omura:**
I am not involved in woodwork, so knowledge about the hardness and grain of wood are outside my field. But such knowledge of different areas that is not immediately relevant to my specialty should be absorbed as it may be useful in bamboo work as well. Anyway, we are in the same industry, that is, craftworking. I noticed that only recently. Indeed, just listening to their talks is very helpful to me.

**Moderator Genda:**
Are you confident that you will continue to engage in the current profession until you reach the age of those masters?

**Ms. Omura:**
No, I am not absolutely confident.

**Moderator Genda:**
Frankly speaking, as I mentioned earlier, craftwork is not an easy job, right?

**Ms. Omura:**
Exactly. It’s homely and unspectacular work.

**Moderator Genda:**
Do you feel anxiety about the future?

**Ms. Omura:**
Yes, I do. But I’ll try to avoid being crushed by anxiety and work hard to carve out a future for myself as I think my job is rewarding to me at the same time.

**Each target**

**Moderator Genda:**
I understand. With various changes taking place in Japanese young people, Japanese youths are less positive than their counterparts in other developed countries and other Asian countries about being their own bosses, that is, the will to become leaders, or to establish companies or open shops. They are hesitant to do such risky things as they are fearful of failure. I’ve seen
such statistics. Conditions for company employees are severe, while the number of self-employed has been falling as less young people choose the course of “being my own boss.” Now, I would like pose a broader question. Ms. Seshita, I think you know a number of restaurant managers and other persons who have been assigned to manage restaurants. They may not be restaurant owners at present, but I hope an increasing number of persons will be able to own their restaurants or become entrepreneurs. A notable example may be president Watanabe of Watami Food Service, who has attracted much attention. What sort of conditions should be established in society to foster more young leaders in Japan?

**Ms. Seshita:**
Most Watami employees are young. The company itself is a young company as it has just marked its 20th anniversary this year. The employees working around me and my staff are young. Most of them have their specific objectives.

**Moderator Genda:**
Could you give us some examples?

**Ms. Seshita:**
Some wish to have their own restaurants before they turn 30, while some aim to have their own companies and run several establishments. Watami is also engaged in agriculture and runs a number of farms. There are some restaurant managers who wish to work on the farms in a few years. They have such dreams. If you have a specific objective, you become enthusiastic in your current job. Furthermore, the objective can be achieved only by filling a gap between the present you and the target. So, you can stick to the course even if you encounter difficulties. I think it necessary to work with a definite goal.

**Moderator Genda:**
What is your objective?

**Ms. Seshita:**
My objective is to have my own restaurant. I am now in a section unrelated to restaurant management. It is less than one year since I was assigned to this section and my current duties can be done by anyone else. So, at present, I am studying hard to become a person no one can replace in about five years.

**Moderator Genda:**
Mr. Takanarita, what is your objective?

**Mr. Takanarita:**
When I was a student, I was involved in volunteer work related to handicapped children. At
that time, I felt that there were few workplaces for handicapped persons. Generally speaking, under Japan’s welfare programs in those days, handicapped persons, and elderly persons as well, were gathered deep in the mountains not to cause trouble. Officials of the Ministry of Health, Labour and Welfare may get angry, but I had such an impression at that time. But this is not the case these days. The situation and welfare policies have changed. For example, ways to live together in harmony are being openly sought. I wish to formulate such programs by myself. In this connection, what is the matter of most concern is that if you are in the welfare sector, you are getting a narrow view. So, I think that it vital to use various tools as antennas to gather ample information.

**Moderator Genda:**
Have you figured out any particular ways to extend your antennas to gather information?

**Mr. Takanarita:**
The television provides a one-way flow of information and such information is in many cases not secure knowledge. So, to acquire necessary information, I read as many books, newspapers and other information in written form as possible. I make it a practice to do that due partly to my current position.

**Moderator Genda:**
I get the impression from their comments and the video that these four are by no means “aggressive” persons. I don’t really feel their desperate eagerness to accomplish something by all means. I know many students at university and I understand that those who dash forward to achieve their wild dreams are rather uncommon among young people. Indeed, it may be hard to set targets these days, but I feel it is important for everybody to have a specific aim that cannot be attained easily but may be fulfilled if he or she makes efforts. However, it is hard to set such a target by oneself, so we should value relations with others of different ages and in different environments. These four persons have repeated that they greatly value human relations and that they have learned much from their relationships. Perhaps other Asia countries may already be facing similar problems or similar growing trends. It may be unnecessary for people to have specific aims for themselves when the economy is in growth. People wish to live in better houses and have nicer cars, maybe even high-end Honda vehicles! However, when the economy reaches maturity to a certain extent, it becomes hard to have targets for both society and individuals. At this stage, how can young individuals find their objectives? How should society get involved in their efforts? In my view, the distress that young Japanese feel now is due to excessive emphasis on ideas such as they should determine everything through their individual efforts and they should carve out their future for themselves. My view is that we should increase awareness of the importance of nurturing youth and look at how the older generation associates with young people. What Mr. Takanarita is doing is, I think, a significant attempt to form a broad network in society. By the way, we
have only a very short time today. I wonder if these young representatives could give us some brief comments. Ms. Hayashi, you told us earlier that you feel only pleasure in your work and have no dissatisfaction. Do you have anything in mind as your goal in the future?

**Ms. Hayashi:**
My goal in the future? I have just joined the company, so I have little knowledge of the company.

**Moderator Genda:**
Don’t you know why you are at the company?

**Ms. Hayashi:**
Well. I wish to become a person everybody can rely on, a person who can do anything.

**Moderator Genda:**
For that purpose, what should you do?

**Ms. Hayashi:**
First, I have to tackle my immediate tasks. I want to be able to perform my current duty perfectly and then acquire the skills for other processes.

**Moderator Genda:**
What are you lacking in order to attain that?

**Ms. Hayashi:**
I need to learn different things.

**Moderator Genda**
Different things?

**Ms. Hayashi:**
It’s about different processes.

**Moderator Genda:**
To learn the next process, in addition to your current work, right? By learning about different processes, what do you think will change?

**Ms. Hayashi:**
I think learning will broaden my views.
**Moderator Genda:**
You have a very specific idea. Thank you very much. Ms. Omura, what is your target for the future?

**Ms. Omura:**
It takes time to become a qualified craftworker. The necessary skills cannot be acquired so easily. So, I have to keep learning to master them. Anyway, it is very important that one continues. Furthermore, as shown in the video, we need to think about selling products in shops, as until recently it had been thought enough for craftworkers just to make the products.

**Moderator Genda:**
Are you good at that sort of work?

**Ms. Omura:**
No, I am not. I am really terrible at appearing in front of people.

**Moderator Genda:**
So, you have a hard day today, don’t you! To tackle such a new challenge, how should you transform yourself? What do you have to change?

**Ms. Omura:**
What I am thinking of now is ways of communication with others. I feel a lack of ability to sell myself and products.

**Moderator Genda:**
To acquire that ability, what should you do?

**Ms. Omura:**
I have to do it in practice; for example by going to an exhibition to sell our products. Knowledge alone will not suffice. I need to accumulate practical experience. By making products and selling them on the spot, I will get the knack.

**Moderator Genda:**
So, you need to repeat more failures?

**Ms. Omura:**
I think so.

**Moderator Genda:**
Thank you very much. Ms. Seshita, what is your target? You touched on that earlier, but could
Ms. Seshita:
Ms. Hayashi and Ms. Omura’s words have reminded me that it is very important to immerse yourself in a single matter. From my experience, company life is not all roses, and I sometimes want to quit. When I was a restaurant manager, I got into a real mess due to confusion between company policy, what my supervisor said, and what I wanted to do. At that time, although I did not know what to do, if I devoted myself to making a better restaurant, the way to a solution opened naturally. I strongly felt that. So, their talks recalled that memory and I think it is very important for young people to immerse themselves in something.

Moderator Genda:
How about you? Do you immerse yourself in something at present?

Ms. Seshita:
I am now thoroughly immersed in my current duties!

Moderator Genda:
How about you, Mr. Takanarita?

Mr. Takanarita:
I am the only person who has reached thirty among these members and I have two children. While protecting and organizing my personal life, I want to continue my work. I hope to pursue such a way of working. People tend to think that it may be hard to live on the work at a cooperative or another NPO. In fact, it’s not easy to live on and my spouse and I are both working. Our way of working is generally considered tough. It is said that it will cost about 20 million yen in Japan to give a child education up to a university. When I heard this, the question arises, “How does one earn 20 million yen?” In fact, after having such talks with my colleagues, someone said, “Why don’t you use my child’s hand-me-downs?” Since then, I seldom bought clothes for my children until they reached two years old. Thus, we can lead an economical life. So, I hope young people will not be easily influenced by this kind of information but take a step forward to find their own ways of working and building their own lives.

Conclusion
Moderator Genda:
Thank you very much. After hearing the opinions from these young people, I feel afresh that the youth of Japan are by no means so bad. As I said at the beginning, it is often said that Japanese youths are low in spirits, that they do not study hard, and that they are apathetic. However, that is only a general impression. It is certain that that sort of people exist. But even
if they have no specific goals at present, they may not necessarily be satisfied with that state. Unable to find what to do, many young people are having a hard time finding the way to determine what they want to do. Every member of this session answered my sudden questions what they should do or what they lack in a specific manner and in their own words. We had no scenario today. I did not tell them beforehand what I would ask. I think youth problems should be left to youths to a greater extent. Various problems for young people should be dealt with by those in the same generation as they can think about such problems from a comparable standpoint. Up to now, it seems that the problems of youth have been dealt with in many cases by adults from their adult point of view. Of course it is true that appropriate advice from adults is sometimes needed. But, at the same time, we should allow young people to make more failures and have various experiences. By doing so, the circumstances will change. I have strongly felt this today.

Questions and answers with the hall

Moderator Genda:
Are there any questions?

Audience Question 1:
I have been studying youth employment problems recently. I have been so impressed by all of the young people here that I want them to come and talk at my university. They are completely different from the typical impression of today’s youths, who often lack eagerness or have no aim in work, as Moderator Genda mentioned earlier. I want to hear views from the young women in particular. In our working life, no significant change takes place for men after they marry and have children. But for women, even if they wish to do a certain job, I know many young women who had to give up their careers due to marriage or child rearing. So, I would like to hear their views regarding relations between their working life and future and their private life, whether they wish and will be able to continue their careers after marriage and having children.

Moderator Genda:
Do you have any opinion on this matter, Ms. Seshita?

Ms. Seshita:
I have not thought about this before. But I have begun considering marriage and having a baby as a very immediate problem recently. I am not married yet, but I feel a concern about it. If I have a baby, it is absolutely necessary to be absent from work. Someone comes after me during my absence and, when I return to work, I may lose my position. On the other hand, if I do not marry or have children, I am uncertain whether I will be able to be independent and live all alone. Indeed, I have reached an age where I am thinking about my future. However, I am now
considering that if I find one particular work and if I become a professional in that area, I do not mind whether or not I am in the company. I am currently working for Watami, but I may quit the company when I marry or have a child and, when I’ve got over the busiest part of bringing my child up, I may find another job, taking advantage of my professional skills. I’ve just started thinking in such a way. If I am asked whether I will continue working in Watami, I may face some difficulties. But if I do not stick to the company, or if I am not particular about the company and if I can do what I want to do, I am confident that I will be able to continue working in the future.

**Moderator Genda:**
Ms. Hayashi and Ms. Omura, is it too early for both of you to think about marriage?

**Ms. Omura:**
I haven’t thought about marriage yet.

**Moderator Genda:**
You are working in a workshop. So, you don’t have to worry about what is called service overtime, or overtime work without pay?

**Ms. Omura:**
That’s right.

**Moderator Genda:**
Isn’t it easier for you as a craftworker to cope with both your work and marriage and having a baby?

**Ms. Omura:**
Exactly. My job, bamboo craftwork, is like domestic piecework. So, even if you leave the job due to marriage and having a baby, when the child gets to an age that needs less care, you can resume work. Thus, I think I will have no great difficulty in this regard.

**Moderator Genda:**
To cope with both your work and family life, the sympathetic understanding of those around you and the community is needed and it should not be related to the nature of the work. However, in Japan, there is a deep-rooted three-year-old myth, or a socially accepted idea that a child must be raised by his or her mother until he or she reaches three years of age. In reality, the idea has no scientific basis. To bring up children in a healthy way, we need to create an environment in which children are raised by everybody – the family, the community, and society; otherwise we will not be able to work out good solutions to the problems of women’s work and family life and the falling birthrate.
Audience Question 2:
Could you tell me if your parents were involved in the process of your career choices?

Ms. Hayashi:
My parents respected my choice and had no opposition.

Ms. Omura:
My parents did not tell me what occupation I should take up. They helped me when I was striving to attain the goals I set myself.

Ms. Seshita:
I was told by my parents to do what I wanted. My father was a hard worker and his attitude toward work might have fostered a spirit of independence in me.

Mr. Takanarita:
My father was a newspaper journalist and he was engaged in a study of the future course of the regional economy. Although I am not in the media sector, I am working on similar subjects in the field of welfare. He never objected to my career.

Moderator Genda:
Thank you all very much indeed. It’s time to close this session.
* Panelists

Ms. Halimah YACOB, Assistant Secretary-General, National Trades Union Congress, Singapore
Dr. Young-vae KIM, Vice-Chairman, Korean Employers Federation
Prof. Koichiro IMANO, Gakushuin University
Ms. ZHANG Libin, Research fellow, Institute for Labour Studies, MOLSS, P.R.C
Ms. Jane STEWART, Officer-in-Charge of the Employment Sector/ Director of the Skills and Employability Department, ILO

* Moderator

Prof. Yasuo SUWA Hosei School of Policy Sciences

**Purposes of Panel Discussion 2**

**Moderator Suwa:**

In this session, we are going to discuss globalization and measures for youth employment with all gathered here. Regarding the present situation and measures concerning youth employment, I would first like to hear the opinions of the panelists from their own perspectives, and then have a discussion on how all parties concerned, including the youth themselves, international organizations, governments, trade unions, enterprises, and all those who interact with young people, can respond to improve youth employability and look at the path toward the future.

Now, I would like to show you a graph of power point I have prepared concerning the relationship between age and evaluation in the world of work. The bottom left represents childhood. In this period, you may be well taken care of, but not highly evaluated in society nor counted on by other people, except for very special children, such as in the case of Mozart. The vertical axis represents social position while the horizontal axis stands for economic position. When you move into adolescence from childhood, you still cannot find your place in society, but will enter into the world of work out of a gradually increasing economical necessity. In this world of work, youth will improve their working capabilities and become reliable persons through learning by themselves, through being supported and educated by people around them, and, above all, through accumulating working experiences every day. As you could see, the four young people who addressed their opinions in the preceding session moderated by Professor Genda, are steadily learning to support themselves with a dream to be a member and get rewards in the world where you are evaluated in economic terms, and further to become highly-valued persons, both socially and economically. When you enter into
middle age, some people start to gain a very high social evaluation while some establish a responsible position in their respective workplaces. Additionally, as their level of skills, capabilities, or knowledge and experiences are enhanced, so is their market value, their employability, and their economic rewards improved. Then, as you become older, you may have an established standing and gain respect in society or may receive due respect, but unfortunately at the same time, you may be requested to retire in terms of economy. It may be because your way of thinking become old, your abilities or experiences become obsolete, or the industry itself is no longer needed, among other reasons. To sum up, the elderly receive due respect socially but are not needed economically while the young are in demand economically but are not respected socially. And this situation can be assumed to be the “normal” condition. Now, the most worrisome and painful situation is if you are neither respected nor needed. This is the most miserable situation for young people to be in. Therefore, we must first think of this point when we work on measures for youth employment. The next situation is the normal condition, in which you are not so respected but duly needed. Then, how can youth move into a situation in which they are needed, and eventually into an ideal situation where they are both respected and needed. I hope this session will be devoted to a discussion to find a breakthrough, or how to formulate programs that lead to this ideal condition as soon as possible and how to accelerate such programs.

Vocational Education and Training Measures in Six Countries in Asia

Prof. Imano:
I have worked as a member of the Japan Institute for Labor Policy and Training and have surveyed vocational training measures in six countries in Asia. My research revealed that despite diversities in policy among these nations, there are some points they share, and I would like to bring these into focus. After the financial and economical crises in the late 1990s, each nation in Asia changed its policies for vocational education and training. In particular educational training for youth, the increased needs for human resources amid attempts to recover the economy and the efforts of companies to demonstrate their competitiveness while coping with globalization during the post-crisis economic recovery. Under these circumstances, two new challenges in human resources development have been observed in a broader perspective. The first change is that increasingly sophisticated needs for human resources makes it very difficult, especially for people with low academic background or little vocational training, to find employment. Accordingly, enhancement of the general academic level of such people should be the primary target of vocational education and training policies. The other issue is while each country sees an increasing percentage of its population having higher academic qualifications and a considerable number of college graduates pouring into the labor market, these highly educated people are facing difficulties in finding job opportunities. Accordingly, the second problem arises. That is, what kind of training should be provided for those who are highly educated but
are having difficulties in finding a job, or more explicitly, highly educated people who still do not have the abilities to meet ever-diversified and ever-changing requirements for human resources. To sum up, we are facing two challenges: namely raising the general level on one hand, and training the highly educated, never an issue in the past, on the other. Taking these circumstances into account, I am going to introduce some of the new movements commonly found among various nations.

One movement is to work out policies for human resources development in this dynamically changing time, aiming at lifetime capability development, in order to maintain the so-called “employability” over the decades that one may work in one’s life. What I personally believe is the most important point is that the integration of education and training has accelerated in each country. Again, in order to formulate new policies and breakthrough the present situation by integrating these two factors is the first movement. Equally as important is the movement to integrate educational training and employment. This symposium introduced the dual system of the Japanese version, but similar systems also exist in Thailand, Korea, and Singapore. Considering these trends, what should we note when reinforcing human resources development policies for young people? Firstly, it will become even more crucial to establish a collaborative partnership between the governmental bodies responsible for education, and those responsible for vocational training, and enterprises as actual employers, as the integration between education and training, and the integration between educational training and employment accelerate. Secondly, when linking education, training, and employment on the basis of “can do ability,” it will be critical to determine what exactly “can do ability” is, how it can be evaluated, how the results of the evaluation can be reflected in programs for education and training, and how it can be linked with vocational qualifications. Accordingly, some countries are reviewing and reconstructing the definition of “can do ability.” At the same time, the integration of education and training or educational training and employment is a form of training program which Asian countries, including Japan, are not familiar with. Therefore, when we promote such programs, we are likely to face a variety of problems to overcome. The content of such training programs is undoubtedly an issue. Besides that, we need to build up various systems; for example, how to establish systems for enterprises to accept trainees, and how to set up the conditions for trainees when participating in training within enterprises. However, in reality, the international foundation is far from solid in regards to international comparison of best performances or practices on investment in educational training and information exchange. Therefore, in creating best practices, I think it is very important to establish systems that enable countries in Asia and around the globe to exchange information on educational investment portfolios, by using opportunities in international conferences like this symposium.

**Problems and Measures for Youth Employment in Korea**

Dr. Kim:
First of all, globalization has brought two types of impact on the economy: positive impacts and negative ones. Positive impacts may be represented by rational distribution of resources, economy of scale, efficiency, and free trade. At the same time, negative impacts include such problems as economic controls, excessively intensified mutual dependency in various economic layers, and widening income disparities. Other issues include the hollowing out of industry, increasing youth unemployment rates, non-regular employment, and so on.

Now, I’d like to move on to the next issue. The Republic of Korea had demonstrated very favorable economic performances over the past several decades by making the best use of technologies and resources. Under such circumstances, many Korean enterprises attempted to expand their businesses globally. Companies that entered into the foreign market numbered 368 in 1998, and gradually increased over the following years. In the meantime, however, under the very powerful labor movement in Korea, trade unions boosted wages in a short period, creating surging labor costs. As a consequence, many Korean enterprises sought for alternative sites for their business operations. Thus, in Korea, the effects I mentioned at the beginning can be attributed to wage increases, as well as globalization, and has been causing industrial hollowing out of manufacturing industry. The next diagram shows the impact of globalization on Korean youth. The figures at the bottom indicate overall unemployment rates, while the upper line plot refers to unemployment rates for young people. The level of unemployment is comparatively lower than that in Western countries. As a matter of fact, however, many Asian countries may possibly have hidden unemployment, as families often take care of their unemployed family members. Now I’d like to focus on the background of the high youth unemployment rate in Korea. Due to advances in technological innovations and industrial structures, the number of people needed to generate a GDP of 1 billion won dropped from 68.7 persons in 1990 to 41.9 persons in 2002. In other words, what happened was economic growth without the creation of employment. Another issue is the mismatch between the demands from industry and supply from school education. Korean society prefers to hire experienced workers. As for company recruitment, experienced workers accounted for only 39.6% of total recruitment in 1996, but this number jumped to 79% in 2004. In addition, there is the issue of job preference. Because of differences in wages and performance, many people wish to become employees of large corporations, shunning small- to mid-sized companies. This results in big differences in the seriousness of labor shortages between large corporations and small- to mid-sized companies.

The next statistics show the trends in labor shortages in Korea. The next focus is on the impact of globalization on the young in Korea, as the OECD pointed out in its advice to Korea. Dismissal is strictly restricted in Korea. Enterprises are reluctant to hire regular employees, and so the number of non-regular employees has been increasing. Further, due to these factors, duality in the labor market has been intensified. The solutions suggested by the OECD are an enhancement of measures for the socially vulnerable, targeting non-regular employees, and improving the employment flexibility of regular employees.

