

Sharing Knowledge, Sharing the Future

글로벌 지식공유 포럼

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Korea Development
Institute

A stylized world map composed of a grid of small blue dots, centered behind the speaker's name. The map is rendered in a light blue color against the dark blue background.

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Knowledge Sharing in Technical/Vocational Education & Training

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in the New World Economic Environment**



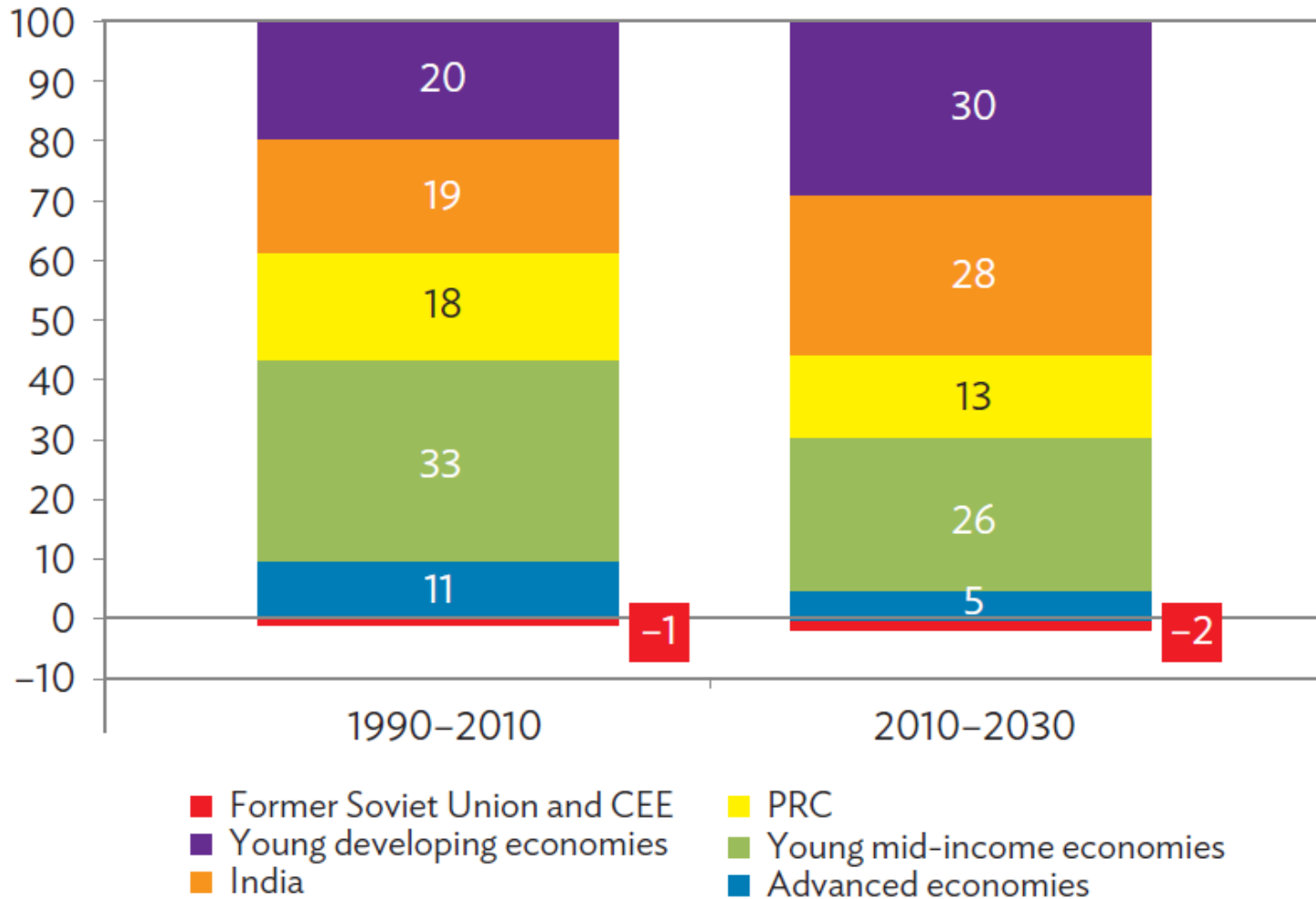
1. The Role of TVET in Developing Countries

