



Youth Employment Policy Summary

REPUBLIC of KOREA

Background Figures:

Total population:
50.5 million (2016)¹

**Youth population (%
total):**
6.8 million (2014);
13.7%²

GDP (USD\$): 1.378
trillion (2015)³

GDP growth: 2.6 per
cent (2015)³

**Urban-rural
breakdown:**
82.5/17.5 per cent
(2015)⁴

**Net migration rate
(per 1000):**
1.2 (2010-2015)⁴

**Employment by
sector:**
6.6 agriculture; 17.0
industry; 76.4
services (2010)⁵

**% earning less than
\$2/day:**
N/A⁵

Source:
1. Worldometers
2. ILOSTAT;
3. World Bank
4. UNESCAP
5. KILM



Source: graphatlas.com

Labour Market Situation of Young People

The Republic of Korea is steadily recovering from the global economic crisis and struggling with the challenge of jobless growth. The economy's reliance on SMEs and the service industry has not been able to create more jobs ([Government of Korea, 2014](#)).

With a low youth labour force participation rate of 28.5, young Koreans are delaying their entry into the labour market as they pursue higher levels of education. In fact, they are more educated than ever before: the enrolment in tertiary education has increased significantly to 98.4 per cent in 2012 compared to the 1999 rate of 74.2 per cent ([UNESCAP](#)). Once entering the labour force, however, young people are three times as likely to be unemployed than adults, and young men have consistently faced a higher unemployment rate than young women.

In addition, Korea has one of the highest OECD rates of those youth not in employment, education or training (NEETs). For those aged 15-29, 15.6 per cent fell under this category in 2013, surpassed by only Turkey and Mexico. Many have given up on the job search because of the poor working conditions and long hours ([Hankyoreh, 2015](#)). Improving youth employability and matching the skills needs of enterprises has become a priority for the Korean Government.

Table 1: Youth Employment Indicators

Indicator	%
Labour Force Participation Rate, ages 25+ (2014) ¹	67.9
Youth Labour Force Participation Rate, ages 15-24 (2014) ¹	28.5
Youth Unemployment Rate (2014) ²	10.0
Youth Unemployment Rate in East Asia Subregion (2016) ³	10.7
Enrolment in secondary education (2013) ⁴	98.0
Enrolment in tertiary education (2012) ⁵	98.4

Source: 1. ILOSTAT; 2. KILM; 3. ILO 2016, WESO; 4. World Bank; 5. UNESCAP

Youth Employment Policy Approach

The Republic of Korea's policy interventions have focused on ensuring a better match between labour supply and demand, strengthening technical vocational education and training, stimulating enterprise development and improving the gathering of labour market information. Those between the ages of 15 and 29 fall under the "youth" category. Further attention is paid to the unemployed, women in science and technology, early-school leavers and those in tertiary education. Increasing the employability of young people is a main objective of government policy, achieved in various ways including enterprise start-ups and promoting a Work-Dual Study system targeting 10,000 enterprises. Its *Employment Roadmap* targets the creation of 20,000 jobs for young people in the public sector in the areas of education, social welfare and employment services.

Policy and Legal Measures

Enterprise Development: Young people are encouraged to start their own business. The [Comprehensive Measures for Youth Employment](#) allocates **seed money** for up to 300 youth enterprises and also mentions the establishment of "Youth-Only Start-Up Funds" through partnerships with the private sector. Moreover, in the field of **agriculture and fisheries**, start-ups from special educational institutions can benefit from government support in the form of consulting services, financial support and education in agricultural technologies ([Act Fostering and Supporting Agricultural and Fisheries Enterprises](#)). The **K-Move project** provides mentoring and business-development support to young people overseas through collaboration with the Korea Trade-Investment Promotion Agency, Korea International Cooperation Agency and the World Korean Business Network ([Employment Roadmap](#)).

Education and Training: To better match labour supply and demand, the Government aims to **revise the vocational curriculum** based on the National Competency Standards and will promote its adoption in all polytechnic universities. In order to support vocational skills development, the Government will also expand vocational facilities and training equipment, provide better training of teachers and better develop vocational training methods ([Comprehensive Measures for Youth Employment](#)). Moreover, **vocational training agreements** can be made between small and medium enterprises (SMEs) and schools and universities for the SME to provide recognised vocational training to the student that meets the human resource needs of the SME ([Special Act for Human Resources of SMEs](#)).

Career education starts as early as elementary school in the effort to provide students with the necessary information about different occupations suited to their abilities and interests. The State provides vocational guidance, which can include vocational aptitude tests, and subsidises expenses ([Framework Act on Employment](#)). There are particular provisions for a student career guidance programme in industrial education and young women are targeted early in the encouragement of pursuing a path in science and technology. Moreover, there is a career camp for 300,000 students organised by the Government over a time period of 1-2 days ([Promotion of](#)

Documents containing youth employment policy provisions:

- Comprehensive Measures for Youth Employment 2013
- Lifelong Education Promotion Strategy 2013
- Roadmap towards an Employment Rate of 70% 2013
- Act on Fostering and Supporting Agricultural and Fisheries Enterprises 2009
- Act on Fostering and Supporting Women Scientists and Technicians 2002
- Framework Act on Employment Policy 1993
- Framework Act on Qualifications 1997
- Juvenile Protection Act 1997
- Labour Standards Act 1997
- Promotion of Industrial Education and Industry-Academic Cooperation Act 1967
- Special Act for Human Resources of Small and Medium Enterprises 2003
- Special Act on Support of Scientists and Engineers for Strengthening National Science and Technological Competitiveness 2004
- Special Act on Youth Employment Promotion 2004

For more information on the policy documents and their provisions, please visit the [YouthPOL webpage](#).