Lastly, I would like to list up some measures for globalization: to have right values and a clear
vision for work; to tackle the realities of globalization; and to think about work for a lifetime, not about the workplace for a lifetime.

**Youth Employment and Efforts of Trade Unions**

**Ms. Yacob**

I would like to present the labour movement's perspectives on the challenge of youth employment. As a whole, Asia has a significant number of young people among its population. This is both a cause of great potential as well as a challenge particularly in ensuring that they remain gainfully employed. The rate of youth employment varies considerably from country to country depending on the economic condition. Overall the level of youth unemployment is higher in most countries compared to that of workers of other age groups. In the developing countries, where opportunities are limited and there is poor investment in education, many young people work in the informal sector in jobs that pay low wages, provide little protection and may even be detrimental to their health and safety. The challenge for governments is how to provide access to other opportunities to the young through education and skills upgrading so that they can migrate to decent jobs in the formal sector.

In the more developed economies, where jobs are more knowledge intensive, the education system plays a critical role in preparing the young for jobs in the growing sectors of the economy. Where a mismatch occurs, the young will be poorly prepared for the labour market which is not only a waste in investment but also causes frustration and unhappiness among them when they are unable to find work despite having the qualifications. As job requirements are constantly evolving due to the changes in the economy, new technology and demands, close collaboration between industry needs and the education system is important to ensure that the young acquire the relevant skills and knowledge required by the labour market.

The young today are also entering a labour market which is more challenging and fragmented with the proliferation of part-time, casual and temporary work. Whether or not this has an impact on how the young today view the future, plan their careers, or whether it will affect decisions on marriage and parenthood, is not clear as there is not much research or studies done on this and is an area where perhaps more could be done to help policy makers. One common complaint among the young today is that they are often not able to benefit from the opportunities that are available in the labour market because employers often cite their lack of experience as a reason for not employing them or giving them the chance to try new experiences or opportunities. It is therefore important that employers keep an open mind and provide adequate opportunities for the young to acquire experience and contribute effectively.

It is also important that governments provide appropriate career guidance or counseling assistance to young people to help them find and retain jobs in a rapidly changing environment. A slow career progression due to circumstances such as a seniority based wage system can cause frustration among the young as they see little recognition of their contributions and abilities. A more dynamic remuneration system which is more challenging to the young will be
one which recognizes not only loyalty but also performance. At the same time, a supportive
environment at work where more senior members of the team participate actively in the
transmission of values and experience will greatly help in the integration of the young at the
workplace.

The Singapore National Trades Union has been very active in running programs and activities
to promote the employability and employment of workers in Singapore, including our young.
Through such activities, the NTUC has already trained 180,000 people since our efforts started
a few years ago with heavy government funding. About one third of our members are below
the age of 35 years, and most are covered under collective agreements, one important way of
addressing any labour market imbalance. In this way, we are also able to narrow the wage gaps
that exist between young and older workers for the same work that they do. The NTUC also
assists in job placement efforts of retrenched workers and about 30% of those who register at
our employment service office are under the age of 30 years, indicating that even young people
find our service useful.

**Labor Market and Measures for Youth Employment in China**

**Ms. Zhang**

I would like to present my personal opinions about youth labor from the perspective of the
labor market.

Improvement of the environment for the labor market is a key for young people to make a
contribution to society through employment. Although the supply of young workers in the
labor market in the People's Republic of China is great, an unlimited supply is not guaranteed
for the future. The second characteristic is that Chinese society is facing the major challenge of
providing young workers with opportunities to work as long as possible in their future. It is the
responsibility of the government to improve vocational capabilities through education. The
third issue is that, as most young people live in rural areas, they move into metropolitan areas
for job opportunities, and society should also be responsible for supporting these migrants. The
fourth issue is that the formal labor market lacks flexibility and therefore needs further
relaxation of regulations. On the other hand, the informal sector requires the enactment of laws
and the tightening of regulations as employment protection is not sufficient.

Now, I would like to highlight the progress of youth employment measures in China.
Considering the characteristics of youth employment, government intervention is
indispensable, though such intervention must be implemented through taking account of the
roles of the labor market. In a sense, the mechanism of the labor market must be used to
resolve the issues facing youth employment. Second, the labor market has seen a growing
formal sector and accelerated integration. While the growth of the informal sector has slowed
down since last year, job creation by the formal sector has been expanding, providing youth
employment opportunities. A series of government policies has been implemented to stabilize
employment and provide social security to workers in the informal sector, enabling young
people, even in the informal sector, to get jobs that are better in quality than previously. Third, the employability of young people has improved. Efforts have been made to introduce various systems, such as vocation or skills appraisal systems, workers development systems, and qualification systems. Nevertheless, job opportunities are still insufficient. Undoubtedly, improving education, especially the enhancement of secondary education, is crucial for future youth employment. Development of labor-intensive industries will continue to be important. Support for unemployed youngsters, especially those who got laid off from the restructuring of national enterprises, will be required. To conclude my talk, I would like to emphasize that we must build up a foundation just like when constructing a high-rise building. This may also apply to youth employment. There is no doubt that it is important to acquire international experience, including in employment services, both in policies and in practice. However, above all things, the domestic circumstances of each country are the most important factor. When both of these aspects are fully addressed, the challenge of youth employment can be resolved.

**Arrangement of the Point of Discussions**

**Moderator Suwa:**
I would like to summarize the key points that have been addressed so far. First, all countries and international organizations seem now to be more aware of the importance of youth employment. Second, although the challenges are apparently different from country to country due to each nation’s history and culture and stage of industrial development, they all may be facing similar problems. Third, countries in Asia seem to have been reviewing or implementing almost the same measures. Fourth, which I believe to be the most critical, amid the progressing globalization, no government, nor social partner, nor even academic expert in some cases, can keep pace with the changes all the time. Fifth, it must be noted that, even when they appear to be catching up with the changes, those in the position of developing appropriate measures are often very advanced in years, and therefore their recognition of the times tends to fall behind. Sixth, a new paradigm is called for. One example of such a paradigm is, as Professor Imano reported, the integration of education and vocational training and employment. Other panelists also raised the issue of how to integrate industrial policies, economic policies and employment policies. I believe Ms. Yacob talked about the integration of various policies in consideration with working careers. As shown here, I believe we are pressed to come up with a new paradigm, some new form of integration for youth employment policies.

**Employability and Educational Training and the New Movement in Employment**
Moderator Suwa:
In the latter half of this discussion, I would like to hear the opinions of the panelists, with a primary focus on the employability of youth. Another pillar of this session is the new movement of integration between educational training and employment. I would welcome your thoughts on possible inventive approaches, especially about how to improve the motivation of youth.

Ms. Stewart:
It was interesting to find how common the panelists’ messages were. One is about the information sharing that Professor Imano, Ms. Yacob and Ms. Zhang pointed out. As part of YEN (Youth Employment Network), the Secretary-General of the United Nations requested the ILO to conduct a global analysis of national action plans on youth employment in each country. It would be very much appreciated if the Government representatives present today would provide your UN delegates with the useful information you shared with us this morning so that a good global analysis could be made.
Secondly, regarding employability, today’s discussion centers on importance of education, training, lifelong learning and how to find new integrated approaches. Here, I wonder what an appropriate pedagogy, or how to learn, is that should come with such new approaches? As society changes in conjunction with globalization, I believe there are strategies that enable us to learn more flexibly and quickly.
Before this session, we heard the impressive presentations of the four young Japanese workers. As we saw clearly, youth is not the problem, but rather the solution. We should show respect for young people’s abilities. I myself have two sons and have no doubt about their flexibility and learning strategies, especially with IT-related technologies. Young people have experiences, capacities and capabilities ready to be used and will be able to make valuable contributions to the society at their age. What is important is to ask ourselves, as employers and policymakers, how we can draw out young people’s aspirations and motivation for work, and whether we are satisfying their aspirations, or whether we can formulate policies and solutions for their needs.

Ms. Zhang:
I think education is most important in improving employability. China is facing a situation where, every year, 50% of junior high school graduates, and 50% of high school graduates do not advance to higher educations. In order to enhance employability, the provision of sufficient education is the primary challenge. China is actually seeing new movements to integrate employability and education. But we should first tackle the basics. As for the motivation for work and voluntary efforts, I think the establishment of sound systems would serve as the primary foundation in promoting such motivation. I believe these systems will draw out the creativity and energy from young people.

Dr. Kim:
Regarding systems for employability enhancement, I would like to propose three different approaches. First, an enhancement of the linkage between the industry and educational institutions. It is also important to encourage competition among universities. Second, the provision of government support. In other words, to guarantee the independence of education. This further implies a reduction in costs for re-training in industrial circles, efforts to stabilize employment, and governmental support for such efforts. Lastly, encouraging every individual's voluntary efforts for self-realization through lifetime learning. For young people, it is vital to enhance their own competitiveness through self-development and self-empowerment in the present environment.

Ms. Yacob:
I would like to emphasize two points. One is that since young people are familiar with IT, we should make better use of IT to establish two-way communications using a different teaching approach. Such an approach would make it possible to teach in a more effective way. The other is innovation and creativity. Although young people are creative and innovative, they are not fully utilized because many organizations are rigid and offer few opportunities for the young to demonstrate their capabilities.

Taking an instance of public officials in Singapore, young officials are divided into some groups so that each group can compile various ideas and proposals. They work on these ideas and proposals, together with other members, and also with their seniors. This kind of grouping has proved very effective. The formation of such groups should be promoted, then pick up their proposals and ideas and deliver them to higher levels to actually implement them.

Prof. Imano:
I have previously mentioned that the integration of education, training, and employment is needed. That means the contents of education or training do not match the needs of the industry. I addressed it as an issue on the supply side, which is responsible for educating and training human resources and sending them out to the industries. However, lastly, I would like to refer to the opposite side of the story, especially with Japan’s situation in mind. If you ask Japanese enterprises that hire young people, “What kind of people does your company need,” they just answer, “Good people.” What does a ‘good person’ mean? If the business world points out education and training as an issue, industry itself must clearly define what kind of persons they want as their employees and make efforts to deliver this defined concept to society. Otherwise, youth will become confused or lost.

Questions and Answers from the Audience

Audience question 1:
This could be one instance of information sharing. I would like the panelists from countries in Asia to describe some of the measures implemented in their countries, if there are any, as
useful information for other countries, or particularly for Japan.

**Ms. Yacob:**
I totally agree with the way the questioner thinks. For example, I think it is useful to gather information of best practices under an ILO-led initiative so that all countries can share it.

As a small country without natural resources, Singapore is emphasizing education and training, that is, the development of human resources. People with high academic abilities go to colleges or junior colleges, while people with less academic abilities learn at such places as vocational training schools or technical training schools. Everyone is given a chance to improve their own ability. In the past, education was provided equally on an across-the-board basis, in a sense. However, we have made attempts to change our educational approach so that we can provide education that meets the varying needs of all children, because each child has different abilities and needs. At the same time, we are also emphasizing improvements in skills, especially skills of those who have already started their career in society. The pace of change in workplaces is too fast, and so is the speed of economic movement. An economic boom may only last for a few years, for example. Therefore, we need to continually provide training to people so that they can be prepared for such changes. To that end, a fund for skills improvement was established in 1992, and all employers are required to contribute to this fund. This is important for employers of small- to mid-sized companies, who cannot provide training by themselves for their employees.

**Dr. Kim:**
To improve the employability of youth, I think the educational system plays the most vital role. Since Korea is an equal society, Koreans cannot accept disparity in education or differences in the grade of college education. This has caused people to develop a stereotyped mentality, and even the abolishment of entrance examinations. Under such an educational system, the business sector cannot find college graduates who satisfy their needs, and, during the past ten years, we have been facing a very serious problem. That is, although the number of college students has doubled, the quality is very low. Therefore, to change the educational system by introducing a system that has proved successful in other countries is what is needed most in Korea now.

**Ms. Zhang:**
College graduates in China are confronted with employment issues. 20-30% of them cannot find jobs after graduation as soon as possible. Accordingly, the central government has formulated some policies to promote college graduates employment. One of these is encouraging and favoring such college graduates to work in the poorer western regions. Graduates are offered a post usually in grass-root level of government, after 1-3 years, they could have new choices. I find this effective, because they can learn a lot from working in such places.
Ms. Stewart:
In reference to sharing information, this symposium is a good opportunity to do so and I would like to thank the Government of Japan to have organized it. The Asia and Pacific Skill Development Programme (APSDEP) is another forum, again supported by the Government of Japan, which is a network of vocational training institutions in the Asia and Pacific region through which, I would suggest, people in this region could share experiences. Another important point is to nurture culture of entrepreneurship in the curricula. In the Voices of Youth session, Ms. Omura, a bamboo crafter, mentioned she not only created the products but also sold them in the stores. The ILO can support the promotion of entrepreneurship like hers.

Prof. Imano:
For society, the world of business, and every enterprise, investment for the future is indispensable. Generally speaking, there are three types of investments: investments into equipment, investments into technological development, and investments into human resources. Governments, company executives, and leaders of industrial circles actually share information on future investments in equipment and technologies, globally or domestically, and have formulated policies based on such shared information. However, they do not share information on investments in education or training. Therefore, I call for information sharing at the level of basic policymaking, and the formulation of best policies based on this. Additionally, countries in Asia are making similar efforts, such as the dual system, linkages between vocational training qualifications and those of educational training, and improvements to college student internships. I think it is very important to share both successful examples and unsuccessful ones.

Moderator Suwa:
Looking at the four countries of our Asian panelists (China, Korea, Singapore, and Japan), we can find several common points. They have all been very enthusiastic about education. This is probably because people understand investments in education are crucial for economic development and social stability. However, as Professor Imano has just mentioned, sharing information about this point among people, including company executives, has not been successful, as recent movements show. Therefore, I agree with his opinion that we should trigger the exchange of best practices by actively taking opportunities like today’s discussions.

Audience question 2:
It would be appreciated if you could tell us about any internships provided to high school students in Asian countries.

Ms. Zhang:
China offers an internship program for high school students, which provides two- to three-year
vocational training to high school graduates so that they can prepare for work in society. In China, many people go to vocational training schools besides formal education to undertake training. Such training is regarded as public education but does not have any academic aspects. Students who take such educational programs are offered opportunities to undertake practical training at school and/or in a factory. The second example of internship provides students enrolled at vocational schools and college students with opportunities to actually work in internship base. They can acquire many modern technologies and practical experiences of various occupations. The third example is that enterprises with good reputations are selected and students are sent to such enterprises for internship.

**Dr. Kim:**
In Korea, the targets for internships are college graduates, in principle. Especially after 1998, Korea suffered from foreign currency shortage amid the economic crisis, and few enterprises hired new employees. Therefore, the government supported enterprises to open their doors to college graduates by subsidizing half of their salaries. This support reduced the youth unemployment rate. However, what happened was that even when an enterprise opened its door to 100 interns, for example, it selected only a few of them and released all the rest. Consequently this system lost popularity. Currently, Korea is attempting to develop a better program by reviewing the initial aim of internship programs.

**Ms. Yacob:**
In Singapore, internship is provided to students-students of technical training schools and vocational capabilities development schools. The program basically targets students over the age of 16, and dispatches the students to enterprises for a certain period. This is carried out as part of the school curriculum and is a prerequisite for the completion of technical education or vocational capabilities development. Another type of cooperation is also available. This provides opportunities of managing a company to students of vocational capability development school. They are commissioned by companies to sell specific products at their schools. In other words, this program sets up a small experimental environment where students take the role of retailers. Through this system, they acquire experiences of business management such as marketing, forecasting, product planning, and resource allocation. This program is implemented in collaboration with enterprises, but vocational capabilities development schools or technical training schools receive considerable amount of subsidies from the government, and employers are supposed to just offer opportunities.

**Ms. Stewart:**
Adopting one country’s model in another is always a challenge but the dual system in Germany has been used in many countries, including Japan. Collaborative models that integrate education, training, and employment in various forms will definitely increase.
Summary

Moderator Suwa:
I would like to hear the final comments of each panelist before concluding this session.

Prof. Imano:
I think the integration of education, training, and employment and information sharing across borders are the key concepts. As for the former, I, as a researcher, am particularly interested in the experiences accumulated through the history of Europe. Especially, from my non-European perspective, the dual system appears to have been revived after the late 1990s. On that point, I would like to exchange information with people from Europe, too.

Ms. Yacob:
I believe the training provided at present is overly related to work and the scope is very restricted. People who undertake training directly connected with their work may have difficulties when changing a job. Therefore, critical skills should be skills that enable people to acquire new skills to switch to other jobs.

Dr. Kim:
I once asked one of friends who was teaching at college, “What kind of advice do you give to your students?” He stresses that employability that responds to the place where you find yourself is critical in today’s globalized society. He tells his students who are looking for jobs to think about employability from a broader perspective, not restricting the scope to just within Korea but expanding it to China, Japan, or other countries. He emphasizes that, in this world of globalization, employability differs from place to place.

Ms. Zhang:
The first thing we need to do is to take specific actions. For example, we should conduct research. The first step is to grasp the situation of youth employment in depth, which can be realized through conducting special survey, indeed we are doing such kind work, and obtain comprehensive understanding about youth employment through research about the outcome of the survey, which will provide valuable suggestions for relative policy making.

Ms. Stewart:
I would like to briefly mention three points. During this symposium, we have been mainly focusing on the importance of education and training, and I must restate that a considerable amount of investment is required to provide high quality education. As the participants of the Tripartite Meeting on Youth Employment held in Geneva mentioned, this should be understood in the context of macro level policies. Secondly, I expect to see many of you in Geneva next June when the International Labor Conference will hold a general discussion on youth
employment. Lastly, I would like to thank the chairperson for handling this panel discussion in such an effective way.

**Moderator Suwa:**
I would like to conclude this session by confirming some points. First, we should share best practices by adopting a more global approach. I feel I cannot emphasize this point too much. Second, when we think of issues such as employability, education and training, and employment, we must ensure that young people do not enter into careers that will only lead them into a dead end. In order to ensure that young people, who may need to work for 30 years or 40 years to come, can continue meaningful work throughout their lifetime, and that they can make contributions to society and realize their potential in their own way, we must focus particularly on careers for youth, careers that progress into the future, not the careers of the past. From this session, it has become crystal clear that whether the policies, workplaces, and education can secure and support the future careers for young people is most critical. In a word, the discussions we have had over two days at this symposium has reconfirmed the significance of an old proverb: “Strike while the iron is hot.” We have become aware again, at the opening of the 21st century, that the world is facing a challenge of developing human resources into leaders of the next generation, and so we must strike the iron while it is hot. But, how and for what? We need to continue our discussions and experiments to identify these points. To that end, I must emphasize again, that we need to share best practices and repeat our experiments towards a better future.
At the closing session of the Day 2, Prof. Kazuo TAKAHASHI of the International Christian University and Visiting Professor at the UNU summarized the Symposium. Subsequently the Chair's conclusion was presented by Mr. Seiichi ETO, the General Chair, Senior Vice Minister of Health, Labour and Welfare, Japan. Ms. Mitsuko HORIUCHI, Director of ILO Office in Japan, performed closing Remarks.
1. The implications of globalization have elevated the importance of partnership and sharing in many dimensions than ever before.

(1) During the session on the voices of the youth, there was a statement with regard to meaning of engaging in work that satisfaction from achieving something can be obtained from work. There was also a remark that work expands acquaintances and through such human relationships the young are enriched. Sharing and partnership through work is important.

(2) This is an issue that has been pointed out in various forms, but training, education and employment would have to be integrated and need to establish partnerships among themselves, in order to address the new challenges of globalization. Otherwise, we shall never be able to resolve the employment issues of the youth.

(3) Sharing only the best practices may not solve the problems. What is important is to share not only the success stories but also the unsuccessful ones. From the mistakes I think we can find some diamonds. In order to share the failures international organizations and especially in this arena the ILO, corporations, trade unions, governments, researchers and other players in the society would have to come together to establish partnerships.

(4) Someone raised the question as to which should be more respected, the employment of senior citizens, or that of the young people. The answer to it was that this was not a binary decision to be made and that what was important is to combine the two. The young people need to learn, and the ones that are going to be the teachers are the senior citizens. So how we link and combine these two groups is very important.

2. From a sociological perspective, the young people are diversified. This may be also true for those who are studying sociology and literature. However, from the perspective of the economists, there is more or less an even pattern in which we see more uniform problems prevailing in societies. In other words, on the one hand, when you look at the social policies, you need to have a variety of menus available. Whereas from the viewpoint of the economic
policy, be it macroeconomic policy or the microeconomic policy, you need to pursue coherent policies. That being the case, on one part, diversified menus for social policies should be offered and coherent macro and micro policies covering whole range of social policies. But here again, you need to link the two so as to integrate the two in a society.

3. Globalization has made the corporations reduce their investment in training for their employees, and it has been pointed out that even here in Japan, in a society where companies have been investing in training their employees, such investment would decline. It is important to integrate education, training and employment, but probably the education system is not going to change drastically. If the companies have no choice but to lessen their investment in human resources training, and if the educational systems are not going to change drastically, whether it be through government policies or other means, we need to embed the gap. Countries are to compete in finding solutions for this in the current globalization.

4. The future of youth employment will become more unstable than in the past in the environment of market globalization. Social instability is adding to the intrinsic instability of the youth, creating a multiplier effect that make the youth very unstable. This increasing instability has made some youth to become reclusive in the form of NEETs, and maybe extreme examples of youth shying away can be found in the shape of terrorism. The challenge is how we go about converting this amplified instability into productive dynamism.

