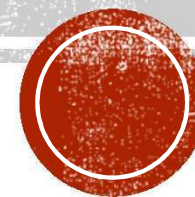


TRANSFORMING TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING SYSTEMS IN ASIA

Meeting the Youth Employment Challenge



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WHY THE CONCERN ABOUT YOUTH?

- Labor markets absorb most youth by the age of 25 when youth to adult unemployment ratios approach 1:1
- Short-term costs of extended youth unemployment
 - Foregone income
 - Impact on social order
 - Delayed formation of households
- Long-term impacts
 - Missed opportunities for developing skills
 - Lower lifetime earnings
 - Lower aggregate demand in the economy



SOME UNEMPLOYED YOUTH WILL INCUR HIGHER COST

Not in education, employment, or training (NEET)



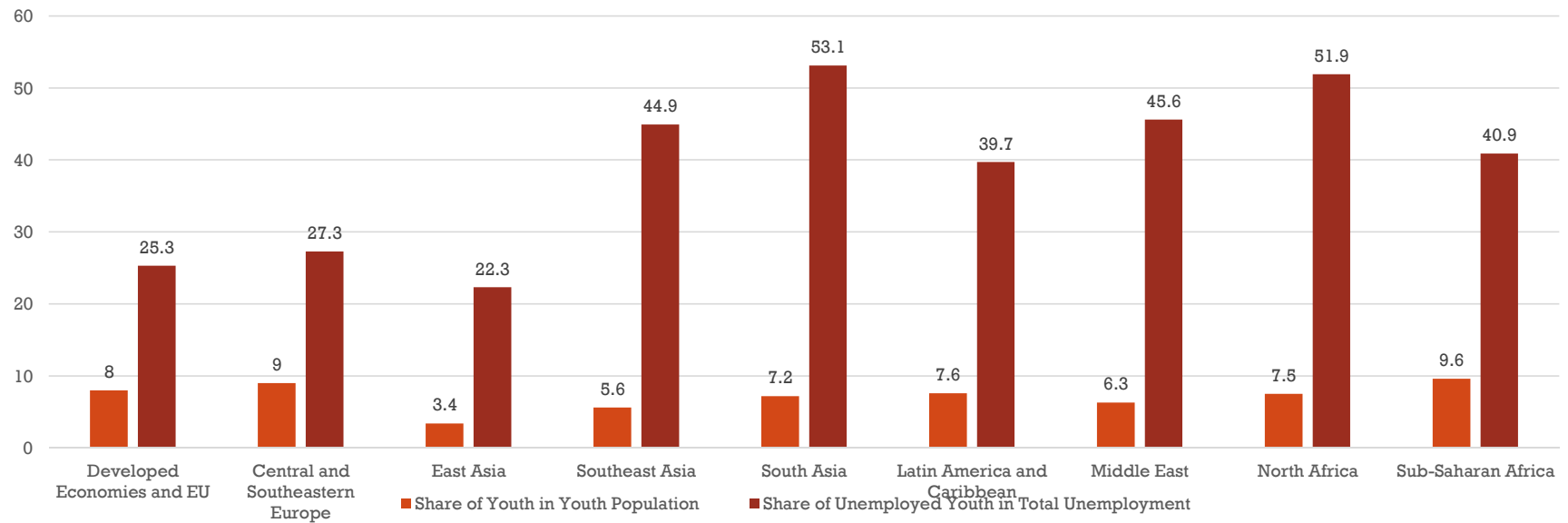
THE PICTURE FOR ASIAN YOUTH

- Strong regional growth has translated into a better employment outlook for youth than found in other regions
- East Asian youth fare better in employment than Southeast Asian youth based on recent ILO data
- Unemployed youth as a share of total unemployment in Southeast Asia is much higher than that in East Asia and matches that in other high unemployment regions