The Role of TVET

- TVET(Technical /Vocational Education & Training):
 - Deliberate interventions to prepare people for gainful employment in designated areas
 - Initial entry/re-entry/additional training
 - Enhances job matching function of an economy
 - Extends job creating capacity of an economy
 - A main tool for reducing skill gaps, youth unemployment, gender inequality and poverty

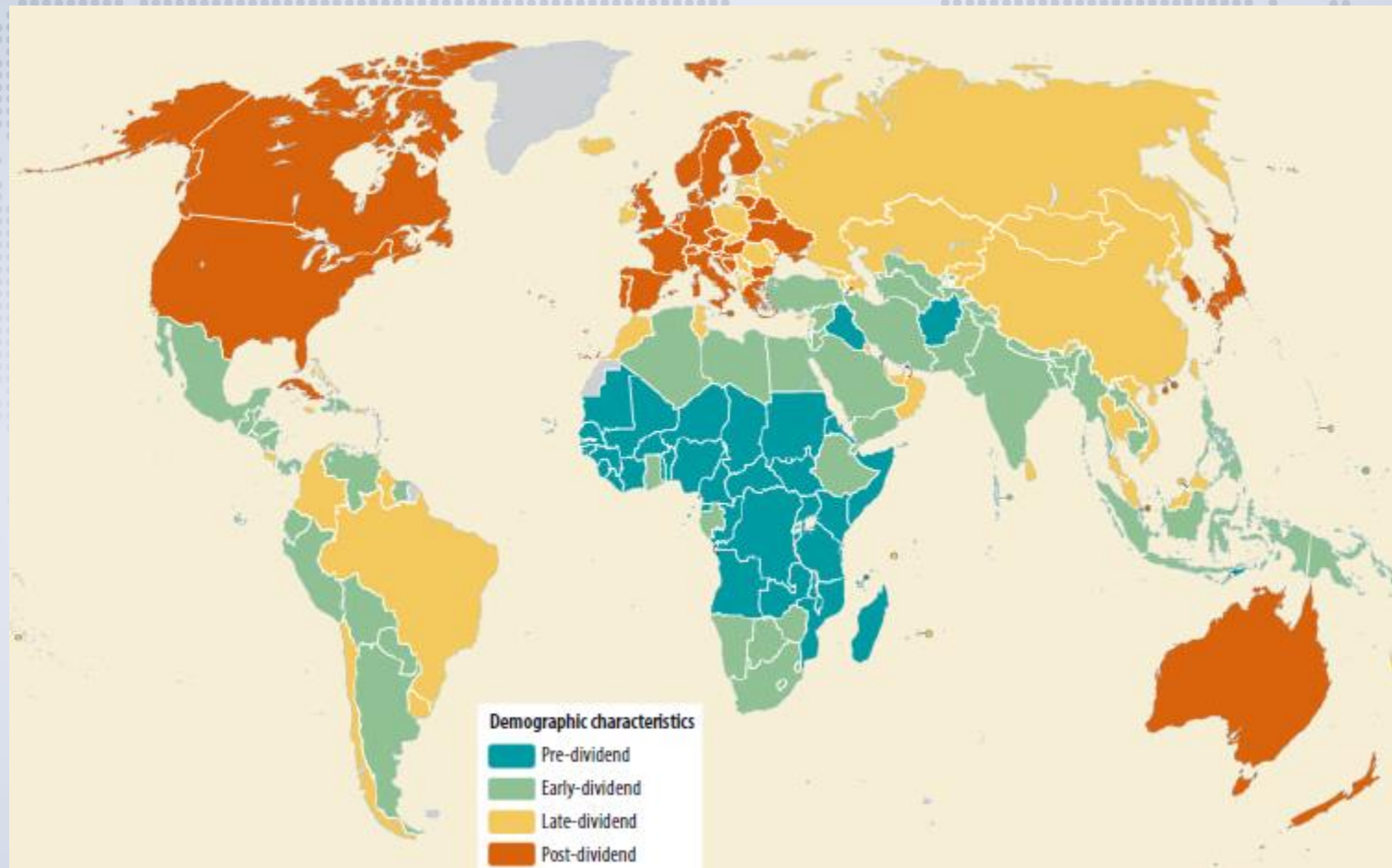
Demographic Transition:

Global Labor Force Composition, 1990-2010 & 2010-2030



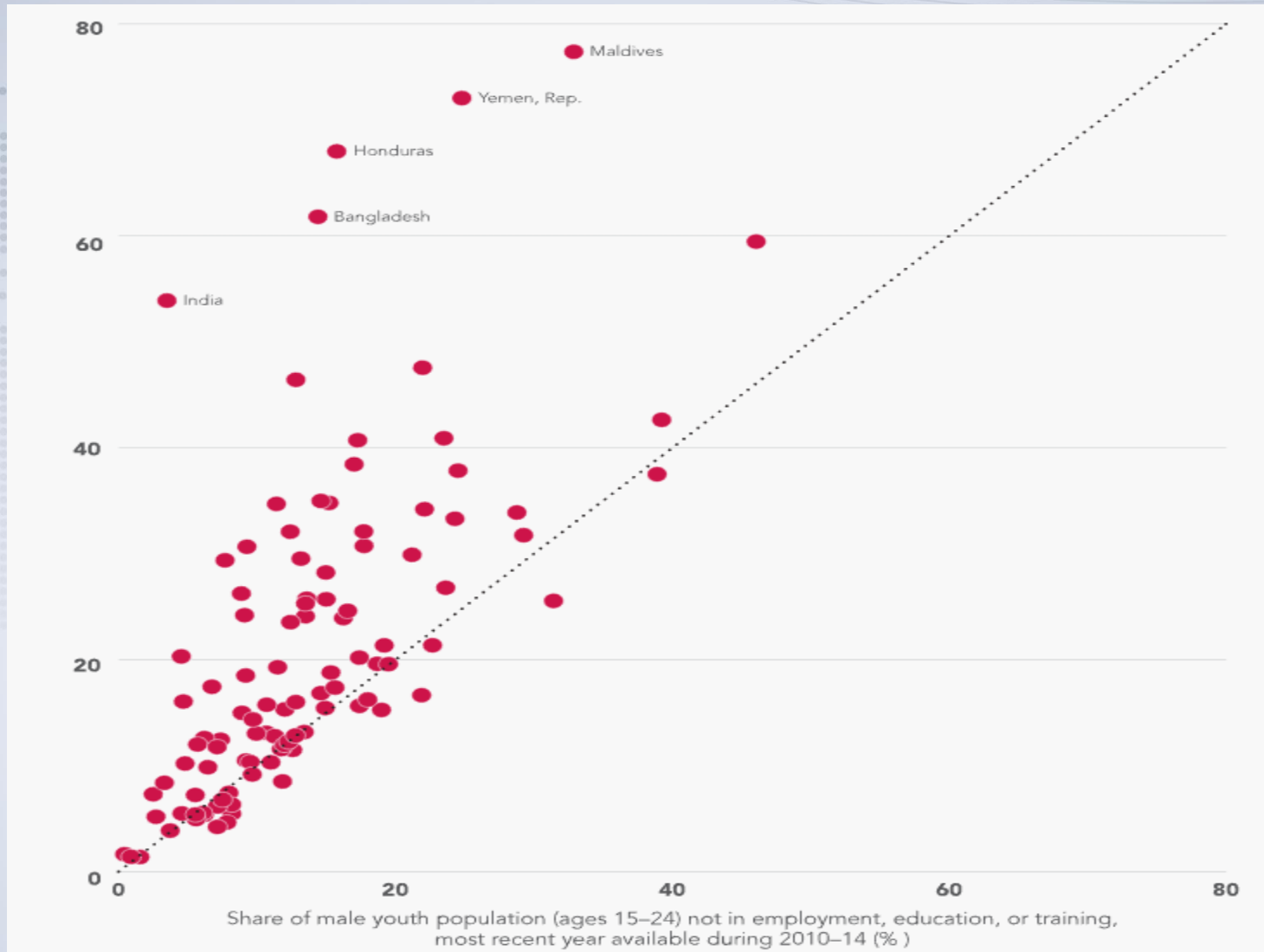
Global Demography: Dividend Types

- Integrating the youth into the labor market is crucial to avoid severe economic disruption and to initiate/sustain economic growth



World Bank (2016)

Share of Female Youth in NEET (2010-14)