5. In the session on the voices of the youth, statements were made to the effect that whether it being marriage or child bearing on the part of women, or future instability, they think that things will be fine as long as they can pursue professional careers. The adults are not to force preformed menu of lifetime education to the youth, because they need to find answers for themselves. The career process as at present was established to agree with the age progression solely of the men. However, Ms. Sadako Ogata who assumed the post as the President of JICA in her mid-seventies described herself as living the “woman time.” She headed the UNHCR after she had completed raising children and looking after elderly family members, and when she had found herself in a situation when she could invest all her hours in the profession that she wanted to pursue. So when you say career track, there should be multiple numbers of career paths for the youth. The young people may explore ways to engage in productive activities. Even if we set up curriculum for lifelong education, it may not be followed by them. I think we need to trust the young people more so that they could make contributions in creating systems for them.
6. Within the theme of “globalization and youth employment,” one thing has become crystal clear. Companies that are the main actors in employment and the government that set the overall framework in the society, and the trade unions, the youth, and the scholars, all of these players cannot come up with a clear picture of the future. They are exploring in the dark. This two-day symposium is very important amidst this uncertainty. We need to ascertain what is understood and what is not, and to hold on so as not to be cast out from the fast track, market-oriented globalization that is accelerating its speed. We need to acquire additional wisdom that would help to control globalization. To do so, we should chip in our own knowledge and expertise, and I think we need to repeat this symposium as we had this time.
Chair's Conclusions
On 2 and 3 December 2004, the ILO (International Labour Office), the UNU (the United Nations University) and the Japanese Ministry of Health, Labour and Welfare (MHLW) held the above-mentioned symposium in Tokyo with high-level participants from Asia, Mr. Juan Somavia, the Director-General of the ILO and Prof. van Ginkel, the Rector of the UNU.

The symposium was attended by 14 government officials and a number of social partners from Asia.

In the midst of rapid globalization, active discussion took place on ways of providing all men and women with opportunities to enjoy the fruits of globalization through the world of work. The discussion highlighted effective approaches to attaining Decent Work in Asia, through the exchange of information on innovative policies and measures adopted in participating countries.

The ILO Director-General presented a keynote speech based on the report “A Fair Globalization - Creating opportunities for all (Report of the World Commission on the Social Dimension of Globalization)” released in February 2004. The Rector of the UNU reported on appropriate ways towards “a fair globalization” from a broad perspective in the international community.

Furthermore, a session was held to hear voices of youth, the very subject of the symposium, which turned out to be truly significant.

As a result of the discussions, the participants were highly appreciative of the sincere efforts made by governments, the ILO, the UN, and social partners. They also agreed that all parties concerned should strive towards a fair globalization and creating a society where young people can actively work and fulfil their aspirations.

1 Globalization and youth employment

-- Recent rapid globalization has created new economic opportunities around the world. Nevertheless, too many people in a number of countries are unable to enjoy its benefits. Therefore, an emphasis on the social dimension of globalization is called for. Meanwhile, the report of World Commission has made a detailed proposal on the efforts by each governments and the reform of global level.

-- Extremely important is the fulfillment of the strong desires of people to acquire Decent Work. It is mainly through work that people actually feel the impact of globalization and understand how it affects their lives. In order to share the benefits of globalization among a broader spectrum of people, it is important that Decent Work is achieved for as many people as possible. Therefore, Decent Work should be made a global goal in order to attain a fair and
people-centred globalization. Many tasks in Asia caused by globalization should be tackled with this perspective.

-- In Asian countries, the benefits of globalization have been brought to limited numbers of people. Youth, in particular, are susceptible to the negative impacts of globalization, as they are in the vulnerable position of being new entrants into the labour market. To realize a people-centred and fair globalization that would provide opportunities to all, it is necessary to give full consideration to these young people who are in a vulnerable situation.

-- On the other hand, youth possess brilliant creativity and flexibility. They have the potential to develop into leaders of future generations through their accumulation of knowledge and experiences in various activities. In actual fact, a considerable number of young people are active in the frontline at workplaces and are contributing to society and the economy amidst the rapid socio-economic changes brought about by globalization.

-- Youth is an asset that possesses great potential to contribute widely to the development of society and the economy. By drawing on such youth potential, societies and economies of each region can be activated, thereby building the foundation for the creation of Decent Work. In Asia, there are many examples where countries regard youth as assets and builders of the future, and have made active investments in developing capabilities of young people through education, etc., leading to exponential growth for some and a process of such growth for many others. The growth potential of Asian economies nurtured in this manner has attracted notices around the world.

-- Thus, in order to realize Decent Work for all people in all regions it is vital that as many young people as possible can fully demonstrate their abilities and contribute to society and the economy through their work.

2 Present situation and measures for youth employment

(1) Present situation of youth

-- Due to progressive globalization, competition has intensified. The importance of practical knowledge and experience, as well as developing personal networks is increasing. Youth, however, do not possess these sufficiently and are in a disadvantaged position.

-- The global unemployment rate for youth is 3.5 times as much as that of the adult average. In Asia, about 38 million young people are unemployed.

-- There are many youth who are in a situation where they cannot afford to remain unemployed and therefore would become engaged in jobs in the informal economy with inferior working conditions. Many such youth suffer in poverty with no future in sight and many others even lose their health.
However, there are many youth who, by their own efforts and those of a supportive society, have found a place for themselves to contribute to society by working hard and enthusiastically.

(2) Important measures for youth employment
-- From discussions at the "Tripartite Meeting on Youth Employment: The Way Forward" held by the ILO in Geneva this October and at other UN meetings, it has become clear that governments should implement comprehensive policies such as those mentioned in the annex.
-- At this symposium, among these policies, discussions have centred on measures to create societies where young people can fully demonstrate their capabilities and work actively by improving their employability.

3 Creating work opportunities and an enabling environment for young people

(1) Youth’s own efforts to seize opportunities
-- Young people have the special quality of developing, using trial and error, which helps them grow and widen their fields of activities.
-- Whether or not young people become active and demonstrate their splendid capabilities or pass their lives aimlessly without improving their capabilities, or fall into a trap of poverty without making full use of their capabilities will depend on their own efforts.
-- For a brighter future, it is necessary that young people themselves do not hesitate to strive to create opportunities because of fear of failure, but search the way for self-reliance through Decent Work.
-- As leaders of the next generation, youth should maintain global perspectives while recognizing their role in society and striving to develop their careers.

(2) Support from society
It is necessary that the whole society, including governments and social partners, should actively support the voluntary efforts made by young people with a view that they are an asset.
-- Governments should strive to enhance education that would serve as a basis for improving the employability of youth. Additionally, governments should actively (i) secure training opportunities for Human Resources Development (HRD), (ii) offer information concerning HRD, (iii) support the promotion of career development, (iv) prepare standards and systems for the evaluation of vocational capabilities and (v) support entrepreneurship.
-- In the course of globalization, enterprises tend to seek short-term results, and favour employment of fully experienced human resources. Nonetheless, enterprises are in a position to offer immediate chances for improving vocational capabilities of workers through offering employment. Thus, from a point of view that “youth is an asset”, enterprises should engage in
HRD with specified aims and with a long-term perspective. The growth of enterprises is founded on HRD. It also is important that enterprises should cooperate with the school education for the improvement of employability and vocational self-consciousness.

-- Trade unions should capture the needs of young workers concerning enhancement of their employability and implement efforts to encourage voluntary development and improvement of their vocational capabilities.

-- Besides social partners, all those who interact with young people, such as their supervisors and seniors in the workplace, families, communities, should become conscious of the importance of proactively nurturing young people. At the same time, they should develop a vision to support them, understand their needs and support them for their entrance into the society and their growth in it.

-- Meanwhile, support from international frameworks such as the YEN (Youth Employment Network) and APSDEP (Asia and Pacific Skill Development Programme) should be enhanced, in order to achieve the common goals of countries for economic and social development through supporting young people’s active efforts and enabling them to realize their potential.

In today's symposium, information on the efforts in Asian countries has been exchanged. The participants have confirmed that we would further cooperate and share experiences and knowledge among the countries through various fora in order to make future efforts by governments and international organizations more effective. Through such efforts, we are committed to realizing a brighter future through supporting young people.

We are confident that the outcomes of this symposium will serve as a basis for the General Discussion on youth employment in the forthcoming International Labour Conference to be held in June 2005. At the same time, we anticipate that globalization and the future of youth will be placed as important agenda items and discussed in depth at the ILO Asian Regional Meeting scheduled to be held in Pusan, the Republic of Korea in the second half of the year 2005.
The integrated measures that governments should implement with regard to youth employment

(a) The implementation of various macroeconomic policies that centre on employment, above all on ensuring Decent Work for the young people.
(b) Policies that promote labour demand for youth.
(c) Adequate national regulations that observe International Labour Standards and appropriate labour market management.
(d) Wage policies that provide for fair and adequate incomes.
(e) Promoting an entrepreneurship culture in society, and providing support for start-ups by improving the business environment, for example.
(f) Support for the improvement of employability.
(g) Provision of labour market information.
(h) Provision of opportunities for career counseling.
Globalisation and the World of Work

By: Mdm Halimah Yacob
Assistant Secretary-General
Singapore National Trades Union Congress

Symposium on Globalisation and the Future of Youth in Asia
2 – 3 December 2004, Tokyo

Globalisation and the World of Work

• Urgent need for fair and inclusive globalisation
• World Commission on the Social Dimensions of Globalisation 2004 report
• ILO Decent Work Agenda – World Community can only halve 1990 level rate of poverty by 2015 is decent work secured for people everywhere

Globalisation and the World of Work

• Strong policy interventions are required, at international and national levels to eradicate poverty and create opportunities
• Jobless growth is a huge challenge, e.g. India
• In India, although total employment grown by 1%, there still is high unemployment and low productivity employment

Globalisation and the World of Work

• Basic social protection (housing, healthcare, old age) is still inadequate
• 500 million working poor in developing countries
• Income inequality has increased significantly in both between and within countries

Globalisation and the World of Work

• Fastest job growth today – casual, part-time or contract work => Increased workers’ sense of income insecurity
• Japan – “wageless” economic growth; Large increase of temporary, part-time and contract workers
• 1997 - 2002: Full time workers fell by more than 4 mil to 34.5 mil. Part-time workers rose by 1.7 mil to 12.1 mil. Contract workers rose from 966K to 2.5 mil. Temps rose from 257K to 721 K.

Globalisation and the World of Work

• “People are a country’s and organisations’ best assets” ≠ Human capital investment in many countries
• In a global economy, education, skills and knowledge are instrumental for economic survival and a better life
• However, 115 mil children in developing countries are not in school and 65 mil of them are girls
Globalisation and the World of Work

- There must be serious efforts to address imbalance => more inclusive globalisation process; equal emphasis on social and economic development
- Protest and demonstrations in Seattle
- IT has revolutionalised information transmission; boosted people’s capacity to galvanise worldwide support against injustice

Globalisation and the World of Work

- World Commission’s Report: “the problems identified are not due to globalisation per se, but poor governance. Global markets have grown but without parallel social and economic institutions necessary for the smooth and equitable functioning.”
- What should unions do to ensure a fair globalisation process where all can benefit and not only a small number at the top?
- How can we help to ensure a better governance process?

Globalisation and the World of Work

- Give greater recognition and support to unions’ role and contribution to society
  - Strengthen tripartism and social dialogue
  - Unions must be represented in key institutions and programmes in formulating economic and social policies
  - Increase presence in domestic and global arenas (ICFTU, GUFs, and trade union centres)

Globalisation and the World of Work

- Trade unions should help to promote the adoption of a Decent Work Agenda in their own countries
  - ILO Declaration on the Fundamental Principles and Rights at Work
  - Ratification and effective implementation of core labour standards
  - Through enforceable legislation and programmes and activities

Globalisation and the World of Work

- Corporate social responsibility
  - UN Global Compact and ILO MNE guidelines
  - Singapore - Tripartite CSR Initiative to promote CSR

Globalisation and the World of Work

- Employment and Employability – pillars for income stability and economic progress
  - Government’s role
  - ILO core conventions and other standards like HRD and Education, Training and Lifelong Learning
  - Primary education - basic right for all
  - Workers must be equipped with relevant skills to remain employable
Globalisation and the World of Work

- HRD Recommendation
  - Employability and skills certification that will encourage mobility and adaptability to change
  - Equal access to education, training and lifelong learning for all including, women, young people, minorities, disabled, older workers and those in informal sector
  - Basic social protection and collective bargaining and social dialogue

- Conclusion:
  - Globalisation can be fair and inclusive
  - => needs strong trade union
  - => coherent macroeconomic policies
  - => employment generation
  - => fair and transparent corporate governance rules

Thank you.
Globalisation and Youth
Employment

By: Mdm Halimah Yacob
Assistant Secretary-General
Singapore National Trades Union Congress

1. 1 out of every 6 person in the world today is between 15 and 24 years old
   - 1 billion young people between 15 and 24 years old
   - This is 18% of total world population
2. World youth unemployment rate has increased from 11.7% in 1993 to 14.4% in 2003
   - 14.4% rate is more than twice overall unemployment rate of 6.2%
   - 88 mil unemployed youth = 47% of 186 mil unemployed globally
   - Youth unemployment can be as high as 25% in some countries

Major policy priority for trade unions
- Integrating youth and youth employment
- Must be placed high on agenda of government's macroeconomic policies and effective implementation programme
- Investment in education and training
- Assist least developed countries to raise literacy and education levels

ILO Recommendation on Human Resources Development, Education, Training and Lifelong Learning
- Employers must behave responsibly and provide opportunities to young people through training, career development and a safe and healthy work environment
- ILO HRD Recommendation provides good framework for human resource development
- Social partners, through social dialogue, should explore this Recommendation as a basis for promoting employment and decent work

General trend of youth employment in Singapore
- Decline in labour force participation rate of young people between 15 and 24 years old
- Labour force participation rate declined from 25.3% in 1993 to 13% in 2003 for those aged 15 – 19; and declined from 80.2% to 71.6% for aged 20 – 24
- One key reason: Longer period that young people stay in the education system which has been steadily increasing over the years with better educational opportunities and economic growth

Unemployment among young people rose from 7% in June 1998 to 7.8% in June 2003
- However, pace of increase was slower compared to overall average unemployment figure, which rose from 3.2% to 5.4% over same period
- Generally, the young do not face a serious unemployment problem in Singapore
Globalisation and Youth Employment

• General trend of youth employment in Singapore
  – On average, younger workers who are retrenched take a shorter time to find another job compared to older workers as they have better skills and qualifications

<table>
<thead>
<tr>
<th>Age, years old</th>
<th>No. of weeks taken to find another job</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 29</td>
<td>7.8</td>
</tr>
<tr>
<td>30 – 39</td>
<td>12.3</td>
</tr>
<tr>
<td>40 – 49</td>
<td>14.1</td>
</tr>
<tr>
<td>50 – 59</td>
<td>15.8</td>
</tr>
</tbody>
</table>

Figures as at June 2003

• While number of unemployed youth rose from 17,000 in 1998 to 20,000 in 2003, their share of total unemployed shrank sharply from 27% to 17% over same period
  – This partly reflects the ageing workforce and the delayed entry of youth into the labour market

• Global trend of using more contract work becoming more discernible in Singapore
  – Viewed as an opportunity to gain as much experience as possible from different employers to enhance employability
  – Also some are concerned with the lack of certainty and stability
  – As economy matures, there may be a mismatch in expectations and realities among the young

• Educational opportunities
  – With effect from Jan 2003, primary education is compulsory in Singapore (about 10 – 11 years of basic education)
  – Channelled into either technical or academic education where employment prospects are good

• Unions’ role in promoting Lifelong Learning and Employability
  – Job creation and skills upgrading
  – Enhancing wages and employability through skills training/upgrading, employment assistance programme, job re-design and proactive review of employment policies
  – Advocating portable medical and skills training benefits
  – Strengthening social safety net

• Unions’ role in promoting Lifelong Learning and Employability
  – Skills Redevelopment Programme which was started in 1998
  – Total training places todate: 187,316
  – Survey shows SRP achieved its target in reaching out to older workers and lower educated workers to go for training and skills upgrading to stay employable
  – Skills Development Fund
Globalisation and Youth Employment

• Employment Assistance Programme
  – SNTUC Joblink Centre was set up on Feb 2002 – one-stop job placement centre
  – Pre-counselling and training for job seekers
  – "Train and place" programmes
  – Todate, 6,656 job interviews have been arranged
  – About 30% of job seekers at the Joblink Centre are unemployed and below age of 30 years

Globalisation and Youth Employment

• Union membership
  – A current challenge for trade unions in Singapore to stay relevant to changing and increasingly diverse profile of workers in knowledge-based economy
  – Increasing job churn and industry restructuring
  – Seamless Membership Scheme
  – Organising strategies must be adapted; recruitment campaigns etc

Globalisation and Youth Employment

• Union leadership
  – Trade unions must create opportunities for young people to achieve their aspirations, contribute ideas and participate actively in making decisions to shape the future
  – Induct more young men and women to serve in labour movement
  – Establish Youth Chapters in unions
  – Strengthen bonding and networking among young and senior union leaders through regular dialogue sessions and forums; engage the young at various levels and foster a greater sense of belonging

Globalisation and Youth Employment

• Union leadership
  – Training courses for young union leaders
  – Ong Teng Cheong Institute of Labour Studies
  – Structured leadership training programmes
  – National Level:
    • Ministry of Community Development, Youth and Sports
    • National Youth Council: Singapore Youth Awards, Outstanding Youth in Education Award etc

Globalisation and Youth Employment

• Conclusion
  – The young is our future
  – Integration into society through creation of employment and opportunities
  – Youth development and employment must be placed high on governments' agendas
  – Employers must provide opportunities to the young to acquire experience and skills in a decent work environment
  – Unions need to restrategy to attract more young members
  – Strengthen social dialogue at all levels

Thank You
Globalization and the World of Work
From Employers’ View

Presented by
Dr. KIM Young-vaes

KOREA EMPLOYERS FEDERATION

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2. Social and Economic Effects of Globalization
3. Desirable Future Direction

Concepts of Globalization

Globalization: A Process of Integration of the World Economy

<table>
<thead>
<tr>
<th>International Trade Volume</th>
<th>Foreign Direct Investment</th>
<th>Short-term Capital Flow</th>
</tr>
</thead>
</table>

Information & Communication Technology

Social and Economic Effects of Globalization

<Table 1> Unemployment Rates in Main Regions
(Unit: %)

<table>
<thead>
<tr>
<th>Region</th>
<th>1987</th>
<th>1993</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>7.5</td>
<td>7.3</td>
<td>7.2</td>
</tr>
<tr>
<td>US</td>
<td>5.8</td>
<td>5.5</td>
<td>5.3</td>
</tr>
<tr>
<td>Japan</td>
<td>10.5</td>
<td>10.5</td>
<td>10.5</td>
</tr>
<tr>
<td>Asia</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Latin America</td>
<td>5.7</td>
<td>5.7</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Note: Asia in this table excludes Japan, China, and India.
Source: ILO, 1998

<Table 2> Trend of Income Gaps (D9/D1) in Industrialized Countries

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
<th>UK</th>
<th>Sweden</th>
<th>Germany</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>3.26</td>
<td>2.79</td>
<td>2.04</td>
<td>2.69</td>
<td>3.26</td>
</tr>
<tr>
<td>1990</td>
<td>3.96</td>
<td>3.29</td>
<td>2.01</td>
<td>2.51</td>
<td>3.26</td>
</tr>
<tr>
<td>1995</td>
<td>4.33</td>
<td>3.88</td>
<td>2.13</td>
<td>2.32</td>
<td>3.28</td>
</tr>
</tbody>
</table>

Note: D1 and D9 mean the lowest and the highest income class, respectively.
Source: ILO, 1998

<Table 3> GDP Per Capita in the Richest and the Poorest Countries
(Unit: US$, times)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Poorest Countries (A)</td>
<td>212</td>
<td>267</td>
</tr>
<tr>
<td>20 Richest Countries (B)</td>
<td>11,417</td>
<td>32,339</td>
</tr>
<tr>
<td>Ratio (B/A)</td>
<td>53.9</td>
<td>121.1</td>
</tr>
</tbody>
</table>

### Social and Economic Effects of Globalization

#### Table 4: Wages Gap by the Size of Enterprises in Korea

(Unit: 000s Korean Won, per month)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>308</td>
<td>549</td>
<td>1,082</td>
<td>1,497</td>
<td>1,696</td>
<td>1,705</td>
<td>1,808</td>
</tr>
<tr>
<td>(10 to 29 employees)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td>Large Enterprises (500 or more employees)</td>
<td>344</td>
<td>741</td>
<td>1,511</td>
<td>2,195</td>
<td>2,313</td>
<td>2,718</td>
<td>3,043</td>
</tr>
<tr>
<td></td>
<td>(111.7)</td>
<td>(140.0)</td>
<td>(139.6)</td>
<td>(146.4)</td>
<td>(144.0)</td>
<td>(159.4)</td>
<td>(168.3)</td>
</tr>
</tbody>
</table>

Note: ( ) is the proportion compared to wages of SMEs.

