

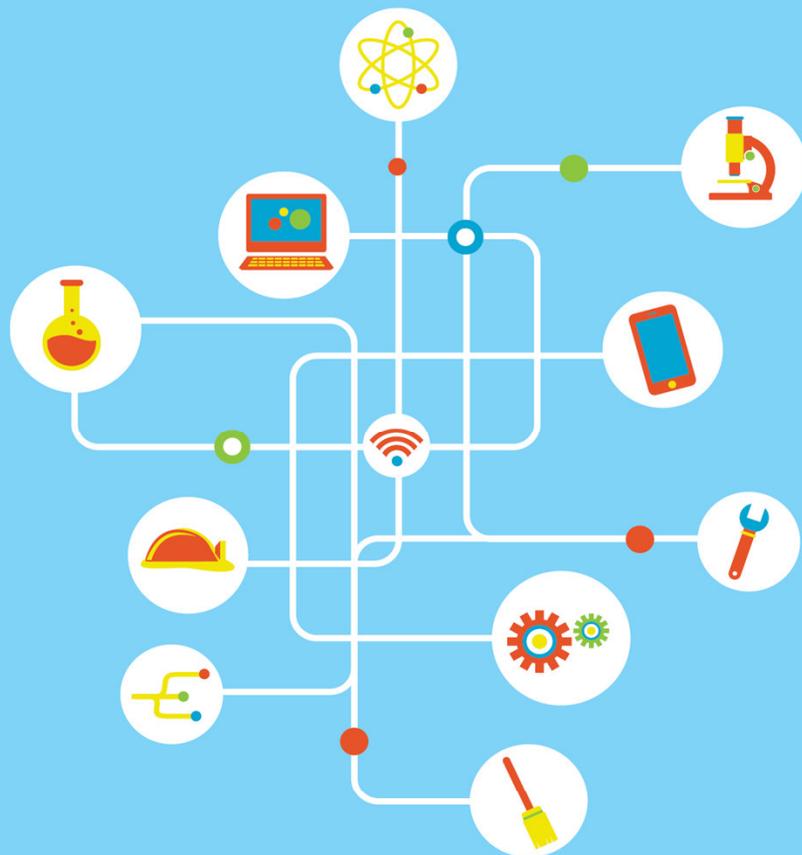
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Director, CID KDI
Dr. Song-chang, HONG
20. Sep. 2016



Dr. Song-chang HONG
Director, CID KDI

Human Capital Development of Korea
Session 6: Investing in Human Capital Development.



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Key Strategies of Human Capital Development in Korea

1. Educational for all:
 - expansion with equity and in sequence
2. “Brain Circulation” for National Innovation:
 - active Gov. initiatives to bring talents back
3. Skilled workers: linking education to the economy and industries