[Industrial Education and Industry-Academic Cooperation Act](#), [Act on Fostering and Support Women Scientists and Technicians](#), [Comprehensive Measures for Youth Employment](#)).

The Government has put in place several measures supporting work experience and volunteering. **Internships** at small and medium-sized enterprises can be used for credit at local universities and young drop-outs are also targeted through Government-provided internships and job-shadowing ([Lifelong Education Promotion Strategy](#)). The same *Strategy* mentions a **Work-Study exchange programme** to be implemented between universities and enterprises, while the [Comprehensive Measures for Youth Employment](#) targets 1000 enterprises for this venture in 2014 which will be enlarged to 10,000 by 2017. For talented youth, there are overseas internships and volunteer activities, with the Government partially or wholly subsidising such activities ([Special Act on Youth Employment Promotion](#)).

Did you know?

Korea has ratified [29 ILO Conventions](#), including [4 Fundamental and 3 Priority Conventions](#):

Fundamental Conventions:

- Equal Remuneration Convention (No. 100)
- Discrimination (Employment and Occupation) (No.111)
- Minimum Age Convention (No. 138)
- Worst Forms of Child Labour Convention (No. 182)

Priority Conventions:

- Labour Inspection Convention (No. 81)
- Employment Policy Convention (No. 122)
- Tripartite Consultation Convention (No. 144).

Korea grants **scholarships** to students in industrial education institutions as well as to those who have achieved high grades, published in a well-known journal or were awarded a prize for their thesis at science and engineering universities. In the case of the latter, the Government provides research grants and covers living expenses ([Special Act on Support of Engineers and Scientists](#)). A similar scheme is in place for women scientists ([Act on Fostering and Supporting Women Scientists and Technicians](#)).

The [Framework Act on Qualifications](#) allows for a better connection between education and training, qualifications and industries. It provides a plan for improving the National Skills Standards, establishing a qualification system, qualification assessment and more. In terms of **recognition of prior learning**, the [Lifelong Education Promotion Strategy](#) encourages educational institutions to provide credits for any previous training and work experience undergone by an individual based on a National Qualification Framework.

Labour Demand: Small and medium enterprises (SMEs) are given **wage subsidies** to recruit unemployed youth aged between 15 and 29 ([Special Act of Human Resources in SMEs](#)). In addition, those enterprises which take part in the on-the-job training of students from polytechnics and industrial specialised high schools receive wage

subsidies from the Government ([Employment Roadmap](#)). The [Special Act on Youth Employment Promotion](#) also subsidises the cost linked to those SMEs which replace foreign workers with unemployed youth. The *Act* mentions providing **tax relief** grants to those public institutions which improve their youth employment results.

Labour Law and Legislation: In terms of recruitment, the **minimum age** for employment is 15. However, those aged between 13 and 15 can be employed with an employment certificate ([Labour Standards Act](#)). There are also particular rules concerning the **recruitment of juveniles**. Business establishments harmful to juveniles such as those providing games, public bath houses and small theatres cannot employ juveniles under the age of 19 ([Juvenile Protection Act](#)). **Working conditions** are regulated in the [Labour Standards Act](#) and youth between 15 and 18 years of age cannot work more than 7 hours per day and 40 hours per week; this can be extended by an

additional 6 hours if both parties agree. Those under 18 cannot work between 10pm and 6am, except through consent.

Labour Market Policies: The **Public Employment Service (PES)** targets young people with inadequate education or work experience through the provision of career path designs, career motivation and work experience. Moreover, for unemployed youth, the Government will create a **human resources computer network** connecting the private and public sectors so that they can better exchange information about employment opportunities ([*Special Act on Youth Employment Promotion*](#)). The same Act sets out the principles for **training for unemployed youth**. These include training for skills in demand in the labour market, provision of a choice of training institutes and the prohibition of discrimination based on class or field of business. In addition, special vocational training programmes are provided for youth discharged from military service to ensure a smooth transition. For scientists and engineers who find themselves unemployed after their Masters or doctoral degree, the Government supports them through additional subsidised courses and development projects ([*Special Act on Support of Scientists and Engineers*](#)).

In terms of **positive action**, the [*Special Act on Youth Employment Promotion*](#) aims for public institutions to have 3 out of 100 of employees each year to be unemployed youth. Moreover, the recruitment of young women in science and technology is supported through suggested recruitment targets alongside targets in the ratio of their promotion in the [*Act on Fostering and Supporting Women Scientists and Technicians*](#).

Structure of Governance and Main Actors

The actors involved in areas related to youth employment are many. The **Ministry of Gender Equality and Family** has a Youth Policy sub-division and also is responsible for matters related to juveniles. In terms of education and training, the **Ministry of Education, Ministry of Employment and Labour and the Ministry of Science, ICT and Future Planning** are the key actors. The latter is heavily involved in supporting training for scientists and engineers and encouraging the increase of women scientists. Within the Ministry of Employment and Labour there is also the **Special Committee on the Promotion of Youth Employment**, which was established by the *Special Act on the Promotion of Youth Employment*. Its responsibilities are several and include promoting the employment of unemployed youth – particularly in public institutions, implementing the policy on recruitment quotas and improving cooperation between industry, academia and the Government.

References:

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- ILO YouthPOL eAnalysis 2015, contains information with analysis of policy documents.
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- World Bank, 2015, World Development Indicators



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