

# **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 acquire 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.