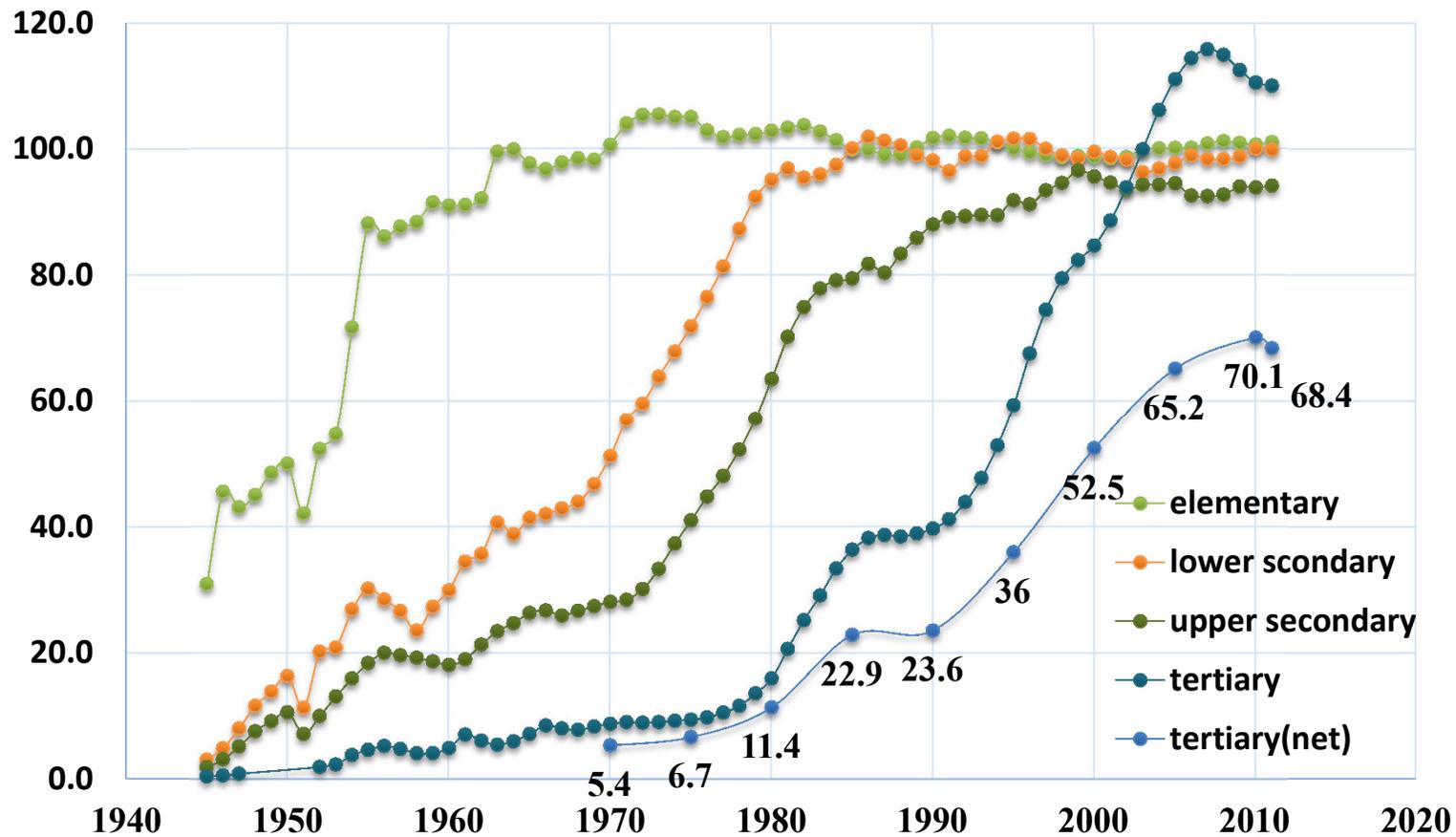


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Sequential expansion of education



Gross Enrollment rate=(no. of students in school level/no. of population of certain ages)X100



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1. Expanding education with equity

- (1) **early focus on basic education**: mandatory schooling for age 6-11 and literacy program for adults by civic schools
- (2) sequential expansion: from elementary, secondary (*equalization policy, 1968*), vocational High, and tertiary (*enrollment quota system, 1961-1996*)
- (3) active participation of **households** (for tuition burden) and **private** schools (in 1980, 74% of tertiary, 60% of secondary students enrolled)
- (4) effective educational financing: *Educational Grant Act* directly linking internal tax revenue to schooling (13% in 1971, 20% in 2010)