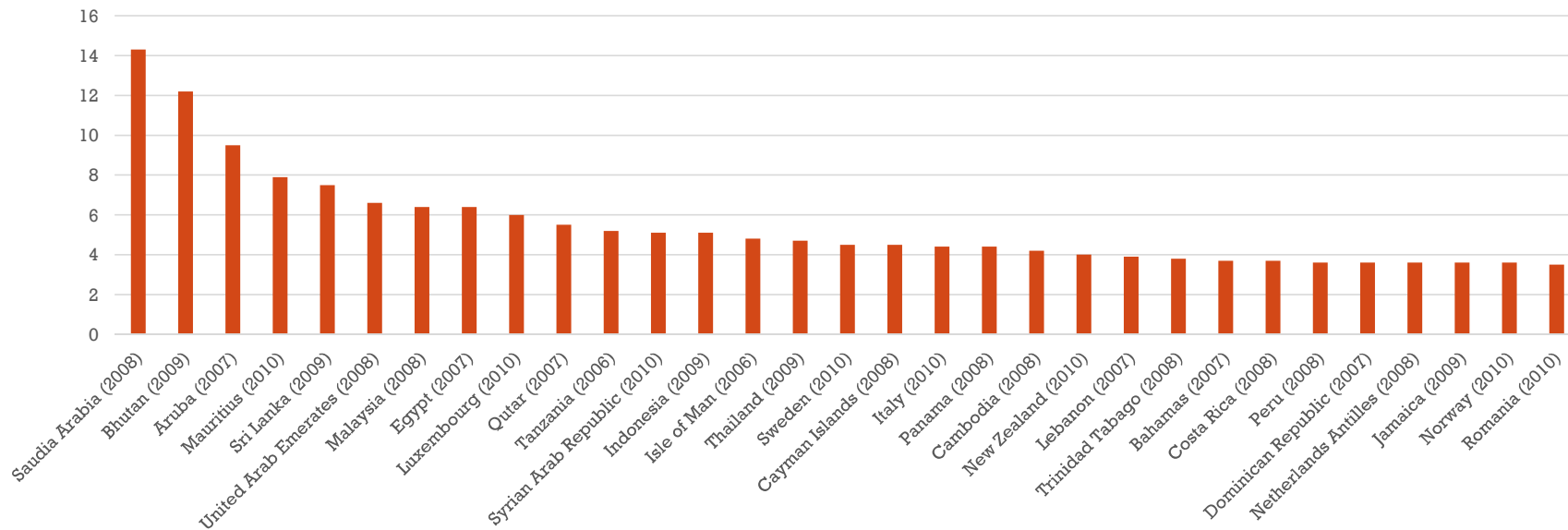
THE UNEMPLOYMENT PICTURE

Table 1. Share of Youth Unemployed in Youth Population and in Total Unemployment



ONLY FOUR SOUTHEAST ASIAN COUNTRIES WITH YOUTH TO ADULT UNEMPLOYMENT RATIO GREATER THAN 3.5

Table 2. Countries with Male Youth to Adult Unemployment Ratios Equal or Greater Than 3.5, latest year



NOT ALL YOUTH UNEMPLOYMENT HAS A SKILLS SOLUTION

- Frictional and search unemployment (needs information, counselling, search tools)
- Demand deficiency unemployment (need growth and job creation policies)
- Structural unemployment (need to bring schools and training centers closer to employers to address skills and jobs mismatch)



STRONG REGIONAL ECONOMIC GROWTH PUTTING PRESSURE ON SKILLS DEVELOPMENT

- Pressure to expand education access and improve its quality and relevance
- Pressure to improve technical and vocational education and training (TVET)



WHAT DO WE MEAN BY TVET?

- Technical and vocational education offered in the formal public education system
- Technical and vocational education offered by private for-profit and not-for profit providers
- Work-based training offered by employers, e.g. apprenticeships
- Informal training, short-term training programs offered by various providers for upgrading and re-tooling



FEATURES OF EFFECTIVE TVET SYSTEMS DEFINED BY THE WORLD BANK'S SYSTEM ASSESSMENT AND BENCHMARKING FOR EDUCATION RESULTS – WORKFORCE DEVELOPMENT INITIATIVE (SABER-WFD)

- **Strategic Framework (setting the direction and authorizing environment)**
 - Articulating a strategic direction for TVET in national economic development plans
 - Strengthening critical governance and coordination frameworks to reduce fragmentation and wastage
 - Fostering a demand driven approach

- **System Oversight (rules guiding the function of the TVET system)**
 - Assuring relevant standards
 - Offering diverse pathways for skill acquisition that articulate with one another permitting vertical and horizontal mobility among pathways encouraging lifelong learning
 - Ensuring efficiency and equity in financing

- **Service Delivery (shaping quality and relevance of training at the provider level)**
 - Promoting the quality and relevance of training content
 - Providing incentives that encourage excellence in delivery and the reaching of diverse populations
 - Enhancing accountability for results that meet market skill demands



TVET REFORMS IN 11 COUNTRIES EXAMINED WITH SABER-WFD

- China
- Indonesia
- Malaysia
- Mongolia
- Philippines
- Thailand
- Cambodia
- Lao PDR
- Vietnam
- Singapore
- Korea



BENCHMARKING RESULTS WITH SABER-WFD

		China	Indonesia	Malaysia	Mongolia	Philippines	Thailand	Cambodia	Lao PDR	Vietnam	Singapore	Korea
Strategic Framework	1. Articulating a strategic direction for TVET in national economic development plans	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	2. Strengthening critical governance and coordination frameworks to reduce fragmentation and wastage	P			P	✓		✓			✓	✓
	3. Fostering a demand driven approach		✓				✓				✓	✓
System Oversight	1. Assuring relevant standards	✓	✓	✓	p	✓	✓	p	p	p	✓	✓
	2. Offering diverse pathways for skill acquisition that articulate with one another permitting vertical and horizontal mobility among pathways encouraging lifelong learning	✓		✓	✓	✓	✓				✓	✓
	3. Ensuring efficiency and equity in financing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Service Delivery	1. Promoting the quality and relevance of training content	✓	✓	✓	✓	✓	✓			✓	✓	✓
	2. Providing incentives that encourage excellence in delivery and the reaching of diverse populations	✓					✓				✓	✓
	3. Enhancing accountability for results that meet market skill			✓		✓	✓			✓	✓	✓