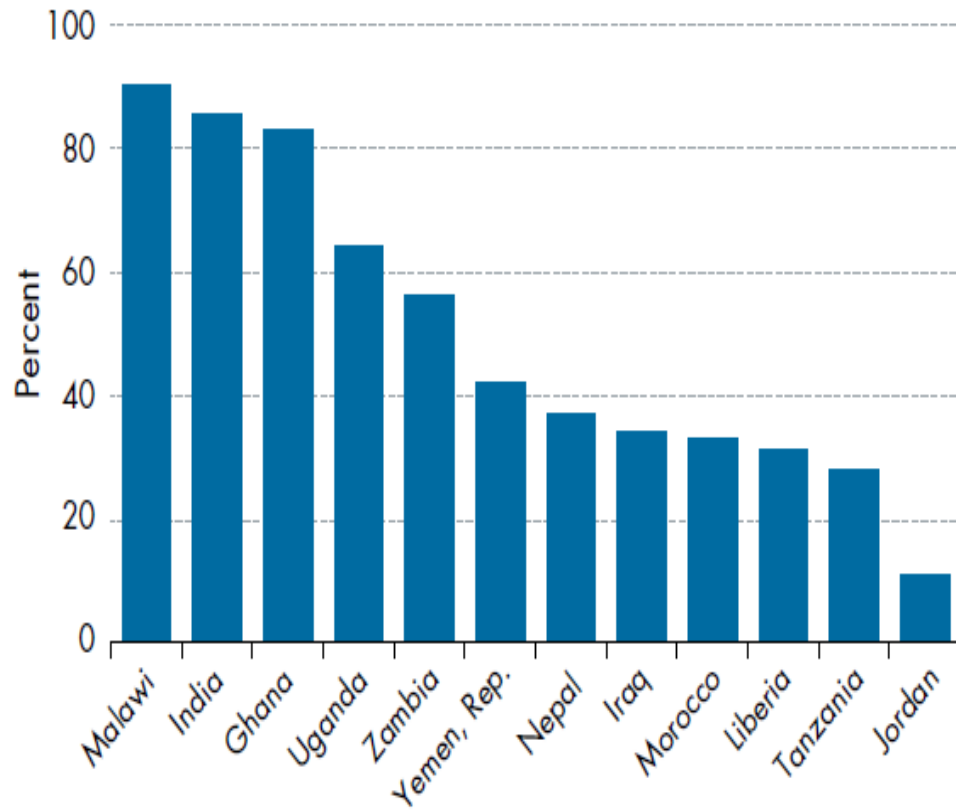
World Bank (2017)

Challenges in TVET in Developing Countries

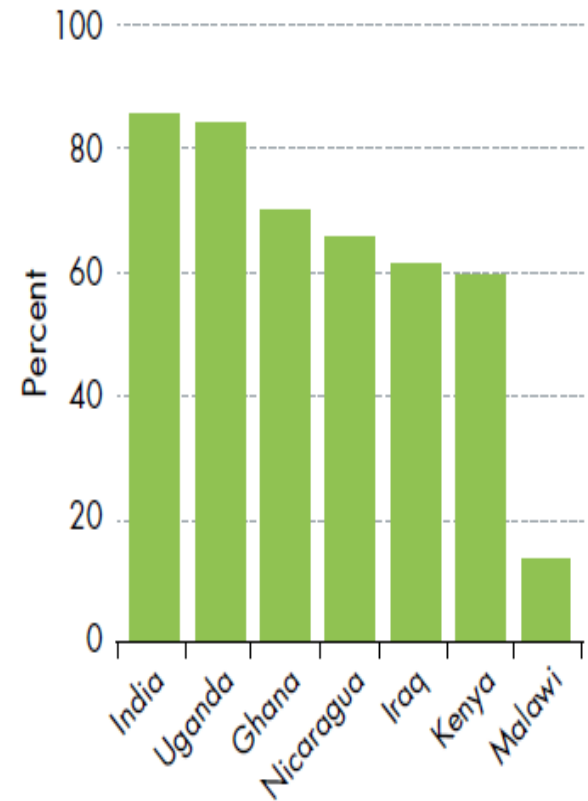
- Job demand for many new jobseekers
 - More than 1.8 million youths will reach working age every month in South Asia through 2025 (World Bank, 2018).
 - The rising share of working-age will not peak until 2080 in SSA
 - 'Youth bulge' in MENA
- Reaping demographic dividends from the falling fertility
 - Although the declining fertility rate may create dividend, the degree will depend on an adequate policy framework
 - Need to equip new urban workers with relevant skills through TVET
- Skill Mismatch hampering growth
 - Weak basic competency
 - The low quality, weak relevance & poor outcome of TVET
 - The strong preference for public sector or service jobs by jobseekers