Source: Korean Ministry of Labor, Monthly Labor Statistics, each year

#### Table 5: Profitability by Size of Enterprises in Manufacturing, Korea

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Enterprises</td>
<td>5.4</td>
<td>6.0</td>
<td>7.5</td>
<td>8.2</td>
</tr>
<tr>
<td>SMEs</td>
<td>3.4</td>
<td>2.5</td>
<td>5.3</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Source: Bank of Korea

### Globalization in Korea

#### Obstacles to Globalization in Korea

- Unstable Industrial Relations
- Rigid Labor Markets
- Immoderate Governmental Intervention and Regulations
- High Administrative Costs and Labor Costs
- Excessive Housing Fees
- Exclusive Attitudes of Unions against Migrant Workers
- Anti-globalization Sentiments of Labor Agitators and Civil Organizations

### Key to Answer Globalization

- Change of Legal & Institutional Aspects
- Change of Cognitive, Customary, Behavioral Aspects

Adaptation to Globalization

---

**True is**

- Economic Unfairness was deprived from Failure in Adaptation to Globalization.
- Globalization boosted Overall Human Welfare.
- Globalization helped Job Creation, Productivity Improvement and Economic Growth.
- World Gross Product increased 10 times during past 50 years, and Income Per Capita increased 3 times under the population explosion.
Globalization and Youth Employment
From employers’ viewpoint

Presented by Dr. KIM Young-vae

KOREA EMPLOYERS FEDERATION

Table of Contents
1. Economic Impacts of Globalization
2. Its Impacts upon Youth
3. Roles of Youth for Sound and Fair Economy
4. Employability Improvement through Vocational Ability Development

KOREA EMPLOYERS FEDERATION

Economic Impacts of Globalization
- Rational Utilization of Resources
- Free Trade
- Efficiency
- Job Creation
- Economy of Scale
- Promotion of Quality of Life
- Globalization
- Economic Hegemony
- Interdependence
- Industrial Hollowing-Out
- Income-gap Polarization
- Youth Unemployment
- Non-Regular Employment

Impacts of Globalization upon Youth in Korea

<Fig 1> Number of Korean Companies Moving Overseas
Source: Korean National Statistical Office, September 2003

<Fig 2> Trend of Total Unemployment and Youth Unemployment in Korea
Source: Korean National Statistical Office, Economically Active Population, each year

KOREA EMPLOYERS FEDERATION

Impacts of Globalization upon Youth in Korea
- Backdrops of High Youth Unemployment in Korea
  - Growth without Employment
    - Technology, 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
  - Overnice Eyes of Job Seekers
    - Resulted in Gaps in Labor Shortage Rate between SMEs and Large Enterprises

KOREA EMPLOYERS FEDERATION
Impacts of Globalization upon Youth in Korea

![Fig 3: Labor Shortage Trend in Korea](image)

Note: (1) SMEs: 30-299 workers employed. (2) Large Enterprises: 300 or more workers employed.

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

Solutions
- Expansion of the social safety net for non-regular Workers
- Improvement of labor flexibility for regular employees
- Dispersion duality of the labor market


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 Colleges
- Supporting Alleviation of Re-training Costs of Industries
- Employment Security Service

Active Individual Attitudes
- Self-realization through Lifelong Vocation
- Sustaining Personal Competitiveness

Scheme for Employability Improvement

Symposium on Globalization and the Future of Youth in Asia

Globalization and Support for Employment and Vocational Development

Professor Yoshio Higuchi
Keio University

1. Movement of goods and services across borders (exports and imports)

Figure 1. Percentage of exports and imports in gross domestic expenditure (nominal)

- Exports
- Imports

Source: Cabinet Office, Annual Report on National Accounts

2. Movement of capital across borders (inward and outward direct foreign investment)

Figure 2. Japan’s inward and outward foreign direct investment (reported investment)

- Inward foreign direct investment
- Outward foreign direct investment

Note: Because figures were released in yen after 1995, the exchange rate at the half year point was used to convert to dollars.
3. Is direct investment abroad reducing employment in Japan?

Figure 3. Jobs created by outward and inward foreign direct investment

Number of employees at foreign-affiliated firms in Japan (left)
Number of employees at Japanese-affiliated firms overseas (right)


Figure 4. Differences in growth rates brought about by production activities in other Asian countries

Electrical machinery industry (growth rate of firms operating in other Asian countries minus growth rate of firms not operating in other Asian countries)


Figure 5. Changes in employment rates of high school and college graduates

Source: Ministry of Health, Labour and Welfare
Note: Figures are as of the end of September in each year.

Figure 6. Changes in the percentage of atypical employees (youth 15 to 24 years of age)

Note:
1. Figures are as of January or March except for 2002 and after whose figures are indicated as the average from January to March.
2. Percentage of atypical employees is the percentage of atypical employees among all employees.
3. Atypical employees are employees who are not regular employees and not counting directors.

4. Decreased demand for unskilled workers and increased demand for highly specialized workers
5. Importance of flexible reallocation of workers

6. Importance of corporate support for vocational development and self-development and government support

Figure 7. Percentage of cost for education and training in labor cost.
(Including total amount of cash wages)

7. Need for reinforcement of international labor standards and proposals for the ILO

Source: Ministry Health, Labour and Welfare, General Survey on Working Conditions
Globalization and Youth Employment

Yasuo SUWA
Hosei University, Tokyo

The problem is how to attain it?

Let’s discuss the way out!

- The Aged = Socially Respected but Economically Not So Needed
- The Youth = Economically Needed but Socially No So Respected

- The Aged = Socially Respected but Economically Not So Needed
- The Youth = Economically Needed but Socially No So Respected

- Hard
- Normal
- Ideal

- Not Respected and Not Needed
- Respected and Needed

- Not Respected but Needed
- Respected and Needed
Human Resource Development Policy for youth in Asia

Symposium on Globalization and the Future of Youth in Asia
"Creating working opportunities and enabling environment for young people"
2004.12.2, 3

The Japan Institute for Labour Policy and Training
Human Resource Development Policies for Youth in Asia

1. Background Information on Vocational Training Policies

HRD policies reorganized

Public policies of human resource development (HRD) in Asian nations have been significantly changing in recent years. Governments in Asian nations have aimed at their economic developments by attaching high value to HRD, but they started restructuring their HRD policy initiatives when they faced economic crises in the late 1990s.

There are two reasons for this trend. Firstly, when Asian governments saw soaring jobless rates in their domestic economies, they started strengthening their HRD policy initiatives so that more and more jobless people would be able to enjoy job opportunities. For example, the Indonesian government has been providing education/training programs to improve domestic human resources and has established the Vocational Training Coordination Institution, the National Vocational Training System and the National Skills Certification System.

Secondly, when Asian nations got back on the growth path after suffering their economic crises, business enterprises needed highly skilled human resources in order to compete in the highly competitive international arena. However, since the traditional HRD policy framework in Asian nations could not provide such skillful labor force, Asian governments needed to solve the problems in their traditional HRD approach.

For example, the Thai government began beefing up its HRD policy, recognizing that a shortage of skillful human resources was preventing economic growth in Thailand. In the Eighth Malaysia Plan that started in 2000, the Malaysian government also announced its intention to strengthen its HRD programs, because highly skillful human resources are absolutely necessary to achieve a knowledge-based society in the future. In the “Manpower 21 Plan” in 1999, the Singapore government recognized skill development as an important policy agenda for improving the lifelong employability of workers. In its Medium-term Employment Policy Basic Plan (effective since 2004), the South Korean government aims at launching lifelong vocational training programs and providing sufficient job training chances for 3 million workers a year.

Vocational training policies put emphasis on the younger generation

Under these situations, Asian governments put particular emphasis on the younger generation, because young jobless people are posing serious problems much more than any of the other generations. Since the Asian economic crises in the late 1990s, the labor markets in Asian nations have improved, but the jobless rate for the younger generation still remains at a high level.

In terms of a high jobless rate for the younger generation, all Asian nations have two factors in
common. Firstly, more and more young people are entering the labor market because they usually account for a large percentage in the demographic age composition and actively migrate from rural to urban areas. For Asian governments, it is an important policy agenda to provide young people with vocational training on the necessary job skills.

Secondly, although a highly developed economy requires highly skillful human resources, recent young workers do not have proper job skills. This phenomenon has two problems. On one hand, when business enterprises want capable human resources, young people with a poor academic background tend to view getting a job as being difficult. In this sense, the government needs to beef up its HRD policy initiative and also improve the overall skill level of the younger generation. On the other hand, there is also a problem for young people with a high educational background. In the past, they enjoyed better job opportunities because they were considered elite and only accounted for a small percentage of the society. However, as higher education institutions have accepted more students and have sent a larger number of university graduates into society, these university graduates do not have advanced job skills, which companies expect them to have.

For example, in Thailand, university graduates enjoyed the status of being the social elite and usually took a job in the public sector including the government. Although more and more university graduates have recently started working in the private sector, their abilities do not satisfy the human resource requirements of the private sector. In this sense, vocational training is expected to play an important role. In South Korea, major corporations have recently adjusted their labor forces by hiring a limited number of typical workers while expanding the job opportunities for atypical workers and, as a result of it, new university graduates are now suffering difficulties in finding a job. To address this problem, the South Korean government has launched its new vocational training policy initiative for young jobless people.

2. Vocational Training Policies and Organization Framework for Providing Vocational Training Programs

Vocational training policies

Generally speaking, HRD programs in Asian nations consist of two elements: vocational education courses at schools on one hand, and vocational training courses at vocational training centers on the other. Usually, the education ministry is in charge of the former, while the labor ministry (or human resources ministry) is responsible for the latter. This paper focuses on the vocational training at vocational training centers.

When identifying the characteristics of vocational training policies in Asian nations, the following two criteria provide useful insights. The first criterion is to examine the type of target workers or vocational training service (e.g., training session type and training duration). This criterion is helpful
in identifying the composition of the vocational training program. The second criterion is to examine how much the government allocates its resources to each training program identified in the first criterion. This is helpful in understanding the type of program (in other words, the type of workers) the government is putting emphasis on. These two criteria would reveal the characteristics of the vocational training portfolio in Asian nations. Chart 1 shows an example for South Korea.

**Organization framework for providing vocational training programs**

The next point is to examine the type of organizations that are in charge of planning and implementing these vocational training programs. In most cases, the central government is in charge of planning and coordinating the vocational training programs, but among the Asian nations there are different organizational frameworks for providing these programs. This difference comes from the gap in role sharing between the public training centers and the external organizations. Chart 2 outlines the organizational frameworks for providing vocational training among the Asian nations.

The first type is “the public-sector-led” framework in which the public vocational training centers play the central role in providing vocational training programs. Thailand, Malaysia and Indonesia fall under this category. This first type has two subcategories: “the centralized approach” (i.e., the central government controls the public job training centers) and “the decentralized approach” (i.e., local governments manage these public training centers). Thailand and Malaysia have the centralized approach, while Indonesia adopts the decentralized approach. On the other hand, the second type is “the outsourcing type” framework, which is antithetical to the “the public-sector-led” framework. In this framework, the public vocational training centers are not involved in vocational training programs at all and usually commission an external organization to provide these programs. Singapore falls under this category. The last type is the South Korean case, which has the “mixture of public-private approach” in which both the public sector and the private sector provide vocational training programs. This approach is a mixture of “the public-sector-led” and “the outsourcing type” frameworks mentioned above.

3. Public Vocational Qualifications

**Characteristics of vocational qualification systems**

In parallel with the vocational training approaches mentioned above, Asian nations have their public vocational qualification systems. There are similarities as well as differences among the vocational qualification systems of the Asian nations. The following viewpoints are necessary to identify the characteristics of the vocational qualifications.

1) What type of workers does the vocational qualification system cover? (I.e., this pays attention to the target workers.) This has “horizontal” dimension (i.e., the number of job categories the
system would cover) as well as “vertical” dimension (i.e., the level of workers the system would cover). In the case of the “vertical” dimension, some vocational qualification systems might only cover production staff (“shallow” level) or might sometimes include highly skilled technical staff as well (i.e., “deep” level).

2) What type of criteria is used for evaluating the skill level of target workers? (i.e., this pays attention to evaluation criteria.)

3) For sorting out the target workers based on the evaluation results, how many categories does the system have? (i.e., the number of ranking orders.)

4) Who evaluates the skill level and provides certificates? (i.e., organizational framework.)

Firstly, from the viewpoint of the covered “target workers,” the systems in China, South Korea and Singapore cover a relatively wider range of target workers (in terms of the “horizontal” dimension), while those in Thailand and Indonesia cover a narrower range of target workers.

Secondly, “the number of ranking orders” is closely connected to the “vertical” dimension. The Chinese, South Korean and Malaysian qualification systems have five ranking orders, while those in Thailand and Singapore only have three ranking orders. This gap reflects the difference in the “vertical” dimension among these nations. Thailand and Malaysia (with three ranking orders) have a qualification system that only covers production staff (i.e., “shallow” dimension), while the remaining three nations with five ranking orders have a rather “deep” dimension qualification system covering from production staff to engineers. On the other hand, these three nations also use a three-ranking-order qualification approach for production staff. In this sense, all of these five nations have a common ground: the three ranking orders at production staff level, and two ranking orders at engineer level.

Thirdly, like their similarity in the ranking orders, these nations also have similarity in their skill level evaluation criteria. Generally speaking, most Asian nations have “basic level,” “full-fledged level” and “advanced level” like Thailand. However, as these vocational qualifications do not properly reflect practical job skills in some cases, some nations are replacing these conventional evaluation standards with “job capabilities” based standards. For example, Indonesia has reorganized its skill evaluation criteria based on “competency,” while Singapore has also established its national skill examination system based on the UK’s National Vocational Qualification (NVQ) framework.

As explained so far, all Asian nations officially have skill certification systems. The skill certification systems in Asian nations evaluate worker’s skills and play important roles in encouraging HRD among workers due to their close relationship with vocational training programs. On the other hand, the skill certification systems in Asian nations also have significant differences between each other in their coverage scopes and actual functions.
New certification systems integrating vocational education and vocational training

In addition to the above-mentioned conventional skill certification systems, some Asian nations are aiming at linking their skill certification system with vocational education programs. A typical example is Thailand’s OPEN SYSTEM. This system, which was introduced on a trial basis in 2004, has skill criteria based on “practical job skills at the workplace,” accredits worker’s abilities based on such skill criteria and provides a certificate that is equivalent to some credits at vocational education institutes. This is a new approach combining vocational training and vocational education. Some nations have introduced such approach into their HRD programs for the younger generations.

As explained later in detail, “Internship Program” in China, etc., provides university students with an opportunity to acquire practical job skills through on-the-job training at private corporations. In addition, “Dual System” in Thailand also provides vocational school students with an opportunity to learn practical skills in a similar manner to China. Both programs are skill development programs that integrate vocational education and vocational training. In this manner, there emerges a new trend to mix and reorganize vocational education and vocational training opportunities.

4. Vocational Training Programs for the Youth

Types of education/training programs

In the context of the above-mentioned vocational training frameworks, what type of vocational training programs are the Asian governments providing to young workers? We will answer this question by examining two factors: the type of young people covered by the vocational training program, and how the vocational training program is provided. Trainees usually consist of four types: students in the education process, pre-employment young people, incumbent young workers, and young jobless people. In addition, the vocational training programs are usually provided through the following two manners: the “Off-JT” approach at vocational training center, and the “Training-work mixture” approach, which combines OJT at companies and Off-JT at vocational training centers. As shown in Chart 3, a combination of these two perspectives provides an overall picture of vocational training programs in Asian nations. Based on Chart 3, Chart 4 outlines the main vocational training programs for young people in Asian nations.

According to this chart, all of these Asian nations are providing long-term vocational training programs to young people before they find their job. This type of long-term programs plays the central role in vocational training programs for young people. As for other types of vocational training programs, programs for incumbent workers or jobless people do not exclusively focus on young people. In this sense, Asian nations only have a weak similarity in their youth-targeted vocational training programs. However, the author would like to cover some important vocational training programs for young people as follows.
Off-JT program for young jobless people (nonworking young people)

This is a vocational training program focusing on nonworking young people who quit or graduated from schools. In Malaysia, the Ministry of Youth and Sports established vocational training centers (National Youth Skill Institutes: IKBN) for young people aged 18 to 25 (especially, young people who quit school without a diploma).

South Korea provides its vocational training programs in a more systematic manner. The first example is the vocational training program for young jobless people (including university graduates) who do not join the employment insurance scheme and do sign up for employment support services at job security offices. The second example is “Government-funded training” for young people who quit school without going to higher education courses. The South Korean government commissions the Korea Chamber of Commerce & Industry’s training facilities and the private vocational training institutes to provide this type of vocational training program, which aims at training a highly skilled labor force for the manufacturing industry.

Vocational training program integrating Off-JT and actual work experiences

The second type of program is a vocational training program integrating Off-JT and actual work experiences. This type of program has two different approaches. The first approach is similar to the European apprenticeship or Dual System that combines Off-JT at vocational training centers and OJT at private corporations. The “2+1 Program” in South Korea, the “Dual System” in Thailand and the “traineeship scheme” in Singapore fall under this category.

The “2+1 Program” in South Korea aims at helping students acquires practical knowledge and skills by providing two-year training at vocational high schools and one-year on-the-job (OJT) programs at companies. The “Dual System” in Thailand combines educational programs at vocational high schools (or tertiary colleges) and OJT at companies. The OJT program occupies more than half of the overall curriculum at vocational high schools (three years long) and tertiary colleges (two years long). The “Dual System” provides vocational training programs to 43,000 students as of 2003. The “traineeship scheme” in Singapore also integrates OJT at companies and Off-JT at the Education Ministry’s ITE (Institute of Technical Education) and training centers designated by ITE.

There is another type of vocational training program that integrates Off-JT and actual work experiences, which is the internship program for university graduates. South Korea started this type of program during its economic crisis. Currently, the internship program in Korea is recognized as playing an important role in connecting university graduates and small- and medium-enterprises and provides a six-month-long program for junior and senior university students. China is also seeing a
rapid growth in university students and may not be able to guarantee sufficient job opportunities for them. In 2002, Shanghai City started a three- to six-month internship program for senior university students who have not found a job yet. As Shanghai’s program is highly evaluated as one for improving the job skills of university graduates, many municipalities in China have also launched similar internship programs.

**Vocational training programs for business owners**

So far, this paper has explained the training programs that would nourish the necessary job skills for employed workers. However, training programs for new business owners have been attracting attention as well. China provides young workers with a training program so that they acquire the necessary, basic knowledge/skills for starting their own new businesses. This program is based on ILO’s “SYB Training” program.

Some other Asian nations are providing similar programs. This phenomenon represents a new trend because vocational training programs have expanded their coverage to business owners, rather than exclusively focusing on employed workers.

5. Conclusion

**New trend in vocational training policy**

This paper has discussed vocational training policy initiatives in Asian nations, mainly focusing on vocational training programs for young people. These policy initiatives have been changing because policymakers are making efforts to address economic globalization as well as adapt their skill development policies to social needs for a more skillful labor force.

As society recently started requiring a more skillful labor force, Asian governments have strengthened their HRD efforts to improve the employability of workers. Such type of policy is particularly necessary for young people who are about to enter the labor market in the very near future. In addition, as employment conditions are becoming unstable, Asian governments are putting emphasis on “lifelong HRD,” so that workers are able to maintain their employability over a very long career life.

There is also a new trend emerging in providing HRD services. The traditional framework is based on “separation between education and training” in which educational institutions are in charge of vocational education, while vocational institutes are responsible for vocational training. The traditional approach is also based on “separation between education/training and employment,” which means workers acquire practical job skills through OJT at companies after completing educational/training programs at schools, universities or vocational schools. However, Asian governments are introducing new HRD policies that have a mixture of “education and training” as
well as “education/training and employment.”

In other words, vocational education puts emphasis on the smooth transition “from school to work” and incorporates vocational training by expanding internship programs. On the other hand, vocational training comes into closer relationship with vocational education. In this sense, vocational training and vocational education are converging with each other in terms of educational/training programs as well as occupational certification. At the same time, the mixture of “education/training and employment” is also progressing because more and more educational/training institutes are launching internship programs and dual systems that combine Off-JT at their premises and OJT at companies.

Future challenges

Analysis of these new trends has revealed a new future direction for improving occupational HRD policies, especially those for young people. Firstly, there is a wide consensus that policymakers should improve HRD policies, but it is difficult to identify a concrete policy mix. Because HRD efforts are an investment in human resources, it is important for policymakers to decide on how much resources should be allocated to HRD, and, out of which, how much resources should be invested in the educational/training fields (this is also called the “HRD investment portfolio”). However, it is difficult to define what the best “HRD investment portfolio” is.

In this case, the international benchmarking method provides useful insights. In other words, international comparison of the HRD investment portfolios would reveal the characteristics of policies in each nation and would provide valuable inputs in the policy making process. However, since it is still difficult to obtain a sufficient amount of data, it is necessary to form an international cooperative framework for mutually comparing the HRD investment portfolios of each nation.

Secondly, policymakers should further encourage “convergence of education, training and employment.” It will surely require cooperative relationships among the government organizations in charge of education and training. At the same time, such convergence is necessary when adapting occupational HRD policies to the current corporate needs that ask for a more skillful labor force. In this sense, it is necessary to identify “can-do-abilities” that private corporations are demanding at their workplace. The “competency-based” framework is one of the attempts to this end, but policymakers should develop a proper evaluation method for “can-do-abilities” and also establish a proper framework that would integrate such evaluation results into education/training processes as well as occupational skill certificate schemes.

In terms of “convergence of education/training and employment,” Asian nations do not have sufficient experience in their vocational training program with integrating vocational training and
actual work experiences. So, they will face many difficulties in making decisions on a proper training program, organizational framework and conditions for trainees at companies. From this viewpoint, in order to prepare an effective training program, Asian nations should share information on their actual experiences. In addition, they also need to learn valuable lessons from European nations that have a long history in this type of occupational training programs.