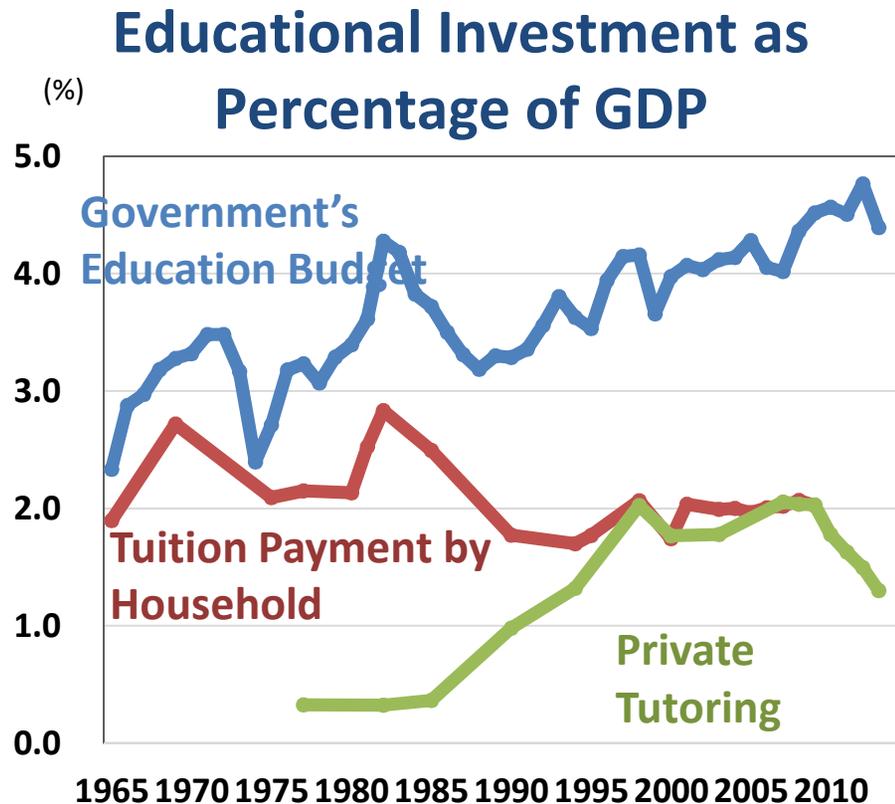


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Active role of households & pvt sectors



Source: KEDI, Statistics Korea

- **Land Reform** (1948-1965)
 - more private schools
 - increased farmers' income
 - favored industrialization
- In 1980, 74% of college students, and 59% of high school students were enrolled in **private schools**



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2. Promoting Brain Circulation

- (1) studying abroad and brain pool
- (2) active programs to repatriate brains: SNU, KAIS, GRIs(KAIST, KDI etc.) Projects
- (3) investment on R&D and universities



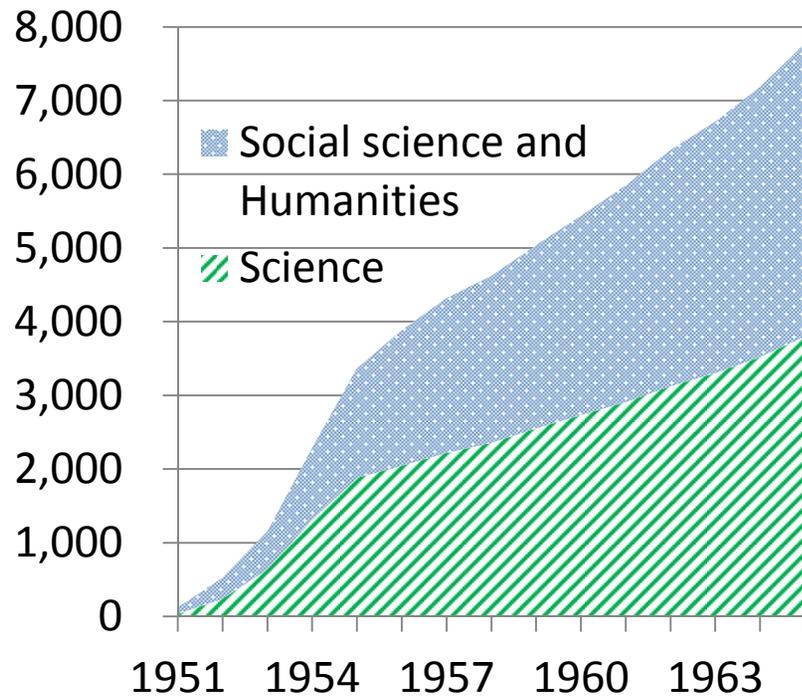
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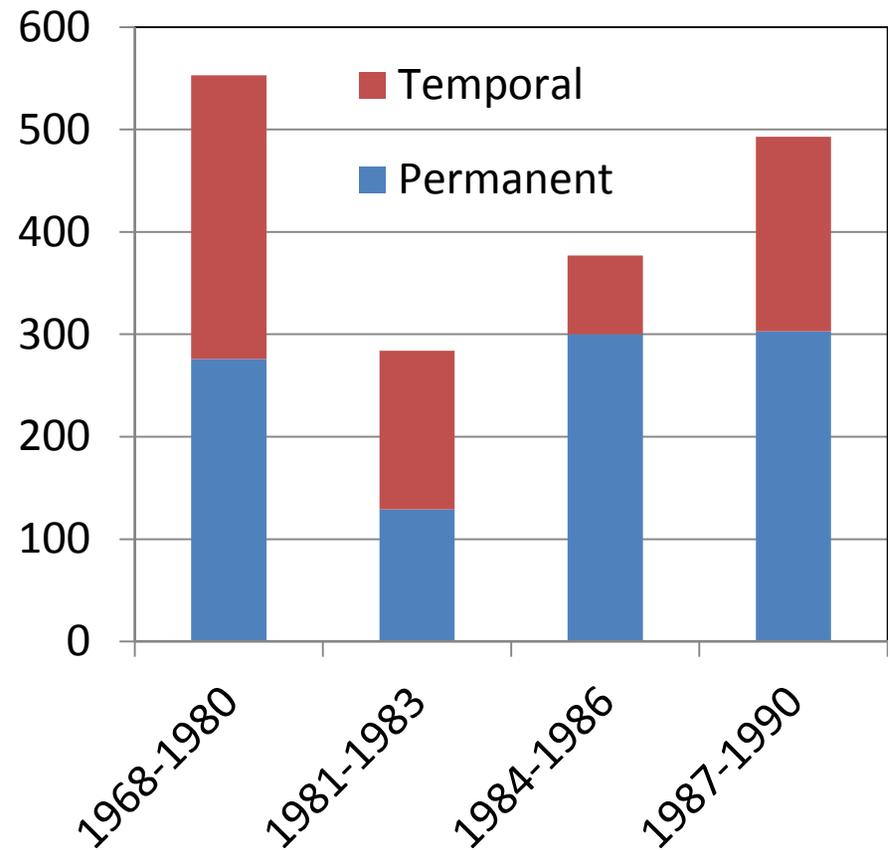