Share of 2nd grade Students Unable to Read/calculate

a. Grade 2 students who could not read a single word of a short text

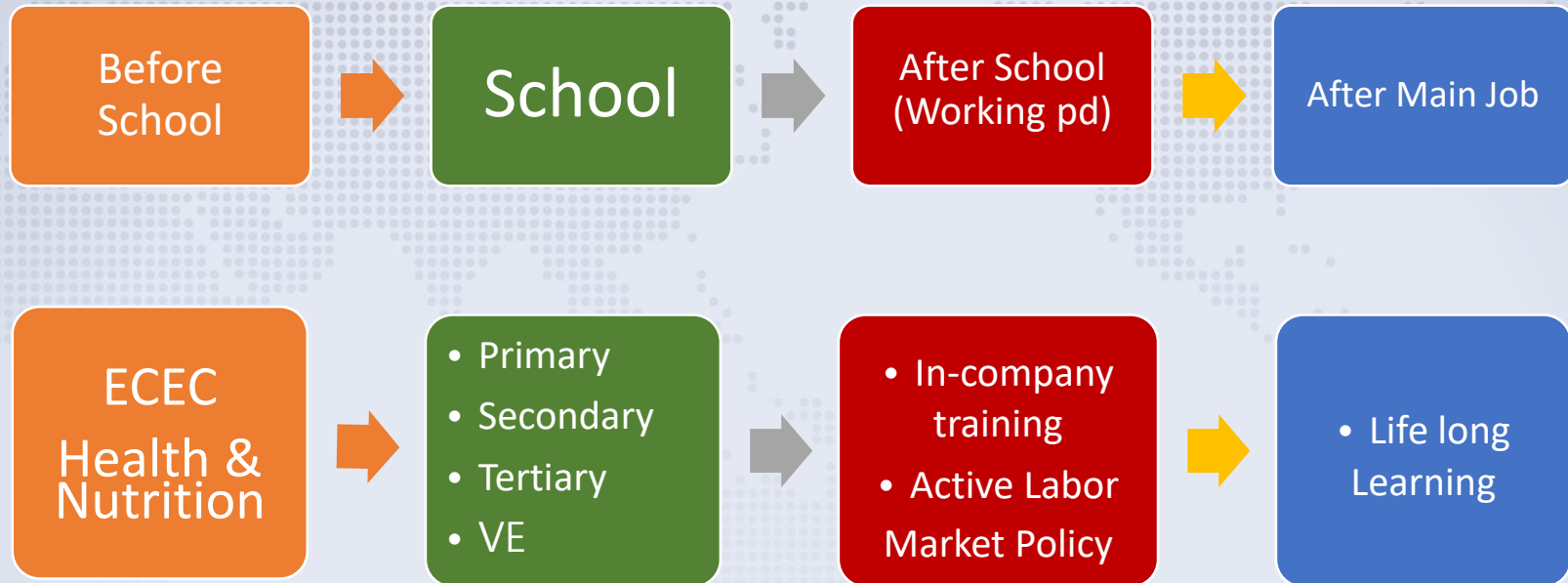


b. Grade 2 students who could not perform two-digit subtraction



TVET in a HCP Context

Human Capital Policy by Stage



TVET vs Education :

Aiming for **immediate entry** into the labor market vs **Further academic pursuit** or **general skills**



2. Key Issues in TVET

- To match labor demands and training supply, TVET needs to be aligned to development strategies
 - Should be based on analysis of the market situation and the skill implications of TVET policies
- When well aligned, TVET alleviates the lack of skilled labor force problem, which partly causes underdevelopment

- A strategic approach by governments is called for
 - to establish an efficient TVET system and strengthen its link with the labor market
 - to align TVET planning with economic development planning
 - to fill expected skill gaps with right sequence of interventions
 - to provide an comprehensive analysis of the labor market/skill shortage & accurate data on the labor market/TVET performance
 - to play a key role in TVET policymaking, funding, standard setting, and evaluations
- A balance between public & private on providing/funding
 - Engaging key stakeholders can raise the relevance
 - Need to reinforce partnerships among stakeholders for interactions through sector skills councils (institutional building)