The third challenge relates to the occupational skill certificate system. Of course, it is necessary to strengthen the relationships between school diploma and the occupational skill certification scheme in parallel with “convergence of education/training and employment,” as well as to create a new scheme that would accredit worker’s abilities based on “can-do-abilities.” In addition, the author would like to emphasize the following point. Asian nations will surely deepen their economic interdependence and will see intensified international labor force movements in the future. If so, Asian nations will need to mutually adjust their occupational skill certificate schemes in a manner similar to the consistency of school diplomas. In this sense, they should carry out the necessary preparations in the near future.
<table>
<thead>
<tr>
<th>Target trainees</th>
<th>Training services (training duration)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Short-term</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Long-term</strong></td>
</tr>
<tr>
<td>Pre-employment workers, etc.</td>
<td>The government commissions the chambers of commerce and industry to provide training services</td>
</tr>
<tr>
<td>Incumbent workers</td>
<td>Training cost supports for business owners, etc.</td>
</tr>
<tr>
<td>The socially vulnerable</td>
<td>Jobless people</td>
</tr>
<tr>
<td>Others (such as aged people)</td>
<td>Human Resources Development Service of Korea</td>
</tr>
<tr>
<td>Organization that provides training services</td>
<td>China</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Types of organizational frameworks</td>
<td>(Unknown)</td>
</tr>
<tr>
<td>Public sector</td>
<td>Technical schools (3,167)</td>
</tr>
<tr>
<td>Private sector</td>
<td>Non-governmental vocational training institutions (17,350)</td>
</tr>
</tbody>
</table>

(=numbers of facilities)
### Chart 3. Types of Training Programs for Young People

<table>
<thead>
<tr>
<th>Target trainee</th>
<th>Off-JT type</th>
<th>OJT type (Mixture of training and actual job experiences)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young students at schools</td>
<td>—</td>
<td>Internship</td>
</tr>
<tr>
<td>Pre-employment young people</td>
<td>Pre-employment vocational training</td>
<td>Dual System</td>
</tr>
<tr>
<td>Incumbent young workers</td>
<td>Vocational training for incumbent workers</td>
<td>—</td>
</tr>
<tr>
<td>Young jobless people</td>
<td>Vocational training for jobless people</td>
<td>—</td>
</tr>
<tr>
<td>Off-JT type</td>
<td>China</td>
<td>South Korea</td>
</tr>
<tr>
<td>------------</td>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>Pre-employment vocational training (One- to three-year courses)</td>
<td>Pre-employment vocational training program (Three-month, six-month, and ten- to eleven-month courses)</td>
<td>Pre-employment vocational training program (One-year program)</td>
</tr>
<tr>
<td>Training for incumbent workers</td>
<td>Pre-employment training</td>
<td>Government-funded training</td>
</tr>
<tr>
<td>OJT type (Mixture of training and actual working experiences)</td>
<td>Dual system</td>
<td>2+1 Program</td>
</tr>
<tr>
<td>Internship</td>
<td>Internship Program</td>
<td>Internship Program</td>
</tr>
</tbody>
</table>

Chart 4. Vocational Training Programs for Young People in Asian Nations
In China, vocational training is provided in parallel with regular education. People go through vocational education and training to obtain a certificate before they enter employment. Vocational training in China includes pre-employment training, training for incumbent workers, and training for people transferred to new occupations, covering elementary, secondary, and advanced vocational qualification training for technicians and other types of workers so people acquire skills and adapt to different job requirements. By developing higher vocational institutions, secondary polytechnic schools, advanced technical schools, technical schools, employment training centers, non-governmental vocational training institutions and enterprises' employment training centers, the government endeavors to develop an all-social and multi-level national system of vocational education and training.

- **Population**: 1,284.33 million
- **Labor population**: 753.6 million (economically active population)
- **Youth population**: Unknown
- **Youth unemployment**: (No statistical data available in and after 1996)
- **Youth unemployment rate**: 4.30%
- **Unemployment rate**: 2.20%
- **Unemployment rate**: 4.76%
- **Unemployment rate**: 2.20%
- **GDP per capita**: 4,181.1 million (2003)
- **GDP per capita**: 4,431.1 million (2003)
- **GDP per capita**: 2.5 million (2003)
- **GDP per capita**: 1.1 million

### Major youth training programs

1. **Program 1**
   - **Vocational training system**
     - Pre-employment Training
2. **Program 2**
   - **Dual System**
3. **Program 3**
   - **Polytechnics**
4. **Program 4**
   - **SMCP (The Strategic Managerial Conversion Program)**
5. **Program 5**
   - **Technical Expert Development Course**

### The Dual System in operation for about 40 officially recognized training institutions from commoner factories, services, arts, and crafts, and other sectors.

- **A polytechnic is a training institution that provides students for engineering professions or the senior management positions in the commercial and service sectors.**
- **The Ministry of Education places the greatest emphasis on polytechnics.**

### Ministry of Education

- **There are 12 polytechnics around the country.**
- **There are 12 polytechnics around the country.**
- **There are 12 polytechnics around the country.**
- **There are 12 polytechnics around the country.**

### National Vocational Education Commission

- **The National Vocational Education Commission**
- **The National Vocational Education Commission**
- **The National Vocational Education Commission**
- **The National Vocational Education Commission**

### Employment training centers, technical schools, and non-governmental vocational training institutions

- **Public training institutes, vocational competency development training facilities, vocational competency development training institutions, general vocational technical schools.**
- **Students**
- **Graduates of senior secondary schools**

### Pre-employment training aims to develop a skilled workforce that can meet the needs of industries so as to help them obtain an occupational qualification certificates.

### Vocational education and training are provided to junior and senior middle school graduates who want to work, as so as to help them obtain an occupational qualification certificates.

### The training period is short, because trainees have a certain level of skills and are awarded a job before they enter training. WDA and healthcare institutions, who are potential employers, take part of the training costs.

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<table>
<thead>
<tr>
<th>Program 2</th>
<th>Program 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Entrepreneurship Program</td>
<td>- Full-Time Programs</td>
</tr>
<tr>
<td>- Promotion of business startups through vocational training and follow-up service</td>
<td>- There are 29 courses that offer theory and practical training five days a week. Successful earners obtain qualification upon graduation. Major qualifications include: (i) Industry-Specific Certificate (2-year training courses including electricity and electronics); and (ii) Higher National FTE Certificate (2-year courses covering precision machinery and metal processing).</td>
</tr>
<tr>
<td>- China Youth Federation and Ministry of Labour and Social Security</td>
<td></td>
</tr>
<tr>
<td>- Employment training centers</td>
<td></td>
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<tr>
<td>- Ministry of Labor</td>
<td></td>
</tr>
<tr>
<td>- Eight vocational training institutes under the umbrella of the Korean Chamber of Commerce &amp; Industry, and 41 private vocational training institutes and other training institutes designated every year by the Ministry of Labor</td>
<td></td>
</tr>
<tr>
<td>- The Department of Vocational Training, the Ministry of Education</td>
<td></td>
</tr>
<tr>
<td>- Secondary vocational school, senior college, private companies</td>
<td></td>
</tr>
<tr>
<td>- There are 14 industrial training institutes around the country</td>
<td></td>
</tr>
<tr>
<td>- Vocational Schools (10 schools across the country as of 2003)</td>
<td></td>
</tr>
<tr>
<td>- Young laid-off workers</td>
<td></td>
</tr>
<tr>
<td>- Unemployed aged 15 and above who registered at a job center, 3rd grade students who learn arts at high schools and do not proceed to higher education</td>
<td></td>
</tr>
<tr>
<td>- Incumbent workers</td>
<td></td>
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<tr>
<td>- New graduates, incumbent workers</td>
<td></td>
</tr>
<tr>
<td>- 80 hours</td>
<td></td>
</tr>
<tr>
<td>- 11,662 (2003)</td>
<td></td>
</tr>
<tr>
<td>- 1 to 2 years</td>
<td></td>
</tr>
<tr>
<td>- Program 2</td>
<td></td>
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<tr>
<td>- Internship Program</td>
<td></td>
</tr>
<tr>
<td>- On-the-job training aimed at providing fresh and professional experience and improving the motivation-to-work</td>
<td></td>
</tr>
<tr>
<td>- The internship program is in operation as one of the on-the-job training programs aimed at improving the employability of unemployed youth with the cooperation of companies that participate in the employment insurance scheme and have 3 to less than 100 employees.</td>
<td></td>
</tr>
<tr>
<td>- This program is aimed at helping people acquire skills that would lead to employment.</td>
<td></td>
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<tr>
<td>- Program 3</td>
<td></td>
</tr>
<tr>
<td>- Advanced Technology Centre (ATDTC)</td>
<td></td>
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<tr>
<td>- ATDTC is a core center for vocational skills development in a region, and develops skilled workers required by industries.</td>
<td></td>
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<tr>
<td>- Program 4</td>
<td></td>
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<tr>
<td>- Apprenticeship Program</td>
<td></td>
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<tr>
<td>- Company</td>
<td></td>
</tr>
<tr>
<td>- The Department of Skill Development, the Ministry of Labour and Social Welfare</td>
<td></td>
</tr>
<tr>
<td>- Ministry of Human Resources (MHRD)</td>
<td></td>
</tr>
<tr>
<td>- There are 4 advanced technology centers (ATDTC) in the country.</td>
<td></td>
</tr>
<tr>
<td>- Senior students who have not found a job</td>
<td></td>
</tr>
<tr>
<td>- Unemployed high school or university graduates aged between 18 and 30</td>
<td></td>
</tr>
<tr>
<td>- Young people aged between 16 and 25 who do not go to school</td>
<td></td>
</tr>
<tr>
<td>- Program 5</td>
<td></td>
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<tr>
<td>- About 32,000</td>
<td></td>
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<tr>
<td>- About 4,000</td>
<td></td>
</tr>
<tr>
<td>- Program 6</td>
<td></td>
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<tr>
<td>- Skills Upgrade Program for Incumbent Workers</td>
<td></td>
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<tr>
<td>- MARA Activity Centre</td>
<td></td>
</tr>
<tr>
<td>- Skills Upgrade Programs are aimed at helping incumbent workers improve their knowledge and skills.</td>
<td></td>
</tr>
<tr>
<td>- MARA Activity Centres were established as part of the National Skills Training Policy to promote basic skills training to meet the needs of local industries and to promote independent business.</td>
<td></td>
</tr>
</tbody>
</table>

Job-matching after training

Under investigation

1. General Summary
   - Training institutions have an obligation to provide job placement service to people who have completed training.
   - Job placement services must be provided to people who can create the list of trainees provided by the Employment Stability Center operating under the Ministry of Labor.
   - A center manager of the Employment Stability Center must maintain a trainee register for job placement service and provide career guidance.

2. After job-placement training
   - Vocational training institutions have an obligation to actively provide job placement service for three months following the completion of training, and submit the list of trainees to the Employment Stability Center.

3. Job Stability Center: The Job Stability Center registers the unemployment histories reported by the vocational training institutions.
   - Active participation in job fairs and other events is encouraged.
   - The after the first control period is due to be extended for

4. Grand Summary
   - Each program consists of work experience and volunteering practice.
   - Trainees are hired by the companies that conduct the training.
   - Additionally, trainees often find jobs without much difficulty, because of the practical inspiration and practical skills gained through training.

5. After the program is completed.
   - The Department of Skill Development arranges the Training Development Promotion Unit to conduct career counseling to help post-training placement, providing job interviews.
   - The Department of Employment, the Ministry of Labor and Social Security.

6. The course of certification
   - The National Skill Certification System offers MSC (Malaysia Skill Certification).
   - MSC is given to trainees who received education and training that comply with the National Occupational Skill Standards (NOSS). The National Vocational Training Council (NYTC) evaluates and approves training programs and adheres to MOH. Training centers will become Accredited Centers upon approval of their training programs.

WDA: WDA established a framework for recognizing vocational skills in September 2000, in line with the National Skills Recognition System (NSRS). NSRS is modeled after the British National Vocational Qualification (NVQ) system that certifies job skills competencies for students with no schooling experience and workers in all occupations. To date, 160 occupational standards have been established for 69 jobs, including hotel department, store, supermarket, and retail; sanitary service and marine transport. A National Skills Certificate is obtained after completing the training provided by a relevant center. Job skills competencies are divided into three levels:

ITE: ITE offers a series of Public Vocational Tests, in addition to the certification of success who completed full-time training programs or apprenticeship schemes. The Public Vocational Tests are directed at meeting skills requirements of a broad range of industry areas, and thus serve the skills levels of National Skills Certification 2 and 3. The Public Trade Test System allows workers to attain certification with development of the "National Skills Certification System" in order to respond to the changes brought on by the new Labor Law No. 13/2000 on manpower. Name: National Skills Certification System. Target occupation: 23 occupations (which will increase in the future). Type and level of certification: There are different types and levels of certification for different occupations. Certification organizations: Senior LSPs (certification organizations) accredited by the central government.
1. Overall Condition of Labor Market

The “China Labor Statistical Yearbook” shows that China had a total population of 1,284.53 million in 2002 (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan Province). The population of people aged 16 and above was 984.59 million. In China, the labor force population consists of male workers aged between 16 and 59 and female workers aged between 16 and 54. The labor force population was 753.6 million, or 58.7% of the total population in 2002. The number of employed people was 737.4 million, 33.6% of which (247.8 million) work in urban areas and 66.4% (489.6 million) in rural areas. The number of employed people increased by 69.32 million over the past ten years, as it increased from 668.08 million in 1993 to 737.4 million in 2002 (see Chart 1).

Meanwhile, the number of registered unemployed people in the urban areas was 7.7 million as of the end of 2002, with the registered unemployment rate being 4.0%. The number of registered unemployed people increased by 910,000 or 0.4% from the previous year. A survey on the number of unemployed youth was conducted until 1995. In view of the fact that young people aged under 25 accounted for 20.2% of the total number of unemployed in 2002, it is estimated that there are about 1.56 million youth who are out of employment today.

The labor supply has a significant impact on the number of unemployed. The unemployed people can be categorized into nine groups. As Table 1 shows, the number of people in the labor force was 25.46 million in 2002. The people who were laid off (6.52 million) and people who were unemployed in the previous year (6.08 million) constituted a large part of the number of unemployed, followed by secondary and senior secondary school graduates who do not advance to higher learning (2.49 million) and graduates of vocational technical schools in urban areas (2 million). Because the supply of labor has exceeded demand for a long time and due to a mismatch between the quality of the labor force and the job requirements, amidst continued adjustment of the economic structure brought on by rapid economic growth, a large number of workers have been laid off from traditional industries. From 1998 to 2003, the accumulative total number of people laid off from state-owned enterprises reached 28.28 million.

In addition, the 10th Five-Year Plan (2001-05) for National Economic and Social Development aims to increase the labor force by an average of 13.6 million a year. During this period, the surplus

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1 The term “economically active population” is used in the China Labor Statistical Yearbook.
2 These figures are problematic, because they do not include the surplus labor force in rural areas and the number of workers laid off by state-owned enterprises.
labor force that moves from rural areas to urban areas are expected to hit the ceiling. About 40 million people are expected to move from rural areas to urban areas to seek jobs in non-farming sectors. Therefore, there is a call for proactive employment promotion measures to address the issues of the unemployed, workers laid off, new graduates, and the surplus labor force in rural areas.

2. Overall Condition of the Education and Training Policy

(1) Vocational Training

In China, vocational training is provided in parallel with regular education unlike in Japan. People go through vocational education and training to obtain a certificate before they enter employment. Such pattern evolved from the fact that it was imperative for China to provide employment opportunities to many of its people. As a socialistic state, the government was in dire need of providing regular and vocational education for all of its citizens.

Vocational training in China includes pre-employment training, training for people who are already employed, and training for people transferred to new occupations, covering elementary, intermediary, and advanced vocational qualification training for technicians and other types of training to help people acquire skills and adapt to different job requirements. By developing higher vocational institutions, secondary polytechnic schools, advanced technical schools, technical schools, employment training centers, non-governmental vocational training institutions and enterprises employees' training centers, the government endeavors to develop an all-round and multi-level national system of vocational education and training. Technical schools are comprehensive vocational training bases mainly engaged in training skilled workers, while offering different types of short- or long-term training programs. Employment training centers are bases for training the new workforce and laid-off people, mainly offering teaching in practical skills and helping the trainees to adapt to different job requirements.

As of the end of 2003, there were altogether 3,167 technical schools in China (including 274 advanced technical schools) with a total of 1.91 million students attending the schools, and, in addition, these schools offered different types of training to 2.2 million people from various social sectors in 2003. There were 3,465 governmental employment training centers and 17,350 non-governmental training institutions throughout the country in 2003, offering training to 10.71 million people throughout the year.

(2) National Occupational Qualification Certification System

Since China adopted the vocational qualification certificate system in 1994, from the beginning, relevant laws and regulations as well as a work system have been established for its application. In 1999, the government called upon all social sectors to adopt the system of paying attention both to school diplomas and vocational qualification certificates so that they carry the same importance in
finding a job. In 2000, the framework of the employment permission system was preliminarily set up.

At present, China has basically set up a vocational qualification system with five levels - from elementary, intermediate, and advanced grade skilled workers to technicians and senior technicians. Occupational qualification certificates are issued depending on the skill levels, based on occupational categories stipulated in the “Chinese occupational categories classification dictionary” that divides all occupations into 413 categories (small unit) and 1,838 categories (smaller unit).

There are some 80,000 vocational skill evaluation institutions and 180,000 people engaged in vocational skill evaluation and examination in China. The average pass rate of vocational skill examinations is 84 percent, and 45 million vocational qualification certificates have been issued.

Close examination of the circumstances surrounding vocational qualification certificates reveals that the number of people who obtained vocational qualification certificates totaled 5.56 million. Together, elementary (35.9%) and intermediate grade skilled workers (48.4%) accounted for approximately 85% of the total number of people who obtained certificates, with technicians (1.0%) and senior technicians (0.1%) accounting for approximately 1% (see Chart 2). China has a shortage of advanced skilled workers. In an attempt to pave the way for developing workers with advanced skills, the government is striving to promote the occupational qualification certification system, improve the vocational skill evaluation and examination system, and persuade various vocational education institutions to introduce an education and training system that is similar to the vocational skill evaluation and examination system for technical workers.

As already stated, the concept of a “two proof” system, which pays the same level of attention to school diplomas and vocational qualification certificates, has been gradually spreading in China. The government intends to extend the scope of the Occupational Qualification Certification System to cover all technology related occupations.

3. Major Education and Training Program for the Youth

(1) Vocational Training System

The government has fully adopted the workforce preparation system, and widely established and implemented the system of training for the new workforce before employment. Work preparation training is provided to new urban workers, rural non-agricultural laborers and rural migrant workers in urban areas.

The vocational training system was introduced in 1999 to improve the skills of young workers and cultivate the skills of the unemployed. Vocational education and training are provided under the principle of “training before employment.” Such training is intended for junior and senior middle school graduates. In principle, three years of training is provided for junior middle school graduates and one to two years of training for senior middle school graduates, though the course duration varies
depending on the objective and the type of job trainees want.

The vocational training system is operating at technical schools, employment training centers, and non-governmental vocational training institutions. In 2003, some 1.26 million urban junior and senior middle school graduates who were unable to enter schools for further studies received such training. Technical schools and employment training centers provide training by adhering to the National Occupational Qualification Certification System. Upon completion of the training, trainees are required to obtain not only a diploma but also an occupational qualification certificate. The system enables the government to improve the quality of the workforce and help people find jobs in a quick and efficient manner.

Basically, people do not need to take an admission exam to receive vocational training. Individuals and future employers share the expenses required for training, with some funding from the government.

To encourage young people to develop skills proactively, the government plans to strengthen the vocational training system. Presently, the “Three-Year Plan for Training 10 Million Laid-off Workers for Reemployment” from 2002 to 2004 is under way.

(2) Entrepreneurship Training Programme

Training to facilitate business startups was launched to provide opportunities for middle-aged laid-off workers with matured skills to start a business. The government now provides such training to young people, because it is becoming increasingly difficult for them to find a job.

In 1998, the China Youth Federation and the Ministry of Labour and Social Security launched the entrepreneurship training programme to promote business startups among young laid-off workers. The program is aimed at cultivating young entrepreneurs through vocational training and follow-up services. It provides training to help people who wish to start a business, or have the right conditions, acquire the basic knowledge and skills required to start a business or become self-employed. This is a new form of training that evolved from the promotion of employment and re-employment.

This program is implemented in the framework of the “SYB (Start Your Business)” training structured by the International Labour Organization (ILO) under the initiative of the Ministry of Labour and Social Security. SYB is a training project originally developed by ILO. It has been introduced in some 80 countries around the world. Though SYB was introduced as a pilot project at first in China, it is available in nearly 100 cities today. “SYB training” is designed to train a small number of people and includes theory training, analysis of relevant examples, simulation, discussion, and other exercises.

The Ministry of Labour and Social Security revised the original SYB materials to develop a Chinese version of “SYB” materials. These materials consist of three parts: entrepreneurship, business idea, and business plan formulation. Upon completion of 80 hours of SYB training, trainees
draw up and implement their own business plan. Trainees who successfully complete SYB training are offered attractive options, including tax exemptions, small loans and unsecured loans.

(3) Internship Program (Youth Intern Plan)

Coupled with the issues of rural surplus labor and re-employment of laid-off workers that have yet to be fully addressed, the issue of youth unemployment becomes increasingly serious. The number of four-year university graduates who fail to find a job has been increasing since 1998 due, in part, to increased enrollment. This raises a new issue, because the number of four-year university graduates will continue to increase rapidly for years to come. The number of university students who fail to find a job before graduation is expected to reach 1.2 million in 2005.