Brain Drain or Brain Circulation?

Left abroad to study: 1951-60



Brain Repatriated: 1968-90
Through gov. programs



Key projects for Brains



Technical assistance agreement between UMN & SNU in 1955
Source: <http://www.snu.ac.kr/historyphoto/1950/3>

SNU-Minnesota Project
(1955-1961)



KOR-US Summit & KIST-Battelle Project
(1966)

Returned Brains
KIST Researchers In 1970

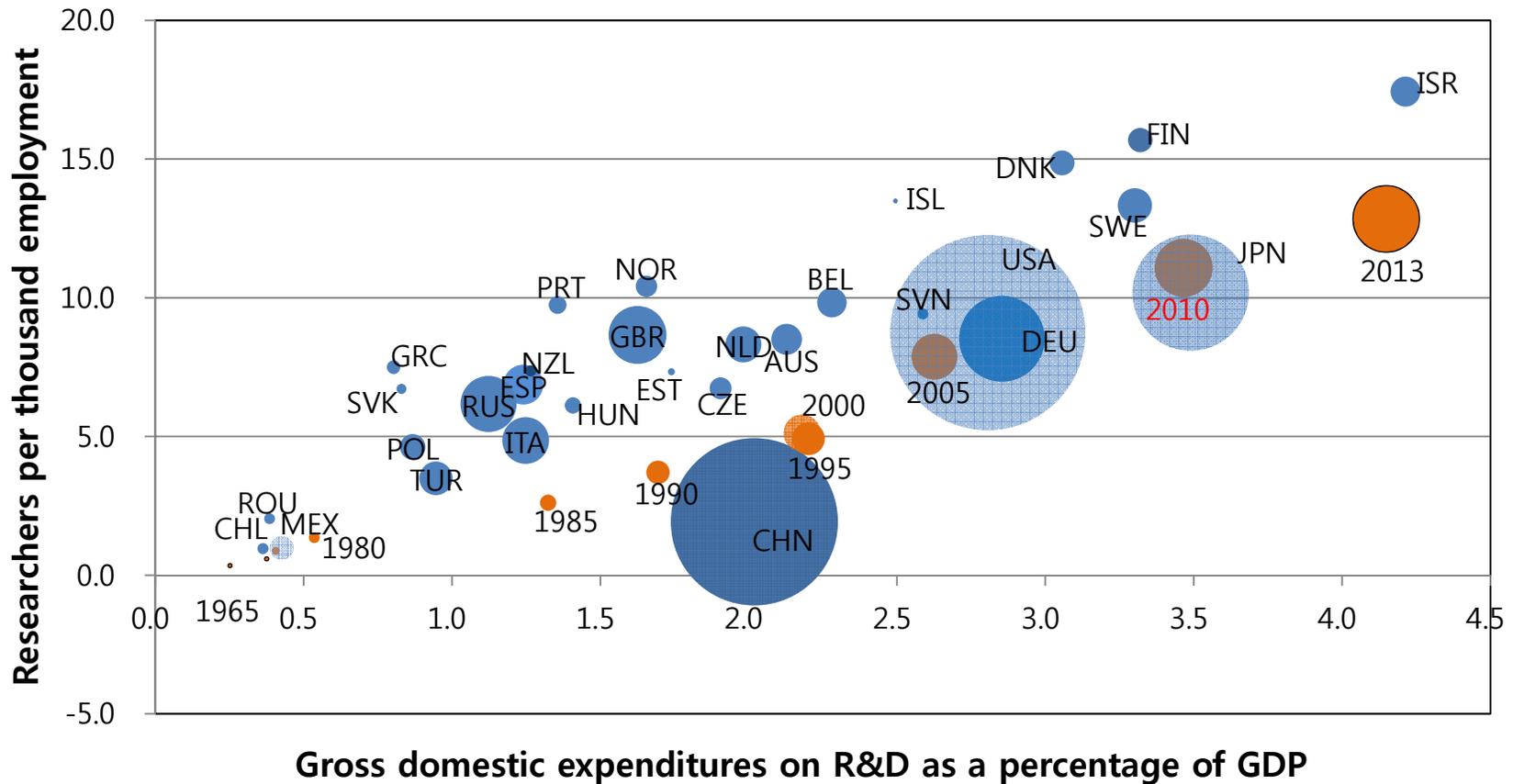


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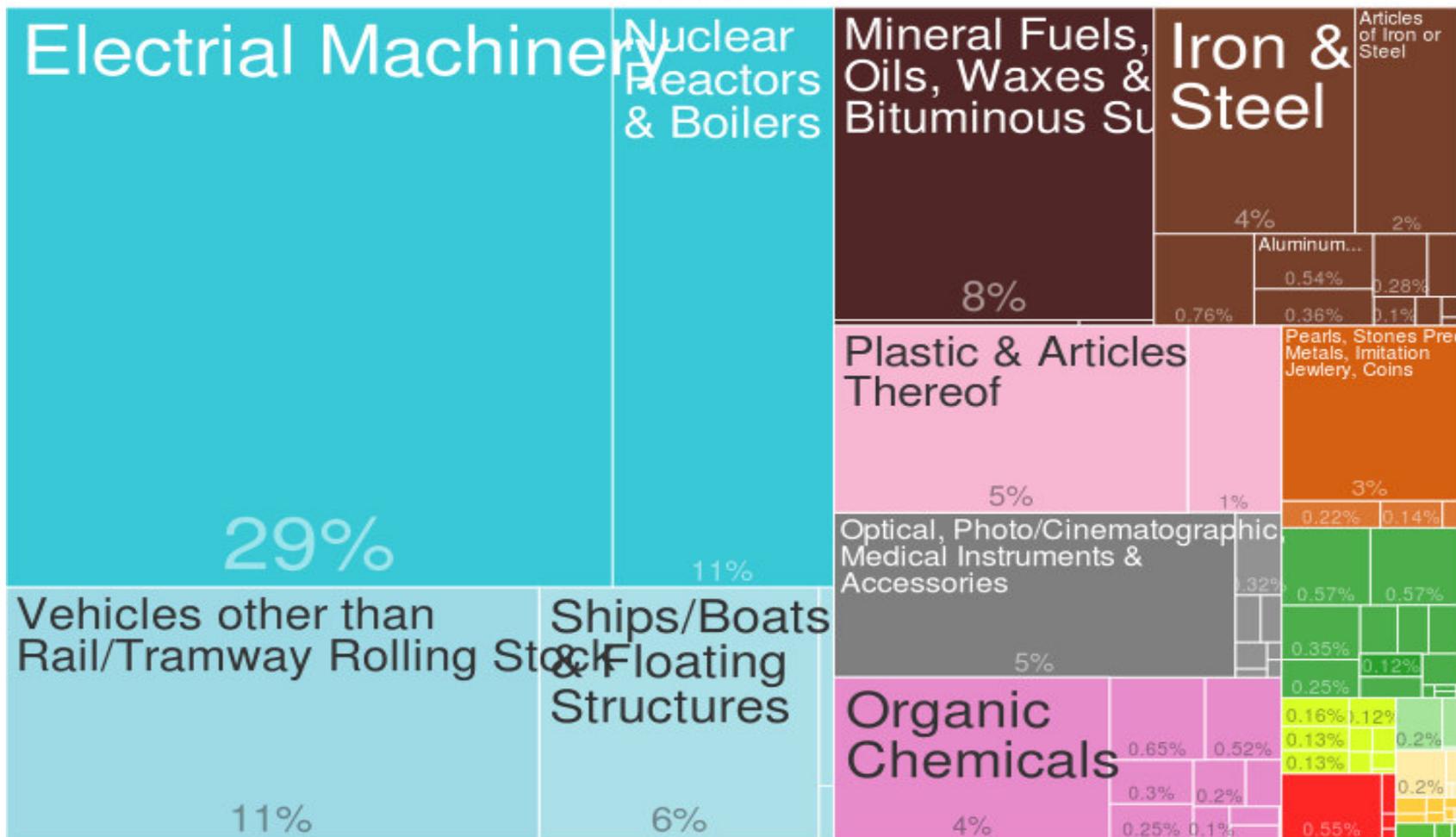
Increasing R&D & Researchers