Changes in Market environment & Relevance of TVET

- Rapid technological change & increasing market insecurity call for flexibility of TVET
 - Increasing volatility and instability for firms, workers & job seekers
 - “age of career flux”
 - constant upgrading and flexibilization of production
 - Training provisions needs to reflect the fast-changing needs of employers
 - Also needs to build a foundation of basic and transferable skills into TVET system

New Challenges for TVET

- Recent changes in tech. & market volatility have led to demands for resilience in TVET system
 - by establish pathways between TVET and general education and between pre-employment training and employee training
 - by develop a comprehensive, reliable and accessible information system, including through mobile technology,
 - by setting up platforms/gateways for the wider public, to help learners make rational and quick decisions for their career choices

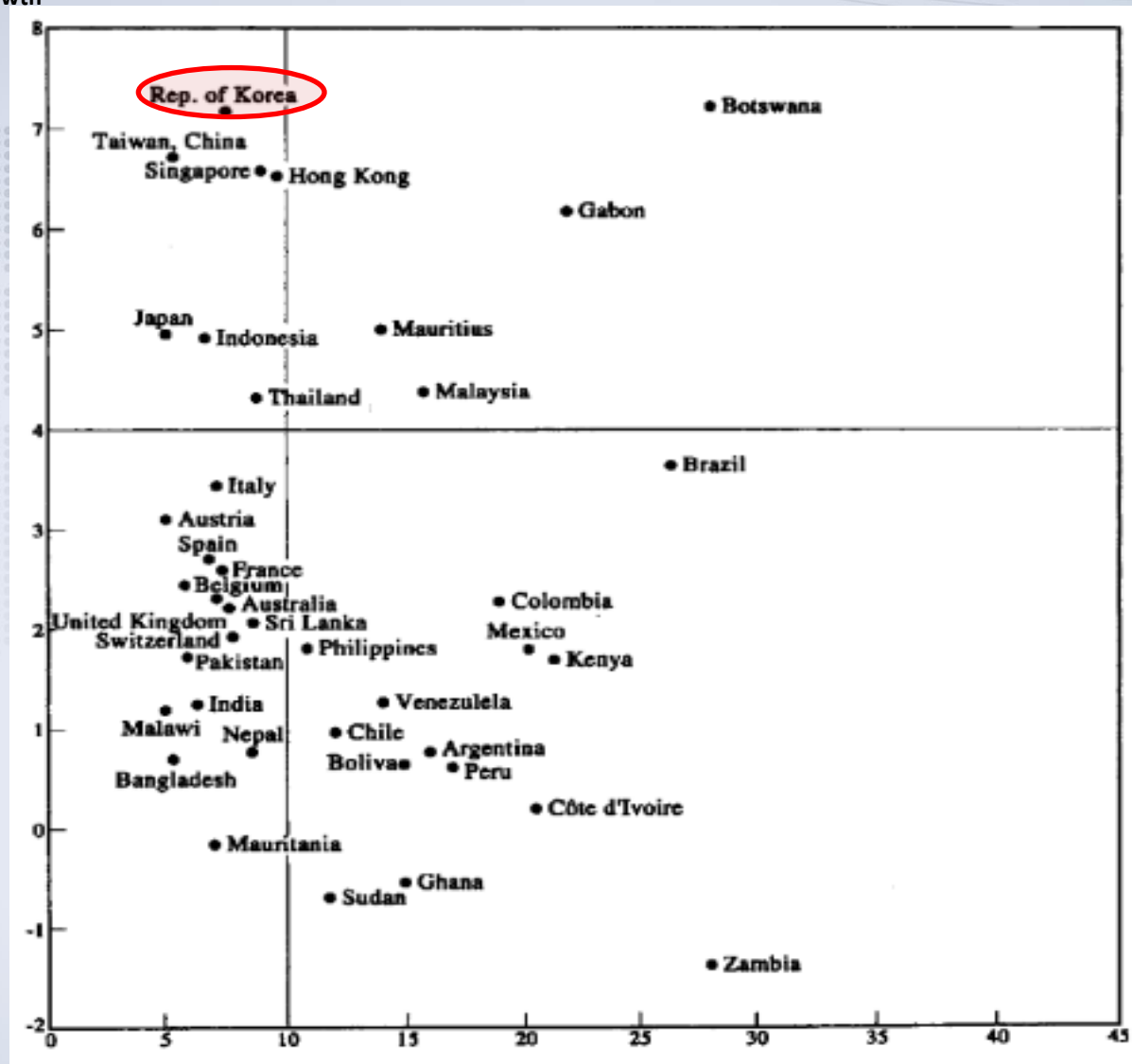
- How to increase access/equity in TVET
- How to integrate workers in informal sectors into TVET system
- How to improve the effectiveness of governance/financing of TVET
- How to educate training instructors
- How to establish qualifications frameworks
- How to raise the attractiveness of TVET
- How to develop pathways between TVET, higher education and lifelong learning
- How to use ICT in TVET