Under these circumstances, regions where there are many higher education institutions require a wide variety of education and training programs that promote employment of university graduates. The Shanghai Municipal Government launched an internship program in 2002. The internship allows senior students who have not found a job to work as a specialist intern at a company, with the aim of providing firsthand professional experience and improving their motivation to work. The internship is usually available for 3 to 6 months, with one year the longest. Companies that participate in the internship program receive a monthly subsidy of 500 yuan per intern from the municipal government. Many companies use the subsidy to cover a portion of the livelihood allowance payable to the interns. The livelihood allowance varies between companies or individuals. The average livelihood allowance per month is about 800 yuan.

In Shanghai, the employment training center of the Shanghai Municipal Labor & Social Security Bureau operates the internship program and is responsible for selecting interns and companies to participate in the program. The screening criteria for companies include name recognition, future potential, excellent education and training record, and advanced production technology. At the beginning, they invited all the students of four-year universities in Shanghai to apply for the internship program, because there were only a small number of applicants.

The internship program has strong support from not only the sponsoring companies but also the unemployed youth and their families. In Shanghai, the internship program is available at 108 companies, where more than 2,000 interns are receiving on-the-job training. Originated in Shanghai, the internship program has begun spreading across the country. There are great hopes that it will improve the vocational competency of university students. For its further dispersion, it is necessary to secure more companies to support the program, change employment awareness among university students, and develop a scheme to provide financial aid to local governments.
Table 1. Labor Supply in Urban Areas

<table>
<thead>
<tr>
<th>Category</th>
<th>(10,000 people)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,545.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Graduates of universities, secondary polytechnic schools and technical schools</td>
<td>184.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Demobilized soldiers &amp; soldiers to change jobs</td>
<td>39.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Graduates of vocational schools in urban areas</td>
<td>200.1</td>
<td>7.9</td>
</tr>
<tr>
<td>Graduates of junior or senior middle schools who do not advance to higher learning</td>
<td>248.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Directly applied from rural areas</td>
<td>170.9</td>
<td>6.7</td>
</tr>
<tr>
<td>Family registration changed from rural area</td>
<td>147.6</td>
<td>5.8</td>
</tr>
<tr>
<td>Laid-off workers</td>
<td>652.0</td>
<td>25.6</td>
</tr>
<tr>
<td>Others</td>
<td>294.5</td>
<td>11.6</td>
</tr>
<tr>
<td>Unemployed as of the end of the previous year</td>
<td>608.3</td>
<td>23.9</td>
</tr>
</tbody>
</table>
Chart 2. Persons who Obtained Certificates by Skill Level

- Worker with intermediate skills: 48.4%
- Worker with advanced skills: 14.6%
- Worker with elementary skills: 35.9%
- Technician: 3.0%
- Senior Technician: 0.1%
South Korea

1. Overall Condition of Labor Market

Immediately after the Asian Economic Crisis, the youth unemployment rate for people aged between 15 and 29 soared to 12.2% in 1998, which dropped to 6.6% in 2002. It was 7.8% as of June 2004 due to the economic slowdown in South Korea (Chart 1). It seems that the youth unemployment rate itself is not taken seriously in South Korea. Rather, reduction of a so-called “decent work” is seen as a threat, as the percentage of non-full-time workers is increasing. This is due to cutbacks in job openings by leading companies (chaebols, public corporations and financial enterprises) that are popular among highly educated young people who are seeking employment. The government established in 2003 the Youth Unemployment Council within the Office for Government Policy Coordination, which operates under the direct control of the prime minister, and launched a vocational competency development training policy to address the issue of youth unemployment.

<Chart 1> Youth Unemployment Rate Change in South Korea

![Chart 1](chart1)

Source: National Statistical Office

2. Overall Condition of the Vocational Competency Development Training Policy

(1) Basic Principle of the Vocational Competency Development Training Policy

The government has launched several countermeasures (e.g., project to counter short-term unemployment, employment support for the middle aged and youth, expansion of 3 unemployment insurance programs) to address the issue of unemployment since the outbreak of the Asian Currency Crisis. The latest Mid-Term Employment Policy Basic Plan (2004-2008)
stipulates that its policy objective is to “provide education opportunities to 3 million people per annum by establishing a lifelong vocational ability development system.” There is also another goal, which is to ensure a smooth transition from school to work in an attempt to resolve the labor-supply demand mismatch. Other priority issues include; (i) promotion of a comprehensive package of “youth employment support programs” that provide personal employment support ranging from vocational guidance to job placement, (ii) introduction of an incentive for employers who participate in the on-the-job experience program by way of enhancing cooperation between industry and academia, and (iii) development of various education and training programs to meet the needs of young people.

(2) Vocational Training Policy Framework

In general, the Ministry of Labor plans and administers vocational competency development policies, including a vocational competency development training and certification system. These policies are implemented by public and private training institutes. Public training institutes (e.g., Human Resources Development Service of Korea, polytechnic colleges, Korea University of Technology and Education) have an obligation to cultivate highly competent technicians, multifunctional engineers, vocational instructors and other specialists depending on their mission. Public training institutes (e.g., vocational training businesses, vocational technical schools, in-company training facilities) provide vocational competency development training to people who are placed with them by the Ministry of Labor.

Under the Workers’ Vocational Training Promotion Act that came into force in 1991, local governments are allowed to plan and implement vocational competency development policies within the limit of their budget. However, only a few local governments provide vocational competency development training or operate a public vocational school (there are seven training institutes in Seoul, Gyeonggi-do and other cities). However, local governments are given the authority to plan and implement employment promotion training programs that are funded 80% by the central government and 20% by the local government.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Outline of Training Programs</th>
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<tbody>
<tr>
<td><strong>Category</strong></td>
<td><strong>Target</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Training for incumbent worker</td>
<td></td>
</tr>
<tr>
<td>Vocational competency development training</td>
<td>Incumbent worker</td>
</tr>
<tr>
<td>Financial aid to incumbent worker</td>
<td>Workers who are aged 40 and above, who are due to leave, who work for a business with less than 300 workers</td>
</tr>
<tr>
<td>Paid holiday training</td>
<td>Incumbent worker</td>
</tr>
<tr>
<td>Vocational competency development loan (Student loan + training loan)</td>
<td>Workers who study at a university/workers who are receiving training</td>
</tr>
<tr>
<td>Training for the unemployed</td>
<td>Unemployed with employment insurance</td>
</tr>
<tr>
<td>Reemployment training for the unemployed</td>
<td>Newly unemployed such as unemployed university graduates</td>
</tr>
<tr>
<td>Pre-employment training</td>
<td>Under-represented group such as the vulnerable</td>
</tr>
<tr>
<td>Employment promotion training</td>
<td>Youth who do not advance to higher learning</td>
</tr>
<tr>
<td>Specialist Development Training</td>
<td>Youth who do not advance to higher learning/the unemployed</td>
</tr>
<tr>
<td>Human Resource Development Training</td>
<td>Vulnerable such as the aged</td>
</tr>
</tbody>
</table>
3. Characteristics of Major Training Programs for Youth

Training programs for youth can be divided roughly into two categories, programs designed for the young unemployed who are graduates of high schools or lower educational institutions including school leavers and dropouts, and programs intended for the young unemployed who are university graduates.

(1) Pre-employment Training

Pre-employment training began as part of the effort to combat the issue of unemployed youth with higher educational attainment. Pre-employment training is designed for unemployed university graduates and other unemployed who are not in the employment insurance scheme (including graduating students). To gain access to pre-employment training (courses are intended to help people find a job or start up a business and thus include a programming course, web-related course, and tour guide/interpreter course), people sign up for employment support service at a job center and receive vocational guidance. Training programs are designed to get people ready for a job in the sectors where they are likely to find more job opportunities. The Ministry of Labor plans and coordinates pre-employment training, and public training institutes, vocational competency development training facilities, vocational competency development training businesses and general vocational technical schools offer training programs (training was available at 438 organizations in 2003). The duration of training varies from one month to one year, and people are allowed to take up to three training

| Human Resources Development Service of Korea (short-term training) | Training administration cost (including personnel expense). | 23 | 1,477 |
| Polytechnic college | Multifunctional engineer development (2 year course). | 19 | 895 |
| Korea University of Technology and Education | Vocational instructor development and instructor redevelopment. | 4 | 248 |
| Other | E.g., Small and Medium Enterprise Training Consortium (20.8 billion), training facility and equipment loan (4 billion), Korea Research Institute for Vocational Education and Training (1.3 billion), financial aid to cover the fee for official examination (600 million). | | 284 |

Source: Data obtained at the time of hearings with the Ministry of Labor.
courses before they find a job. The service sector-related courses such as cooking and beautification account for 9.2% of pre-employment training programs, the information and communication sector-related courses such as web design and information processing for 43.9%, and the construction sector-related courses such as machinery and equipment for 15.6%.

Pre-employment training is aimed at bringing the unemployed into careers. Therefore, vocational training institutes are evaluated based on objective criteria such as placement rate, dropout rate and percentage of people who obtained qualification. If they do not attain a target objective, they will be given penalties. For example, points will be deducted when they seek approval for their pre-employment training courses for the unemployed in the next round. The successful training institutes will be granted approval first.

Vocational training institutes have an obligation to provide a job placement service within three months following the completion of training and submit the list of trainees who remain unemployed to a job center. A job center registers these unemployed trainees to encourage them to participate in job fairs and provides other job placement services. In 2003, 16,240 people received pre-employment training, well above the target objective of 13,000 (124.9% of the target objective). Performance is 23,676 million won (60.7% of the total budget).

Chart 2 Results of Vocational Training

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Number of Trainees (A)</th>
<th>Number of Trainees (B)</th>
<th>Number of Trainees that completed training</th>
<th>People who found a job (Employment Rate)</th>
<th>Certification (Percentage of employees certified)</th>
<th>Number of Dropouts (D)</th>
<th>Percentage of Dropouts (D/B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>14,400</td>
<td>12,932</td>
<td>8,704</td>
<td>3,392 (34.5)</td>
<td>1,467 (15.6)</td>
<td>3,102</td>
<td>24.0</td>
</tr>
<tr>
<td>2002</td>
<td>13,200</td>
<td>16,288</td>
<td>10,680</td>
<td>4,428 (36.4)</td>
<td>3,473 (21.3)</td>
<td>4,138</td>
<td>25.4</td>
</tr>
<tr>
<td>2003</td>
<td>13,000</td>
<td>16,298</td>
<td>10,950</td>
<td>4,687 (37.7)</td>
<td>3,200 (20.1)</td>
<td>3,483</td>
<td>21.4</td>
</tr>
<tr>
<td>June 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>13,667</td>
<td>11,937</td>
<td>856</td>
<td>671</td>
<td>789</td>
<td>1,350</td>
<td>11.3</td>
</tr>
</tbody>
</table>

1Presently, the government is examining the possibility of enhancing vocational guidance and after the fact control, including the extension of the after the fact control period from 3 months to 6 months.
(2) Government-Funded Training

Government-funded vocational training programs are provided by 8 vocational training institutes under the Korea Chamber of Commerce & Industry and 62 private vocational training institutes, with the aim of turning school leavers and dropouts into skilled workers for manufacturing and other sectors that are faced with manpower shortage. There are various courses to develop skills for selected, priority occupations, including machine design and development, mechatronics, information and communication equipment, welding, upholstery and machine mounting. The number of trainees has been on the increase. However, it has been pointed out that it becomes increasingly difficult to secure trainees for these courses, because these types of jobs (difficult, dirty and dangerous) are not very popular among young people (Chart 3).

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>December 2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Trainees</td>
<td>Target</td>
<td>10,000</td>
<td>12,000</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Result</td>
<td>9,789</td>
<td>10,920</td>
<td>11,662</td>
</tr>
<tr>
<td></td>
<td>Employment Rate</td>
<td>50.1</td>
<td>51.0</td>
<td>88.6</td>
</tr>
<tr>
<td></td>
<td>Dropout Rate</td>
<td>15.2</td>
<td>19.4</td>
<td>13.8</td>
</tr>
<tr>
<td>Budget</td>
<td>Target</td>
<td>50,040</td>
<td>72,000</td>
<td>75,332</td>
</tr>
<tr>
<td></td>
<td>Result</td>
<td>45,890</td>
<td>62,280</td>
<td>70,767</td>
</tr>
</tbody>
</table>

(3) Internship Program

The internship program was introduced in 1999 as a temporary emergency measure following the outbreak of the Asian Economic Crisis. The program provides on-the-job training opportunities for the young unemployed at a private company with employment insurance and 5 to less than 300 employees. Many question the effect of the internship program, because only a small number of companies participate in it.
As the issue of an excessive supply of university graduates and cutbacks on hiring by leading companies become evident, the internship program increasingly draws attention because it provides opportunities for unemployed new graduates and small and medium enterprises to meet. The internship program has been enhanced to provide a packaged support approach to help trainees get into a company (small and medium enterprises in particular). For example, a 6-month internship program was introduced in the end of February 2004 to offer on-the-job training to junior year students during the second semester and senior year students during the first semester.²

(1) “2+1” Program and “2+2” Program

The “2+1” Program is similar to the Dual System that has been operating in Germany. After signing up for the “2+1” Program and after two years of academic study, a student begins one year on-the-job training at a company to learn as they work. This program is aimed at helping students acquire practical knowledge and skills required in industries.

There is also a program called the “2+2” Program, a revised edition of the Tech-Prep Program developed in the US. (The Tech-Prep Program is also called an Articulation Program: The Articulation Program is designed to allow students to continue their education from vocational high school to junior college without interruption, and to acquire specialist knowledge and skills. Classes of the last two years of vocational high school are related to the contents of courses provided by the junior college in the first two years.)

(Reference)

² “Kaigai Rodo Joho (Overseas Labor Information)” Website, JILPT, January 2004
1. Overall Condition of Labor Market

The population of Thailand was 64.01 million as of 2003, and people aged 15 or above comprised 48.31 million of the total population. The labor force population was 34.85 million, and the number of unemployed was 7.04 million with the unemployment rate being 2.03% in 2003. As for the young adult labor force, the number of people in the labor force aged between 15 and 19 was 1.64 million, and the number of people aged between 20 and 24 was 4.1 million. Hence, the total number of people in the labor force aged under 25 was 5.74 million, which was approximately 16.5% of the total labor force. The youth unemployment rate was 6.3%, 4% higher than the unemployment rate for the total population. This indicates that youth unemployment is also a serious issue in Thailand.

Thailand suffered a currency crisis in 1997. As a result, the unemployment rate rose to 4.36% in 1998 (see Chart 1). Youth unemployment reached 9.96% in the same year. Since then, the youth unemployment rate has shown some improvement, as the unemployment rate for the total population decreased. Presently, the unemployment rate for people aged 40 or above is less than 1%. This highlights the fact that there is a labor force supply-demand mismatch among the young adult labor force.

Chart 1 Unemployment Rate by Age in Thailand

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>10.05</td>
<td>11.30</td>
<td>9.40</td>
<td>8.82</td>
<td>7.13</td>
<td>7.00</td>
</tr>
<tr>
<td>20-24</td>
<td>9.93</td>
<td>8.98</td>
<td>8.61</td>
<td>7.49</td>
<td>6.73</td>
<td>5.98</td>
</tr>
<tr>
<td>25-29</td>
<td>5.47</td>
<td>5.29</td>
<td>4.48</td>
<td>3.74</td>
<td>2.99</td>
<td>2.83</td>
</tr>
<tr>
<td>30-34</td>
<td>3.65</td>
<td>3.41</td>
<td>2.99</td>
<td>2.83</td>
<td>1.47</td>
<td>1.50</td>
</tr>
<tr>
<td>35-39</td>
<td>2.67</td>
<td>2.75</td>
<td>2.17</td>
<td>1.98</td>
<td>1.11</td>
<td>0.99</td>
</tr>
<tr>
<td>40-44</td>
<td>2.29</td>
<td>2.23</td>
<td>1.79</td>
<td>1.82</td>
<td>0.87</td>
<td>0.71</td>
</tr>
<tr>
<td>45-49</td>
<td>2.12</td>
<td>1.93</td>
<td>1.61</td>
<td>1.53</td>
<td>0.73</td>
<td>0.67</td>
</tr>
<tr>
<td>50-54</td>
<td>1.66</td>
<td>1.98</td>
<td>1.56</td>
<td>1.46</td>
<td>0.74</td>
<td>0.58</td>
</tr>
<tr>
<td>55-59</td>
<td>1.73</td>
<td>1.71</td>
<td>1.35</td>
<td>1.15</td>
<td>0.51</td>
<td>0.53</td>
</tr>
<tr>
<td>60 and over</td>
<td>1.10</td>
<td>0.94</td>
<td>0.97</td>
<td>0.84</td>
<td>0.27</td>
<td>0.27</td>
</tr>
</tbody>
</table>

Source: “the Labor Force Survey” National Statistical Office Thailand
2. Vocational Training Policy Framework

Human resource development has always been an important issue in Thailand’s National Social and Economic Development Plans. Following the currency crisis, Thailand strived to enhance its economic strength and managed to get the economy back on a growing path. This led to a shortage of a labor force with skills and technologies, which may stand in the way of industry and economic growth.

The low educational attainments of the labor force, particularly among the poor in urban areas and young people in rural areas hamper qualitative improvement of the labor force in general. The government has a pressing need to provide education and training opportunities to young people who lack education or skills. Another major issue is how to upgrade the vocational skills of university graduates. Traditionally, university graduates have joined public institutions that belong to the central or local governments. Amidst the remarkable economic recovery, there is a greater demand for university graduates in the private sector where computer-processing skills are highly appreciated. In addition to university graduates, there is a growing demand for non-university graduates in the manufacturing and service sectors, which makes it essential to provide vocational education and training opportunities for these people.

Under these circumstances, the Ministry of Education and the Ministry of Labor offer vocational training programs through the Office of the Vocational Education commission and the Department of Skill Development, respectively. The Ministry of Education provides vocational training in the framework of school education, and the Ministry of Labor is responsible for offering vocational training programs to incumbent workers and children of poor households. The division of labor has thus evolved between the two ministries. However, the two ministries have entered each other’s fields by transcending the boundaries of the division of labor in recent years. Both of them are heading in the direction of vocational training programs with a focus on on-the-job training.

The next section provides a brief overview of major vocational training programs provided by the two ministries.

3. Vocational Training Program

1) Program Provided by the Office of the Vocational Education commission, the Ministry of Education

The Office of the Vocational Education commission, the Ministry of Education, provides vocational training through public vocational schools. The formal vocational education system is divided into two stages, three years at a secondary vocational school and two years at a tertiary college. Approximately 600,000 students are receiving vocational education. A breakdown of the trainees by sectors shows that approximately 50% of the trainees are in industry, 30% in commerce,
7% in agriculture, and a few percent of trainees in art, tourism and domestic science.

In 1995, vocational schools introduced the Dual System to improve the practical skills of students and to resolve the labor mismatch among the young labor force. In 2004, the Open System was introduced to provide opportunities for incumbent workers to earn credits at vocational schools. Today, vocational schools provide not only conventional academic training but also strive to develop education and training programs aimed at developing human resources with practical skills and knowledge by closely working with industry partners.

The Ministry of Education directs approximately 9,553 million baht of its annual budget to vocational training, of which 819 million baht is allocated to secondary vocational schools and tertiary colleges. The vocational training expenditure includes expenses concerning the operation of the Dual System and the Open System.

(1) Dual System

The Dual System was introduced in 1995 with the cooperation of Germany. Under this system, students are offered 3-year training at a secondary vocational school and 2-year training at a tertiary college, but spend more than half of the 5-year training period at a private company to gain practical experience. In other words, students spend one or two days a week or a few weeks a semester at a school and the rest of the time at a company that participates in the Dual System. During the training, students are paid below the minimum wage. There are about 40 officially recognized training occupations; commerce (e.g., accounting and secretarial work in the hotel and retail sectors), industry (e.g., car maintenance, machine operation, electric work, welding, sheet metal work, carpentry, painting), service, art and craft (e.g., hotel service, jewelry design, clothing design), and other sectors.

In 2003, about 43,000 students and about 9,000 companies participated in the Dual System. Many students are offered jobs through the Dual System. Even if students are not offered jobs during the training period, they are better equipped to seek employment. Taking advantage of their improved motivation and practical skills, nearly 100% of the students enter employment under the Dual System.

(2) Open System

Based on systems operating in the UK, France and Australia, the Open System was introduced in 2004 on a trial basis. The system provides a certification examination to offer credits at a vocational school for incumbent workers, who could not receive education due to poverty, despite having the ability to pursue further education. The Open System has three major characteristics: (i) Skills requirements are determined for each occupation based on an employer’s needs; (ii) Vocational
training programs are developed to meet the skills requirements; and (iii) Qualification tests are administered and students who fulfilled certain requirements will receive credits at a vocational school. The system is being operated on a trial basis under the joint effort of three organizations, the Federation of Thai Industries, the Thai Chamber of Commerce, and the Department of Vocational Education of the Ministry of Education.

Skills requirement standards have been developed for five sectors, automobile, service, textiles, IT & software and jewelry, all of which are targets of the government’s strategic human resource development. Presently, three organizations are conducting studies to investigate which credit should correspond to the passing of a certification examination and to determine certain requirements described in (iii).

Under the Open System, vocational schools and private training institutes provide education and training programs. Traditionally, only schools were allowed to provide vocational education. Upon the revision of laws related to vocational training, private institutes are now allowed to offer vocational education.

Nearly 30,000 people are participating in the vocational education programs offered under the Open System for the first year (2004). The first person to receive credits will be selected from this group, upon the formal introduction of the Open System.