✓ = completed reform; P = planned reform; blank = reform not introduced



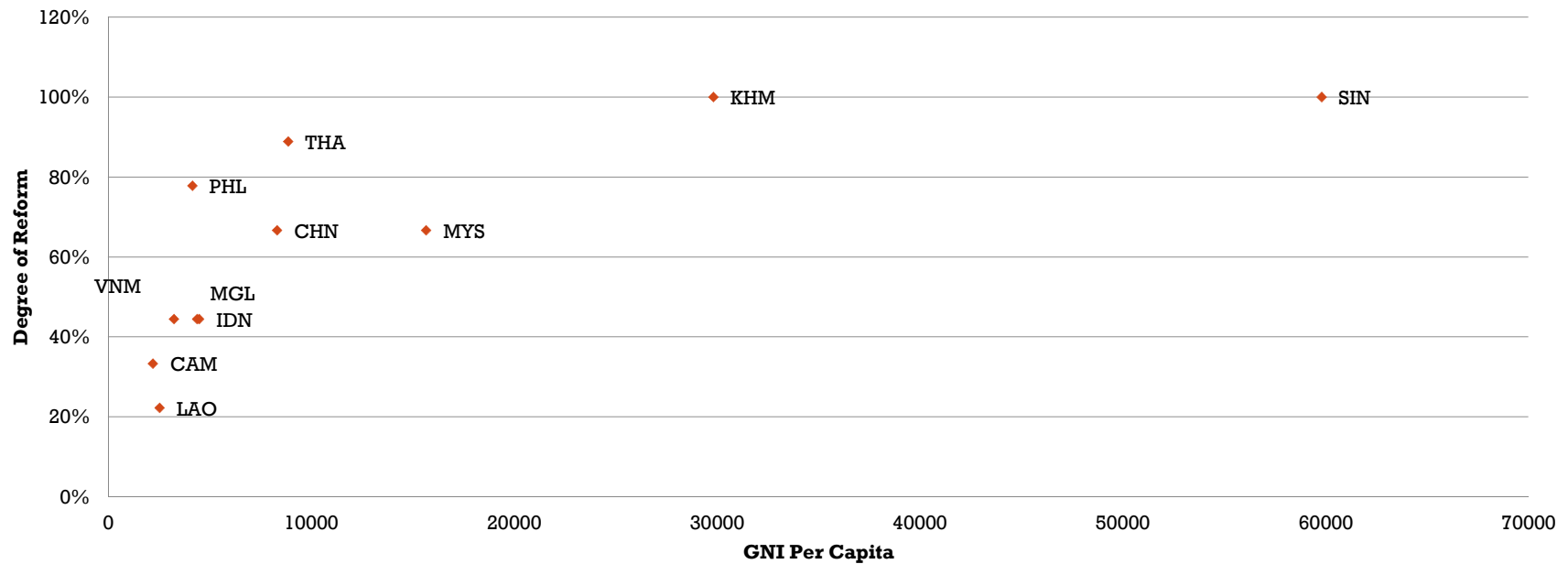
FINDINGS OF TVET REFORM BENCHMARKING

- Korea and Singapore stand out as top reformers
- Considerable variation in TVET reforms across the region
- Important reform gaps
 - Engaging the private sector in TVET
 - Participation in governance and coordination
 - Setting competency-based standards
 - Providing work and instructional experience
 - Participation in quality assurance
 - Engaged in financing and delivery
 - Providing for accountability in performance of providers



ECONOMIC MOTIVATION FOR TVET REFORMS

Figure 12: Percentage of ✓'s and GNI per capita



TVET REFORMS CORRELATED WITH RISING NATIONAL INCOME

Regression Statistics								
Multiple R	0.809332865							
R Square	0.655019687							
Adjusted R Square	0.616688541							
Standard Error	0.299222645							
Observations	11							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	1.530000118	1.53	17.08845	0.002544969			
Residual	9	0.805807719	0.089534					
Total	10	2.335807837						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-3.870306429	0.804639955	-4.80999	0.00096	-5.69052847	-2.050084	-5.69053	-2.05008
Ln(GNI per capita)	0.371659318	0.08990705	4.133817	0.002545	0.16827544	0.5750432	0.168275	0.575043

Note: Dependent Variable is Degree of Reform Ln(Percentage of ✓'s)



CHALLENGES AHEAD FOR TVET SYSTEMS

- Expanding the role of the private sector in skills development
- Developing accountability for TVET performance and building a learning culture
- Evaluation of different options for achieving reform objectives
- Identifying countries lagging in reforms and promoting these reforms
- Determining reform priorities, trade-offs, and instruments for achieving effective TVET systems