source: OECD Stat(stats.oecd.org/), National Science & Technology Information Service of Korea (sts.ntis.go.kr)

Export Products of Korea in 2014

\$593B USD



Source: The Atlas of Economic Complexity, CID, Harvard University



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3. Linking Education with the Economy

- (1) Manpower & Education Development Plan supporting Economic Development Plan (EDP)
- (2) Empowering Tech & Vocational Education
- (3) National Technical Qualification System and Trainings for employees



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“Twin policy” of Industry and Education

- 1950s & 60s: universalized elementary schooling (esp. for girls) → supplied labors for light industry and increased labor force participation rate
- 1970s: more Technical High schools and University Enrollment Quotas for HCI related majors, emphasizing practical education
- 1980s: expansion of tertiary education to prepare hi-technology & knowledge-based economy



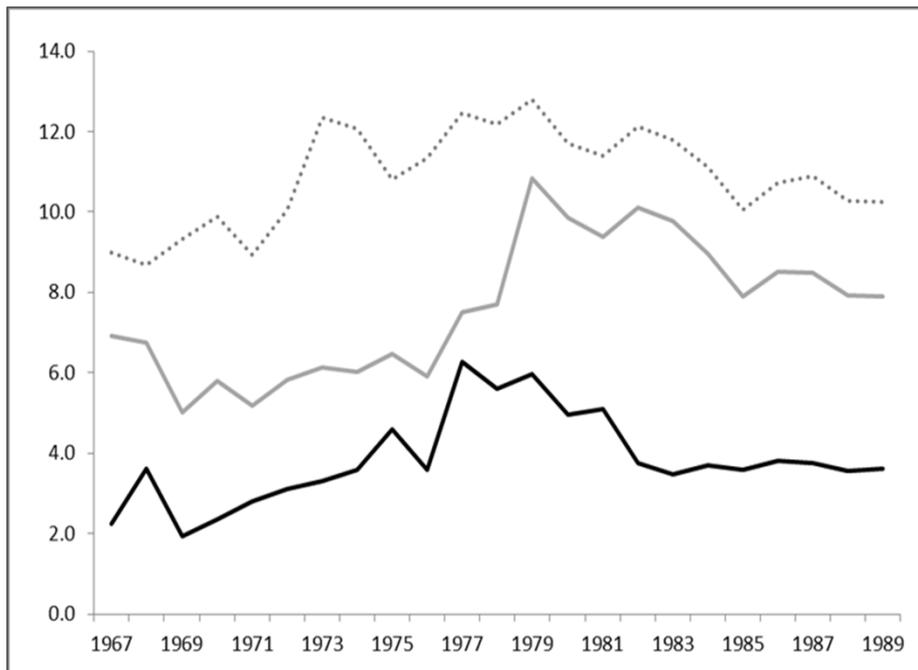
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Empowering Tech. & Vocational Edu.

- Industrial Education Promotion Act (1963)



Gov. Investment on TVET & Higher Education

“ Selection & Concentration!”