2) Program Provided by the Department of Skill Development, the Ministry of Labor

The Department of Skill Development of the Ministry of Labor provides skills training programs to young people, with the aim of developing a skilled young labor force to meet the skill demands of the industrial sector. Under the leadership of the Central Institute for Skill Development, 12 Regional Institutes for Skill Development and 64 Provincial Centres for Skill Development offer pre-employment training programs and skills upgrade programs for incumbent workers.

An annual budget of approximately 700 million baht is allocated to these programs.

(1) Pre-Employment Vocational Training Programs

Pre-employment vocational training is designed for young people aged between 16 and 25 who do not go to school. There are 3 to 11-month training courses aimed at helping young people acquire skills that would lead to employment. About 32,000 people were participating in the pre-employment programs in 2003.

There are 3-month training courses, 6-month training courses and 10 to 11-month courses, with 1 to 2-month workshop practice. These courses cover the following fields.

- 3-Month Course: e.g., Wood Work, Coating
- 6-Month Course: e.g., Electricity, Wood Work, Gas Welding, Electric Welding,
Refrigeration and Air Conditioning, Construction, Plastering, Brick Work

- 10 to 11-Month Course: e.g., Electronics, Machining, Finishing, Printing, Location Survey, Furniture, Piping, Office Work, Car Maintenance, Architectural Drawing

(2) Skills Upgrade Programs for Incumbent Workers

Skills Upgrade Programs are aimed at helping incumbent workers improve their skills. These programs are offered to people who have rudimentary knowledge of a specific field. About 114,000 people are participating in the skills upgrade programs in 2003. The courses offer 42 to 60 hours of training and open from Monday to Friday from 6 p.m. to 8 p.m. They are free of charge and thus very popular among young people who are trying to catch up with technological changes.

There are more than 30 types of training programs, including Engine, Measurement Equipment, Gas Welding, Electric Welding, Car Maintenance, Car Engine Adjustment, Air-Conditioning Equipment, Electronic Components, Power Amplifier, Transistor Circuit, Color Television Repair, Digital Circuit, Video, Interior Decoration, Landscape Gardening, and Water Supply Work and Maintenance. The maximum enrollment limit for each course is about 20, and training programs can be tailored to meet the needs of industries.

4. Certification System

Two types of certification systems are operating in Thailand. One of them is being operated by the Department of Vocational Education of the Ministry of Education. As already stated, the Dual System offers theoretical training at a vocational school and practical training at a company. Upon the completion of training, the trainees will be awarded an official certificate or diploma based on their performance. In the future, the Open System will likely be introduced to allow people to obtain credits at a vocational school by taking a certification examination. This will open a way for incumbent workers to obtain a certificate or diploma even if they left school at a very young age.

In the meantime, the Department of Skill Development of the Ministry of Labor established skill standards for 7 occupations and 157 fields. Its vocational training programs are closely linked to the skill standards. Skills are divided into three levels, Grade 1, Grade 2 and Grade 3. Young people are offered programs that are designed to meet the requirements of Grade 1. For this reason, trainees of Grade 1 will be certified based not only on skills but also on work attitude and other personal qualities, unlike programs in other grades. The skills required for each grade are listed below.

- Grade 1 (Basic Level): A person can perform a task under his/her own power by using basic skills and knowledge acquired through vocational training of the level of vocational technical school or tertiary college.
- Grade 2 (Independent Level): A person can understand and perform a task under his/her own
power.

- Grade 3 (Top Level): A person can complete a task and instruct a less experienced worker.

The Department of Skill Development allocates approximately 300 million baht to the certification system. About 30,000 people took certification examinations in 2003.

5. Job Matching after Training

1) Job Matching by the Department of Vocational Education of the Ministry of Education and by the Department of Skill Development of the Ministry of Labor

All of the above programs place emphasis on practical workability. They are proven effective in matching the worker to the job, as they include work experience and workshop practice. Under the Dual System, in particular, nearly 100% of the trainees who participated in the system enter employment after training. It seems that as the Dual System and other vocational training programs combine work experience and workshop practice, this has a positive impact on trainees. Many trainees are hired by the companies that took them on as on-the-job trainees. They often find employment without much difficulty, because of their improved motivation and practical skills built up through training.

Furthermore, trainees tend to consult with the employment bureau of the school where they received vocational training when they want to find or change jobs. This is mainly because vocational schools have job information and computer systems, which make it easier for them to retrieve job information.

The Department of Skill Development set up the Training Development Promotion Unit at each training center to help pre-employment program trainees find a place for workshop practice. These units strive to secure a place of employment and increase the placement rate.

To be more precise, they investigate on the skills required by companies, arrange on-the-job training, send trainees with skills that meet the needs of companies, and contact trainees and companies to follow up on the progress of on-the-job training. As a result of such efforts, about 74% of the trainees enter employment upon completion of pre-employment programs, of which about 90% of the trainees find jobs with the assistance of the Training Development Promotion Unit. The remaining 10% find jobs via the Department of Employment of the Ministry of Labor.

2) Other Job Matching

The Ministry of Labour and Social Welfare provides job placement and employment assistance through the Job Placement Service Section and the Job Development Section operating under the Department of Employment. The Job Placement Service Section provides information about job offers and applications through its network. It hosts a monthly event called a job basal or job fair at
Employment Security Offices around the country targeted at graduates of tertiary colleges, vocational technical schools and universities. The Job Placement Service Section asks schools to hold job fairs on their own premises. It encourages companies to participate in these fairs by providing students with related information such as area of specialization.

In the meantime, the Job Development Section provides information to part-time workers. The government has stepped up efforts to provide support to companies that have come to use more part-time workers in recent years. Together, the Job Development Section and the Department of Skill Development are developing information sharing procedures to improve the skills of students who wish to become part-time workers. For the purpose of job placement, the Department of Employment plans to develop and operate a system (Job Bank) that would enable employers to retrieve information about job seekers through the Internet. Job Bank is a job information database consisting of information about the youth population as a whole regardless of vocational training experience. It will be based on the existing job information system that covers trainees and graduates of public vocational training institutes. It will also feature information about young people who wish to become part-time workers.

Universities began introducing the internship program to encourage more students to work in the private sector. Internship programs are developed independently by the universities, thus different curriculums are operating at different universities. Teachers with expert knowledge find internship opportunities and send students to companies that take them on as trainees. Given a situation in which public sector employment such as civil servant positions are decreasing, it is expected that a growing number of university graduates will find jobs with private companies. The internship is expected to achieve a positive impact. However, it presents an issue that it may have a limited impact depending on the academic rank of the university.
Malaysia

1. Outline of Labor Market

Malaysia is known as a country that has achieved industrialization at a faster pace than its counterparts in Asia. Although blessed with rich natural resources and primary products, its human resource development policy made a positive impact on Malaysia’s economic growth. Its economic policies have a strong focus on human resource development, and it is firmly believed that workers are valuable human resources for social development. Malaysia has been addressing the issue of human resource development by formulating a medium-term economic plan centered on training policies.

Malaysia’s development policies are based on the Malaysia Plan (MP), which is aimed at pursuing industrialization policies launched by Prime Minister Abdul Ruzak in 1966. It has been handed down from one prime minister to another since the launch of the First Malaysia Plan (MP-1: 1966-1970). During the Second Malaysia Plan (MP-2: 1991-2000) period, the industrial foundation was firmly established. The manufacturing and service sectors achieved remarkable growth, with the former accounting for 33.4% of GDP and the latter for 52.4% (in 2000). The percentage of workers employed in these two sectors in the total workforce also rose sharply, respectively. Supported by stable economic growth, the labor market has enjoyed near full employment with the unemployment rate shifting from 2 to 3.5% since the middle of the 1990s. However, the unemployment rate turned and began to increase in recent years, despite the expanding employment opportunities.

<table>
<thead>
<tr>
<th>Population</th>
<th>1997</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>21.8</td>
<td>22.8</td>
<td>24.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Economically active</td>
<td>9.0</td>
<td>9.2</td>
<td>9.9</td>
<td>10.5</td>
</tr>
<tr>
<td>population (million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>2.4</td>
<td>3.4</td>
<td>3.6</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Malaysia is a multiethnic country. People of Malaysia are largely divided into two groups, bumiputera and non-bumiputera. Bumiputera means ethnic Malays and other indigenous people, and non-bumiputera means other ethnic groups consisting of ethnic Chinese, ethnic Indian, white people and people of other ethnic minority groups. It is particularly worth noting that the ethnic composition is a major factor behind national projects and education, social and culture policies. Racialism, which evolved from the divide and rule strategy during the colonial times,
still constitutes the chief pillar of Malaysia’s economic plan. To eradicate poverty and build an economic society in which there is a fair and equitable distribution of wealth among all ethnic groups, the government introduced in 1971 the famous Bumiputera Policy that favors the bumiputera population. Today, a quota is imposed across all economic and social spheres, from the number of people to be enrolled at a university, the number of employees to be hired at a company, to the number of people for each job. The “Vision 2020 (WAHASAN 2020),” which presents a national vision for attaining economic growth comparable to that of advanced nations, is also based on the fundamental principle of affirmative action for the bumiputera population.

Presently, the Eighth Malaysia Plan (MP-8: 2001-2005) is under way. All of the Malaysia Plans stress the importance of human resource development and present measures to address that issue. These plans urge people of Malaysia to recognize that it is essential to improve human resources to facilitate industrialization and achieve economic growth, and that human resource development is the most important political agenda among national policies. The goal of human resource development stipulated in the Eighth Malaysia Plan is to transform Malaysia into a knowledge-based economy and develop human resources to produce a pool of highly-skilled knowledge workers.

Circumstances Surrounding Young People

Despite relatively stable labor market conditions, the youth unemployment rate has been on an increase, as if following the footsteps of advanced countries in Europe and the US. Malaysia’s industrialization policy led to the large-scale mobilization of youth across the country. The number of young workers in urban areas has shown a marked increase in recent years. It shows that young people move from rural areas to urban areas to seek better jobs. Malaysia has some pressing employment issues to overcome; companies are reluctant to hire unskilled workers, there is an imbalance between supply and demand, and that is also the issue of the lack of motivation of young people. Youth unemployment stems from a combination of causes, which makes it complex. However, there is no doubt that the government must do something urgently to help young people obtain skills to secure suitable jobs.

The population of people aged between 15 and 24 increased by an average of 1.6% on an annual basis. People in this age bracket totaled 4.03 million in 1990, which increased to 4.37 million in 2000. The number is expected to increase to slightly less than 5 million in 2005. The government has achieved near full employment since the 1990s, as it has been striving to reduce the unemployment rate through its employment policy. In the past ten years, the government provided various training programs to help young people obtain the skills required for employment. These programs, however, have not always been effective in placing these people
into employment. The unemployment rate for the whole population was 3.5% (2002), but that for young people was extremely high. The unemployment rate for people aged between 15 and 19 was 29.5%, and that for people aged between 20 and 24 was 36.1% (2000). It is expected that the issue of youth unemployment will become increasingly important, given a future increase in the youth population.

<table>
<thead>
<tr>
<th>Population by Age 1995-2005</th>
<th>Unit: Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 and below</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>%</td>
</tr>
<tr>
<td>7.18</td>
<td>34.7</td>
</tr>
<tr>
<td>15-24</td>
<td></td>
</tr>
<tr>
<td>25-39</td>
<td></td>
</tr>
<tr>
<td>39 and above</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unemployment Rate by Age (2000)</th>
<th>Unit: %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Unemployment Rate</td>
</tr>
<tr>
<td>15 - 19</td>
<td>29.5</td>
</tr>
<tr>
<td>20 - 24</td>
<td>36.1</td>
</tr>
<tr>
<td>25 - 29</td>
<td>13.2</td>
</tr>
<tr>
<td>30 - 34</td>
<td>4.8</td>
</tr>
</tbody>
</table>

2. Vocational Training System

A review of the economic development in and after the 1980s revealed that the government took a strong stance on human resource development. Some hold a view that it would be best to reduce government involvement and leave it to the market mechanism in developing countries. In reality, government involvement is anticipated in many countries and that is especially true in Malaysia. In fact, the government shows strong interest in human resource development and closely monitors the state of the implementation of vocational and other training. The interim report of the Malaysia Plan and other projects examined the state of vocational and other training. In Malaysia, foreign companies have an obligation to provide technical training for their employees. These examples clearly reflect the government’s attitude toward human resource development. Meanwhile, the government voices dissatisfaction with companies that
are not willing to provide employee training or technical transfer from time to time. In Malaysia, there is significant interference from the government concerning human resource development; thus, it is only natural that public vocational training institutes have been deeply involved in the implementation of such government policies.

Public education and training policies generally cover two main areas: technical and vocational education, and work and vocational training. In Malaysia, various ministries and public agencies are expected to play specific roles in these areas. Technical and vocational education is aimed at providing the basic knowledge and skills to respond to the needs of a specific field of expertise. The Ministry of Education takes the initiative to provide technical and vocational education in the framework of secondary and higher education. In the meantime, work and vocational training is aimed at developing workers who can quickly adapt to the needs of the production site. Trainees learn to obtain “manufacturing” technologies and skills based on the curriculum focusing on the needs of industries. The Ministry of Human Resources, the Ministry of Entrepreneur Development, the Ministry of Youth and Sports, and other public agencies provide work and vocational training programs to new graduates and workers. The chart below shows the division of responsibilities between technical and vocational education and work and vocational training provided by public institutes and between different administrative levels.
3. Work and Vocational Training and Training Programs for Young People

(1) Vocational Education Provided by the Ministry of Education

The Ministry of Education has jurisdiction over senior secondary schools such as vocational schools and technical schools, as well as tertiary colleges and polytechnics that provide vocational education to senior secondary school graduates. The ministry offers vocational education to help students acquire the special technologies and skills required by industries.

- Polytechnic

A polytechnic is a training institution that prepares students for engineering positions or for senior management positions in the commercial and service sectors. The Ministry of Education places the greatest expectation on polytechnics. There were 12 polytechnics and about 32,000 students. There has been an increase in enrollment in polytechnics in recent years.

(2) Work and Vocational Training Provided by the Ministry of Human Resources

The Ministry of Human Resources provides pre-employment industrial skills training programs to new graduates, and advanced skills training programs to workers for skills upgrade.
The ministry implements its policies through three institutions. The Technical Education Department (TED) is responsible for the implementation of work and vocational training. The National Vocational Training Council (NVTC) is responsible for the planning and evaluation of work and vocational training programs. The Human Resources Development Council (HRDC), which was established in 1992, supervises the administration of the Human Resource Development Fund (HRDF), aiming to encourage manufacturing and service sector participation in skill development, skill redevelopment and skill upgrade.

The ministry also runs 14 Industrial Training Institutes (ITI), 4 Advanced Technology Centres (ADTEC), the Japan-Malaysia Technical Institute (JMTI), and the Centre for Instructors and Advanced Skills Training (CIAST) to provide work and vocational training programs.

- **Industrial Training Institute (ITI)**
  There are 14 industrial training institutes across the country to offer short-term and long-term courses with a focus on manufacturing. Upon successful completion of the long-term course, trainees will be awarded the Malaysia Skill Certificate (MSC) Level 1 or Level 2. Trainees who complete the short-term course will receive the Technician Certificate.

- **Advanced Technology Centre (ADTEC)**
  There are 4 Advanced Technology Centres in the country. They were established as the core center for vocational skills development in the region, with the aim of developing skilled workers required by the industries. Their programs are linked with academic qualifications; thus, a successful trainee will be awarded a diploma upon completion of the course.

- **Japan-Malaysia Technical Institute (JMTI)**
  The Japan-Malaysia Technical Institute is a vocational training project launched under the combined effort of the Malaysian and Japanese Governments. Its launch was aimed at pursuing the Malaysian Government’s policy to develop the human resources required in the high tech industry. JMTI offers long-term courses including Electronic Engineering Technology, Computer Engineering Technology, Manufacturing Engineering Technology, and Mechatronic Engineering Technology.

(3) Work and Vocational Training Provided by the Ministry of Entrepreneur Development
The Ministry of Entrepreneur Development offers work and vocational training as part of the Bumiputera First Policy. The ministry established Majlis Amanah Rakyat (MARA) to provide education and training in an attempt to upgrade the vocational skills of the bumiputera population. MARA implements various programs to provide guidance on social advancement and commercial and industrial activities by bumiputera. It is committed to promoting economic and social development in the rural area, in particular. MARA operates the MARA Activity
Centres (about 140 centers in the country) and 11 MARA Skills Institutes (IKM), the German-Malaysian Institute (GMI), the Malaysia France Institute (MFI), and the British Malaysian Institute (BMI).

· MARA Activity Centre

MARA Activity Centres provide training programs focusing on basic skills development, based on the analysis of the local industry’s employment needs and from the perspective of the promotion of independent business. There are 140 activity centers around the country. These centers offer 6-month to 12-month training courses to bumiputera who have inferior education.

(4) Work and Vocational Training Provided by the Ministry of Youth and Sports

The Ministry of Youth and Sports provides work and vocational training, in particular, to young school leavers. It operates 5 National Youth Skill Institutes (Institut Kemahiran Belia Negara: IKBN) to help people aged between 18 and 25 (school leavers in particular) acquire vocational skills. There is also the Youth Advanced Skills Training Centre (Sepang IKTBN) that was established with the assistance of the Indian Government.

4. Certification System

On completion of the training course, the trainees at vocational training centers were required to take the national trade skill test for certification since 1973. Today, they are expected to obtain the Malaysia Skill Certification (MSC) under the national skill certification system. Trainees are awarded the MSC upon completion of the training course that complies with the National Occupational Skill Standards (NOSS). The National Vocational Training Council (NVTC) evaluates and approves training programs developed on the basis of NOSS. Training centers become an accredited center upon approval. There are five skill levels, L1 (semiskilled level), L2 (skilled level), L3 (advanced skill level), L4 (advanced skill/supervisor level), and L5 (advanced skill/manager level). MSC is obtainable through (i) completing an accredited program at an accredited training center, (ii) acquiring credits required for certification, or (iii) obtaining recognition of actual work performance.

5. Job Matching

In Malaysia, companies do not recruit new graduates at fixed times. They recruit people only when they find it necessary, for example, to fill a vacancy. This means that trainees usually seek employment by looking for classified advertisement or other employment information upon completion of training. It was reported that almost 100% of the trainees eventually enter
employment upon completion of the course programs at ITI and ADTEC, mainly because most of the trainees are offered a position well before the end of the course programs. More than 80% of the trainees of ITI and ADTEC are said to enter employment within 6 months from the ending of the course programs.
Singapore

1. Outline of Employment and Unemployment Situation

Singapore had a population of 4,185,200 (including citizens residing abroad) in the same year. Its resident population was 3,437,300, and those aged 15 or above accounted for 2,723,100 of the whole resident population. The economically active population was 2.15 million and the number of unemployed was 140,000, which resulted in an unemployment rate of 4.7%. In terms of the economically active population among young people, 15 to 19 years old accounted for 35,000 and 20 to 24 years old for 217,000. Together, these people constituted 11.7% of the economically active population as a whole. The unemployment rate among young people was particularly high. The unemployment rate for 15 to 19 years old stood at 13.0% and that for 20 to 29 years old was 5.2%.

2. Background of Manpower Training Policy

Amidst the intensifying global competition, Singapore has been pursuing industrial advances to sustain its robust economic growth. Industries that accounted for a large part of GDP for 2003 included manufacturing (26.3%), retail trade (13.1%), financial service (11.6%), and transportation and communication (11.1%). Shipbuilding and petrochemical products had accounted for a large part of GDP till the end of the 1970s. Electronics products have shown remarkable growth since then.

Singapore considers technical education and training, and vocational training as an important political agenda. It aims to make the best of its manpower, because it has a small population. In August 1999, the Ministry of Manpower (MOM) launched the “Manpower 21 Plan” to present a vision for manpower development in an attempt to improve the lifelong employability of the people of Singapore. The Workforce Development Agency (WDA), which operates under the control of MOM, estimated the manpower shortage in 2009 by school types. According to its estimation, there will be a shortage of approximately 230,000 workers who are graduates of commercial high schools or industrial high schools (graduates of post secondary education), a shortage of approximately 75,000 workers who are junior college graduates (with a diploma) and a shortage of approximately 47,500 workers who are university graduates (with a degree). According to the breakdown of the number of graduates who entered employment by school types in 2003, 2,470,000 people entered employment upon graduation from commercial or industrial high schools, 1,320,000 people upon graduation from junior colleges, and 2,440,000 people upon graduation from universities.
3. Vocational Training System

In Singapore, vocational training is planned and implemented largely by the Ministry of Manpower (MOM) and the Ministry of Education (MOE). MOM established the Workforce Development Agency (WDA) in October 2003 by consolidating its departments in charge of vocational training and the Skills Development Fund (SDF), one of the units of the Productivity and Standards Board (PBS) that was operating under the control of the Ministry of Trade and Industry. Its mission is to enhance the employability and competitiveness of employees and job seekers, thereby building a workforce that meets the changing needs of Singapore’s economy.

In the meantime, the Ministry of Education provides technical education and training (the term “technical education and training” is used to distinguish it from vocational training conducted by MOM) mainly through the Institute of Technical Education (ITE) that is operating under its control. Technical education and training are conducted as part of academic education to help learners acquire a broad range of technical skills.

4. Vocational Training Program

(1) Vocational Training Provided by WDA

WDA does not operate a vocational training institute such as a vocational school. Instead, it subsidizes companies that provide vocational training and private vocational training schools. One of its primary roles is to determine the qualifications obtained by trainees of various training courses. WDA considers it important to offer vocational training that would enable trainees to meet the needs of industries in which employment growth is expected.