3. Korean Experience in TVET

Growth and Income Inequality (1965~89)

Per GDP Growth (%)



source: World Bank(1993)

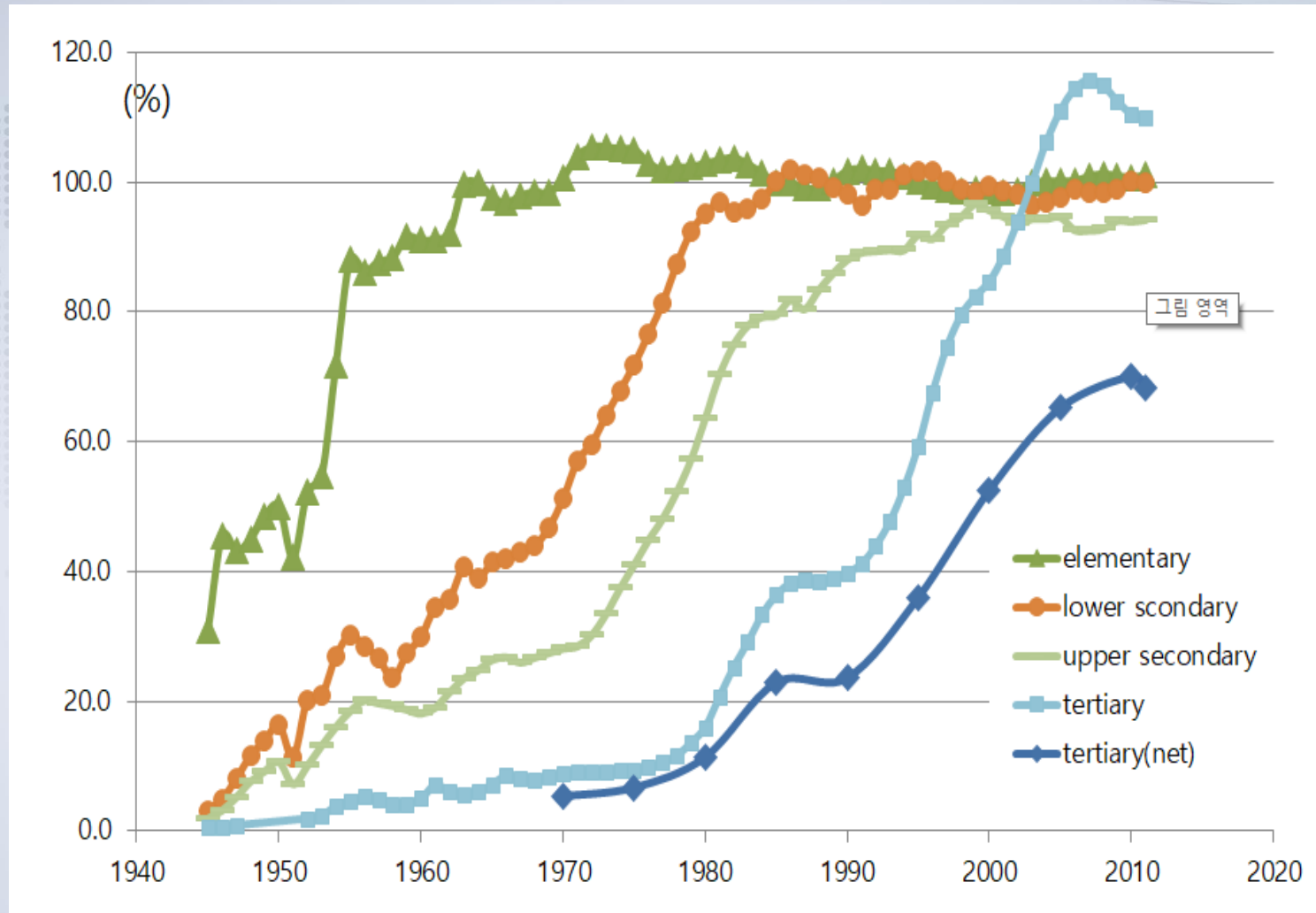
Highest decile/lowest decile income

HCP in Korea: Right sequence

- **Massive Investment for basic education in the early stage**
 - Nat'l Education Law ('49): War against illiteracy (80% in '45 → 4% '58)
 - Investment for basic competency in primary education & the literacy campaigns for adults preceded TVET investment
 - Universal elementary school (1952)
 - 5 yr education facility expansion plan ('62, '67)
- **Sequential universalization of education provided increasingly upgraded labor force that was needed in the process of industrial structure sophistication**
 - Equalization of middle school (1968), high school (1974)
 - Intensive investment for TVET linked to labor demand prediction from 5 yr plans
 - Upgrading the labor force through enterprise-based training by obliging firms to train their employees

⇒ **The average citizen's ability to consume/invest for further growth**

Trends of Enrollment rate by school level



Source: Lee, Jeong & Hong (2018)

Human Capital Strategy in developmental stages

- Training provision was closely linked to 5-yr plans by analyzing the market and skill shortage

	1950s	1960s	1970s	1980s	1990s	2000s
Development stage	-	Take-off	Rapid growth	Stabilization	Crisis	Recovery & upgrade
Growth strategy	-	Labor-intensive & light industry with export-promotion	Heavy & chemical industry towards self-reliance	Cooling down through stabilization & fiscal discipline	Overcoming financial crisis through various reforms	Deepening knowledge-based economy
Human resource in demand	Low-skilled labor		Technicians		Engineers & scientists	
TVET strategy	Universalization of primary education & literacy campaign	Public training institutes Equalization of middle school	Vocational high schools Equalization of high school	In-company training & junior college	University education Life-long learning Active labor market policy Encouraging private actor's role	

- **HCP well aligned with the structural transformation**