- **Initiatives for Technical High Schools Specialization (1973-80)**

* Meister High Schools (2008-)



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National campaign for technicians



- Training Subsidy(1967)
- **National Technical Qualification System(1973)**
- Training Levy System(1976)
- Employment Insurance System(1995)

Car parade for **World Skills Competition** winners in 1967

Source: <http://db.kdemocracy.or.kr/isad/view/00720959>



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Some Lessons

- Policy coordination and coherence
 - “10% of Planning, 90% of implementation” The President himself chaired periodic meetings for problem-solving (e.g. Monthly Economic Trends Reporting Meeting)
 - Industrial and manpower policy should go together
- Common reluctance to TVET in developing countries, but it can be overcome through new institutional-building and national campaigns
 - “Select and concentrate” approach can work effectively
- Challenges Ahead



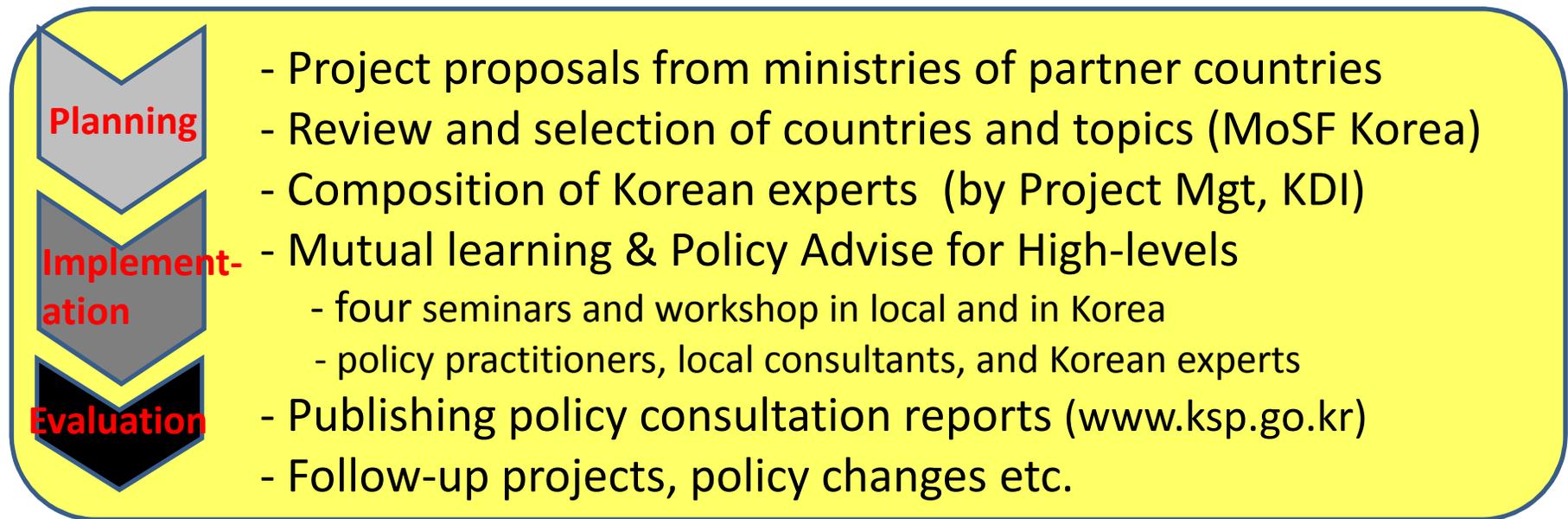
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Knowledge Sharing Program(KSP)

- **Policy Dissemination & Technical Cooperation Program utilizing Korean development experiences**



- **Since 2004 Korea cooperated with 55 partner countries for about 800 policy topics**



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SDGs & KSP

SDGs 17 Goals	Modul- arization	by Regions					Total
		Asia	Middle East	Africa	LAC	CIS, Europe	
I. Social Development (1~7)	45	33	9	25	12	19	143
4. Education*	13	12	6	7	7	3	48
II. Economic Growth (8~11)	57	93	27	49	62	59	347
III. Environment (12~15)	8	2	2	2	1	3	18
IV. Institutions and Implementation(16~17)	32	107	31	53	39	42	304
Total	142	235	69	129	114	123	812

*Korean policy experiences [frequency]: **Education and human resource policy**[12], Compulsory and literacy education[3], Teacher training[1], Educational finance[1], Educational broadcasting[2], Private school[1], **TVET**[19], **National Technology Qualification System**[4], Higher education policy (including industrial and research university)[4], Cultural properties protection policy[1]



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Thank You

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