The most profound characteristic of WDA is that it closely works with the industries to plan and implement vocational training policies. The Industry Division of WDA ensures that vocational training programs are developed to meet the needs of the industries. In addition, it pursues policies to facilitate the redeployment of manpower by transferring workers from depressed industries to industries faced with a serious shortage of manpower. The person in charge of vocational training at WDA stated that industries such as medical, financial service and insurance sectors, in particular, require more workers (as of August 2004).

WDA plans and implements a comprehensive range of vocational training programs, covering basic skills to professional skills. The table below shows the state of implementation of vocational training programs.
### Year 2003(*1) | Year 2004
---|---
Site of subsidized vocational training program (number of sites) | 1,165,518 | 1,196,518
Vocational training related fund ($) | 186.9 million | 198.7 million

(*1) WDA was established on September 1, 2003, upon which the Human Capital Development Programme and the Labour Market Development Programme were consolidated into WDA. These two programs were counted separately between April 1, 2003 and August 31, 2003.

### SMCP (The Strategic Manpower Conversion Programme)

SMCP is very popular because trainees are assured of a job before they are sent for training. As for the SMCP Healthcare Course launched in April 2003, trainees will obtain the qualification of nurse or radiological technician upon their graduation. In the case of a nurse, trainees receive training through Nanyang Polytechnic (*2) and then start their career at a healthcare institution upon graduation. Nanyang Polytechnic usually offers a three-year training program. However, the SMCP Healthcare Course finishes within a year. To qualify for SMCP, applicants should have a junior college degree (diploma) and a certain amount of years of professional career in non-healthcare positions. Training can be conducted in a short period of time, because trainees have a certain level of skill and are assured of a job before they begin training. WDA and healthcare institutions that are the potential employers share part of the training costs.

About 100 applicants are to be admitted to the Nursing Diploma Course at one time, and there is more than one opportunity to apply for the course in a year. In 2003, 14 healthcare institutes sponsored trainees through SMCP and there were 115 trainees admitted to the Nursing Diploma Course.

(*2) There are four polytechnics (under the control of the Ministry of Education) in Singapore including Nanyang Polytechnic. Polytechnics offer a three-year course and trainees receive a diploma upon their graduation to start working as a middle-ranking engineer or manager.

There are other courses that are related to IT and designed to provide specific training programs centered on programming, networks or databases. These programs are offered in two courses, Infocomm and e-learning. A total of 235 companies sponsor 897 trainees in the two courses. The table below shows the number of sponsor companies and trainees.
Skills Development Fund

The Skills Development Fund (SDF) was founded in 1979 and placed under the authority of WDA upon its establishment in September 2003. Its primary objective is to offer subsidies to companies that provide vocational training to their employees. It does not offer subsidies to individuals who take on vocational training. Most of its financial resources consist of Skills Development Levy collected from business proprietors. Whether domestic companies or foreign companies, all employers have an obligation to pay this levy. They are liable to pay one percent of the total amount of remuneration paid to employees whose monthly income is less than S$1,800 (as of August 2004). Employees include part-time employees, short-term contract employees and foreign employees. The table below shows funding provided by SDF in 2003.

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies participating in Infocomm Trainee</td>
<td>85</td>
<td></td>
<td>28</td>
<td>9</td>
<td>177</td>
</tr>
<tr>
<td></td>
<td>142</td>
<td>204</td>
<td>303</td>
<td>90</td>
<td>739</td>
</tr>
<tr>
<td>Companies participating in e-learning Trainee</td>
<td>16</td>
<td>30</td>
<td>9</td>
<td>158</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>85</td>
<td>33</td>
<td>58</td>
<td></td>
</tr>
</tbody>
</table>

(Year 2003)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Production/quality related funding</th>
<th>Computer related funding</th>
<th>Engineering related funding</th>
<th>Technical service related funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of subsidy (S$)</td>
<td>108,841,951</td>
<td>15,663,208</td>
<td>10,334,928</td>
<td>8,705,451</td>
<td>45,240,708</td>
</tr>
<tr>
<td></td>
<td>(100.0%)</td>
<td>(14.4%)</td>
<td>(9.5%)</td>
<td>(8.0%)</td>
<td>(41.6%)</td>
</tr>
<tr>
<td>Number of training sites that received funding</td>
<td>651,274</td>
<td>171,847</td>
<td>98,440</td>
<td>81,227</td>
<td>204,636</td>
</tr>
<tr>
<td></td>
<td>(100.0%)</td>
<td>(26.4%)</td>
<td>(15.1%)</td>
<td>(12.5%)</td>
<td>(31.4%)</td>
</tr>
</tbody>
</table>
(2) Technical Education and Training Provided by ITE

ITE provides technical education and training targeted at secondary school graduates. There are two types of training, the full-time programs offered at vocational schools and the traineeship scheme that offers in-company on-the-job training. ITE recently began providing technical education and training to secondary school leavers. It spent S$171.21 million out of the 2003 budget of the Ministry of Education.

- **Full-Time Programs**

  Presently, vocational schools (10 schools across the country as of 2003) offer 29 training programs. Trainees receive both theory and practical training five days a week. In 2003, 11,113 trainees registered for the full-time programs, of which 8,201 completed the programs. Qualifications obtainable upon graduation and the training period of the full-time programs are listed below.

  - **Industry-Specific Certificate**: Engineering courses such as electricity and electronics (2 years).
  - **Business Certificate**: Courses including accounting and service skills required in the office (2 years).
  - **Higher National ITE Certificate 2 (NITEC-2)**: Courses including precision machinery and metal processing (2 years).
  - **National ITE Certificate 3 (NITEC-3)**: These courses cover the same fields as the NITEC-2, but are designed to acquire lower level skills through the traineeship and other schemes.
  - **National Certificate Course**: These courses are designed to provide knowledge and skills required for healthcare and nursing (2 years).
  - **Office Service Skills Certificate**: It can be obtained upon completion of office skills related courses (1 year).
Traineeship Scheme

The training received by a trainee comprises of off-the-job training and on-the-job training. This scheme, which was modeled after the Dual System developed in Germany, enables trainees to “learn as they work (earn as they learn).” On-the-job training is offered at a sponsoring company and off-the-job training is provided at ITE or a training center accredited by ITE. Traineeship programs cover extensive fields, including aerospace, automotive, management, electrical, electronics and healthcare, and there are 83 traineeship programs. Trainees can obtain nationally recognized certificates such as National Certificate 2 and 3 upon completion of most of the traineeship programs. Many sponsoring companies continue to employ the trainees after the completion of the traineeship programs.

5. Certification System

This section examines the certification systems that WDA oversees. WDA established a framework for recognizing vocational skills in September 2000, when it launched the National Skills Recognition System (NSRS). Drawing on the experiences of the National Vocational Qualifications System, NSRS aims to establish a national framework of job skill competencies for students with no working experience and for workers in all industries. Its establishment was prompted by the fact that there were some 1 million workers who perform jobs that do not have clear competency standards. These workers include clerical, sales and service workers, production operators and cleaners. Without the standards, they were unable to benchmark or upgrade their skills.

NSRS differs from other systems on the point that the industries lead the efforts to identify critical skills for each job. To date, a total of 592 competency standards have been established for 69 jobs, including hotel, department store, supermarket, call center, sanitary service and marine transport. Workers can obtain a National Skills Certificate when they complete the training provided by a relevant course. Skills are divided into three levels.

- National Skills Certificate (NSC) 3: Predictable, routine jobs,
  e.g., waiter who serves at a table.
- National Skills Certificate (NSC) 2: Includes some complex, non-routine jobs,
  e.g., waiter who serves at a buffet.
- National Skills Certificate (NSC) 1: Wide range of jobs to be performed under varied circumstances,
  e.g., restaurant manager.

However, it is generally recognized that NSRS has not been sufficiently responding to adult workers’ needs for continuous vocational training. Reportedly, WDA started discussing the
possibility of introducing a new system.

In the meantime, ITE offers a series of Public Vocational Tests, in addition to the certification of trainees upon their completion of a full-time training program or traineeship scheme. The Public Vocational Tests are directed at meeting the skills requirements of a broad range of industry areas, and thus cover the skill levels of National Skills Certification 2 and 3. The Public Trade Test System allows workers to attain certification without taking a vocational training course.

6. Job Matching after Training

Nearly 100% of trainees enter employment upon the completion of their courses through SMCP, one of the vocational training programs planned and offered by WDA. This is because trainees are assured of a job before they are sent for training. A network of 22 Distributed CareerLink Centres has been set up around the country to provide information about job offers and applications.

Meanwhile, ITE’s vocational training programs have a 100% placement rate, because upon completion of the traineeship scheme trainees are employed by the sponsoring company where they had received on-the-job training.
Indonesia

1. Overall Condition of Labor Market

The population of Indonesia now exceeds 210 million, and the labor force population constitutes approximately 100 million of the total population. The percentage of young people (aged under 25) in the labor force has shifted at a rate of 20% to less than 30% over the past few years with no significant change (as of 2002). Despite an abundance of labor, Indonesia has seen tough labor market conditions since the currency crisis. The unemployment rate rose from 5.0% in 2000 to 9.1% in 2002. Labor market problems are very serious. There are many people who are not fully employed because they work less than 35 hours a week. Among other things, youth unemployment is a serious, deep-seated problem. The government intends to improve the situation by implementing a nation-wide vocational training policy.

2. Outline of the Vocational Training Policy

(1) Basic Principle for the Vocational Training Policy

Circumstances surrounding the labor market have worsened since the currency crisis. The central government is making a strong effort to improve the quality of the labor force through the vocational training system it has established. Based on the new Labour Law No. 13/2003 on manpower, the government aims to establish three major pillars for its national vocational training policy - the “Vocational Training Coordination Institution,” the “National Vocational Training System” and the “National Skills Certification System” - at the earliest possible date.

Firstly, the “Vocational Training Coordination Institution” refers to an organization that coordinates vocational training activities and evaluates training programs to determine the direction of vocational training for the country as a whole. The central government, employers’ associations, vocational training centers, and other organizations participate in the organization. Transcending ministerial boundaries, they work together to deliver more efficient vocational training.

Secondly, with regard to the “National Vocational Training System,” the central government has been transferring power to local governments based on the Law No. 22/2000 on decentralization. Presently, the central government leads efforts to establish rules and guidelines concerning vocational training, with local governments offering actual vocational training programs. The central government intends to provide thorough instruction to local governments, in order to address issues concerning vocational training such as any shortage of instructors.

Lastly, the government has been working to redevelop the “National Skills Certification System” since 2003. The new system aims to properly evaluate the skills of the labor force, so that highly capable workers can find jobs both at home and abroad. Skill certification and certificate issuance are
conducted by a government-accredited organization called LSP (certification organization by occupation). Presently, there are seven LSP organizations in Indonesia.

(2) Vocational Training Budget and Administrative Organization

The Ministry of Manpower and Transmigration’s budget for fiscal 2000 was approximately 900 billion rupiah, and approximately 62 billion rupiah of the total budget was allocated to the Directorate General of Domestic Employment Development. The budget is mostly spent on development of training programs, operation of training facilities, personnel expenses for instructors, and public relations activities (to disseminate information). Under normal circumstances, the national budget for vocational training should include budgets allocated for vocational training by other ministries and agencies of the central government, local governments, and the private sector. According to the central government, detailed figures are not available at the present stage.

The following is a brief overview of the Department of Manpower and Transmigration (see the chart below). There are two units that oversee vocational training. One is the “Directorate General of Domestic Employment Development,” under which five directorates are operating, namely the “Directorate of Competency Standardization and Certification,” the “Directorate of Employment Training Development,” the “Directorate of Productivity Development,” the “Directorate of Employment Development and Expansion” and the “Directorate of Manpower Utilization and Supply.” The “Directorate of Employment Training Development” has duties to develop training programs, secure and train instructors, and formulate standards for and monitor activities of vocational training institutions. The “Directorate General of Domestic Employment Development” oversees the operation of six country-level vocational training centers: (i) Agricultural Training Center, Rembang; (ii) Industrial Training Center, Serang; (iii) Industrial Training Center, Medan, Sumatera; (iv) Industrial Training Center, Makassar; (v) Industrial Training Center, Samarinda; and (vi) Industrial Training Center, Surabaya. A total of 153 vocational training schools were operating under the control of the central government in the past. Presently, most of these schools are operating under the control of local governments due to the central government’s decentralization policy. The six country-level vocational training centers have duties to communicate the central government’s policies to other vocational training schools that have been placed under the control of local governments.

Another unit that oversees vocational training is the “Board of Training and Productivity,” under which several units are operating including the “Centre of Overseas Workers Training,” “Centre of Employment Training for Manufacturing and Services Industry,” and “Centre of Labour Productivity.” These units provide vocational training mostly to instructors of vocational training schools, workers requiring advanced skills, and civil servants.
(3) Overall Picture of Vocational Training

A broad range of vocational training programs are provided to young people, unemployed, incumbent workers, and instructors of vocational training schools in Indonesia. Vocational training schools include those operating under the direct control of the central government (the Department of Manpower and Transmigration), those operating under the control of local governments, vocational training centers in the private sector, and training facilities of individual companies. It is reported that training facilities owned by private companies total approximately 32,000, although precise data are not available. The following section covers “vocational training” conducted at country-level vocational training centers under the direct control of the central government (the Department of Manpower and Transmigration).

These training centers provide training programs in seven technical fields: (i) Mechanical Engineering, (ii) Electronic Industry, (iii) Welding, (iv) Agriculture, (v) Commerce (including IT and computer related fields), (vi) Construction, and (vii) Others (such as service). These programs are designed not only for graduates of secondary schools and senior secondary schools but also for unemployed and incumbent workers.

There are a wide variety of training courses. For example, there are some courses that require a few years of training, including the “Technical Expert Development Course” and the “Craftsman Development Course.” The former covers the three fields of mechanical engineering, electronic industry and welding, and the latter provides welding training. On the other hand, there are some courses that complete within the relatively short training period of 600 to 700 hours such as the “Basic Course.” Other courses include the “Mobile Training Course” designed to provide training in
rural areas using a vehicle, and the “Tailor Made Course” that is tailored to meet the needs of individual companies and workers. All of these courses are entitled to a government subsidy.


(1) Training Program Content

Major training programs for young people include the “Technical Expert Development Course” provided at five training centers (except the Agricultural Training Center, Rembang), which operate under the direct control of the central government (the Department of Manpower and Transmigration), as already described. They are aimed at developing technical experts with knowledge and skills required in the fields of “mechanical engineering,” “electronic industry” and “welding.” The course duration is 3 years (6 semesters) or 5,200 hours and above. They provide theory and workshop activity (on-the-job training) in a balanced manner, as shown in the table below.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Course Content</th>
</tr>
</thead>
</table>
| 1st year| Theory: 576 hours (including 96 hours of general theory and 192 hours of technical assignment)  
Workshop: 1,344 hours |
| 2nd year| Theory: 960 hours (including 168 hours of general theory and 312 hours of technical assignment)  
Workshop: 960 hours |
| 3rd year| Theory: 1,152 hours (including 240 hours of general theory and 336 hours of technical assignment)  
Workshop: 776 hours |

(2) Target and Expense of Training Program

These training programs are designed for graduates of senior secondary schools and young people aged up to 21. To secure a place in the programs, candidates must have a good academic rating for senior secondary education (7 or above on a zero to ten scale), pass the written examination (English, mathematics, chemistry or physics), interview test, aptitude test, and health checkup. Data showing the total number of people who received training at these training centers are not available. On the basis of facts that the maximum enrollment for each test center per year is 216 and that there are five test centers (excluding the Agricultural Training Center), it is estimated that more than 1,000 technical experts are developed across the nation in a year.

A program costs approximately 7 million rupiah for 6 months (or for 1 semester); a trainee bears 1 million rupiah and the central government provides 6 million rupiah. This means that slightly
less than 90% of the cost is covered by a government subsidy.

(3) Job Matching after Training

The central government and local governments do not provide job placement services or other support to help trainees find a job after training. However, there are strong ties between training centers and private companies that offer on-the-job training opportunities to trainees. Many trainees use such connection to find a job.

These programs have an extremely high placement rate. Though it is difficult to conduct a follow-up survey, about 95% of trainees find employment upon completion of training. Many trainees find a job in Czech, Slovakia, Austria, German, China, and other countries. These programs receive accreditation from European rating agencies, because they provide trainees with world-class skills. Trainees with welding skills continued to be in high demand particularly with European companies.

4. Certification System

Redevelopment of the “National Skills Certification System” is under way to reflect the changes brought on by the new Labour Law No. 13/2003 on manpower. Under the new law, an independent body accredited by the central government called LSP (certification organization by occupation) implements skill certification and certificate issuance. Presently, seven LSPs are operating in Indonesia and each LSP has certification authority over a specific field.

Traditionally, the certification system placed emphasis on “hours of training.” Since 2003, the emphasis has been shifting towards “competency” in line with the increasing need to adopt international standards. For that purpose, development of skill assessment standards is progressing at a faster pace. Skill assessment standards for “35 occupations” have been developed to date. They are related to automobile, mechanical engineering, and textiles.

Skills required for various occupations are divided into thousands of “skill units.” For example, there are about 170 “skill units” for automobile related occupations. Trainees can obtain a number of certificates by combining various skill units. For instance, they can obtain the “Junior Mechanic,” “Senior Mechanic” or “Advanced Mechanic” Certificate depending on their competency level. Some programs such as “Tune Up” and “Tire Balancing” are created from the viewpoint of developing workers with higher technical skills to meet the requirements of occupations that are segmentalized. To obtain the “Junior Mechanic” Certificate, trainees must earn more than 43 skill units out of about 170 skill units. Individual LSPs (certification organization by occupation) have authority over the skill units. Assessment is based on a skill test conducted at the location of training.

The government has many issues to overcome, including expansion of LSP (certification organization by occupation), development of skill assessment standards for other occupations, and development of cross-occupational national certifications. In Indonesia, development of the skills
certification system is still in its early stage.
Share of youth unemployment to total unemployment in selected Asian countries by sex, 2003

Source: ILO “Key Indicators of the Labour Market” 2003

Estimated increase in GDP if the youth unemployment rate is halved

Source: ILO “Global Employment Trends for Youth” 2004
Government Policy on Employment and Development of Young Workers in Japan

Ministry of Health, Labour and Welfare
December 3, 2004

2 Increasing Youth Unemployment Rate

The unemployment rate among young people under 24 years reflects a worsening situation, having increased from 5.1% in 1991 to 10.1% today, roughly doubling the average unemployment rate for all age groups. The unemployment rate among those between 25 and 29 years has increased to 7.8% from 2.5% in 1998.

3 Increasing "Freeter"

Number of so-called "Freeter" has more than doubled to 2.17 million from 1.01 million 10 years ago.

4 Employment Rate Keeps Falling

Promote regular employment of part-time workers by adopting probationary period employment

- Provide stability to companies which accept young unemployed people for a three-month probationary period as a form of "test employment", starting in December, 2003.
- Close to 7,000 apprentices had been employed in all of 43 prefectures.

Establish a one-stop job placement service center (Job Café)

- Close to 7,000 apprentices had participated in the scheme in 47 prefectures by the end of June 2004.

3 Youth Employment and Vocational Training Based on "Youth Independence and Challenge Plan" (Ministry of Health, Labour and Welfare)

- Promote job placement support for new graduates
- Promote regular employment of part-time workers by entering a probationary period employment.

Number of "Freeter" has more than doubled to 2.17 million from 1.01 million 10 years ago.
I. New measures to enhance youth independence and challenge plan

Proposed Budget for FY05: 35.1 billion yen Proposed Budget for FY05: 35.1 billion yen

II. Measures to be continuously implemented in a steady manner (II. Measures to be continuously implemented in a steady manner... proposed budget: 46 billion JPY/37.6 billion for the previous FY)

A. Teenagers who have lost the desire to work

Raise ability and qualification of young people through recruitment of young people to the workforce

B. Young people in full-time education

Promote young worker development through professional education and training

C. Young people who have graduated from high school and Freeters

Implement comprehensive measures to motivate young people to work, offer employment, and retain them at work, for example, through the creation of new new jobs

Proposed Budget for FY05: 81 billion yen (52.6 billion yen for FY04)

3. Development of human resources to support growth of new sectors

Develop a curriculum to develop human resources able to contribute to strategic service sectors,

Focus of young people on special training schools which focus on teaching advanced technology and traditional skills

Promote the concept of "Manufacturing Kingdom" to create a labor pool with a knowledge of domestic products

Expand the framework of free practical vocational training for young workers provided by private sector institutions

Implement short-term basic vocational training by private institutions;

Promote close collaboration among the concerned agencies in order to focus on vocational training for young people in about 10 areas

Develop young workers to report local needs for training, training and counseling services

4. Streamline one-stop service center (Job Café), promote Japanese version of dual system, and create new job/employment market

Parallel establishment of regular job placement services

Locally coordinated program for young people

3.3 Develop HR to support growth of

Develop HR to support growth of developing industries

 Developing manufacturing and to support the endeavors of young people who want to take on the challenge of industrial work.

Assist special training schools which focus on teaching advanced technology and traditional skills

Foster confidence, foster motivation and raise awareness of work opportunities among young people;

Support and promote the concept of "Manufacturing Kingdom" to create a labor pool with a knowledge of domestic products

6. Promote national movement

Promote in-house HR investment

6.6 Promote national movement

Promote in-house HR investment

4.4 Promote in-house HR investment

Provide job information

Check aptitude

Provide counseling

Develop curriculum

Government Services

Prefectural Governments

Localities

Private Sector

Ministry of Education, Culture, Sports, Science and Technology

Ministry of Health, Labour and Welfare

Ministry of Economy, Trade and Industry

Cabinet Secretariat

Ministry of Internal Affairs and Communications