 - From a commodity based, to a low skilled labor based, to a heavy industrial, to an advanced electronics, IT & intellectual capital economy
- **Job opportunities from rapid industrialization → upward mobility**

Major export items by period

	1960	1970	1980	1990	2000	2010	2014
1	iron-ore	textile	textile	electronics	Semi-conductor	Semi-conductor	Semi-conductor
2	tungsten	plywood	electronics	textile	computer	ship	Petroleum product
3	raw-silk	wig	Steel plate	shoes	car	car	car
4	coal	iron-ore	shoes	steel	Petroleum product	Display	ship
5	squid	electronics	ship	ship	Ship	Petroleum product	cellphone



4. Knowledge sharing on TEVT in the New World Economic Environment

Challenges for TVET Knowledge Sharing

- TVET system needs to
 - provide adequately skilled labor in demand in the developmental stage
 - adapt smoothly to rapid changes in technology & economic environment
- Yet learning from the best practice needs caution
- TVET strategy in Korean industrialization was unique, hard to directly emulate
 - The government actively pursued the expansion of domestic industry through the local firms
 - **The accumulation of physical/human** capital linked to the selected industries or prospect of developing specific products/firm
- In the new economic environment where production has become increasingly fragmented, joining GVC becomes more important
 - With components and parts crossing numerous national borders, HCP linked to specific industry becomes less relevant

- TVET policy consultation needs to be responsive to the country's specific constraints and developmental strategy,
- It needs to be based on deep understanding of the changing trend in the world economic environment and the mode of production
- Policy consultation roughly equates to identifying the constraints accurately
 - country-specific evidence needs to be collected in the early stage of consultation
 - skills gaps, private sector's capacity, coordination network, information infrastructure, national development strategy, and so forth.
 - basic features of the labor market, labor market information, and TVET system information need to be collected



Thank you