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Korea's Case

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Questions posed by ADB

- How to identify skills needs from industry side in the absence of sector skills councils?
- How to pursue economic development through aggressive skills policies focusing on future skills demand?
- How to integrate TVET policy within the whole economic development strategy?
- How to establish effective public–private partnerships?
- How to promote employer-led training?
- How to set up qualification system without comprehensive qualification framework?
- How to establish the positive relationship between TVET and general education?

Overall conditions of Korea

One of the poorest countries in the world, suffered colonial rule until 1945 and the Korean war 1950-1953

- **Pre-modern labor market:**
 - ✓ In 1959, only 29 companies with +201 employees, 162 companies with 151–200 employees in manufacturing sector
 - ✓ In 1960, among the 8.52 million employed, employees with wage contracts only 11.6% of those employed.
- **No possibility of economic growth based on natural resources:**
 - ✓ 70% of the territory is mountainous with insufficient space for farming and scarce mineral resources.
- **Strong emphasis on the importance of learning:**
 - ✓ Long tradition of valuing the virtue of learning for the past 1,000 years
 - ✓ Social DNA of Koreans
- **Only way of achieving economic growth = human resource based strategy**
 - ✓ Adoption of economic development policies with high importance of excellency of human resources

Supported by the progress of skills system

- Sound basis of basic skills for initiating fast economic growth:
 - Enrollment rate to primary school: Under 30% (pre-1945) → 95 % (1959)
 - Enrollment rate to upper-secondary school: 3% (1951) → 20 % (1959)
- Close alignment of skills development with industrial needs:
 - Human resource planning = Essential part of 5-year national economic development plan
- Impressive progress of education system towards knowledge based economy
 - Universalized upper-secondary education: 84.5% (1980) → 99.7% (2014)
 - Expansion of tertiary education: 27.2% (1980) → 70.9% (2014)
 - High performance of international student test: Ranked as 1st or 2nd on Reading, 1st on Math, 2nd or 4th on Science (PISA 2012, OECD)

Q1: How to identify skills needs in the absence of SSCs?

- In the 1960s, no possibility for identifying the skills needs of industry through active engagement of employers
 - ✓ Employers not interested in skills issues while heavily relying on low-wage unskilled labor
- Government set the contents of training by itself
 - ✓ With private experts and professors, together with the extensive use of foreign materials
- Vocational Training Standards Deliberation Committee in 1967
 - ✓ 200 experts, most from universities and technical high schools, lacking field experiences
 - ✓ At least one field expert with industry experience in each working group for one job
- Produced 139 training standards, not the original ones for Korea, mostly borrowed from foreign countries, required subsequent several revisions
- Played a sufficient role in specifying the basic framework and content of the vocational training courses
- No need for starting from scratch + No need to get frustrated with no SSCs

Q2: How to pursue economic development through aggressive skills policies focusing on future skills demand?

- Aggressive skills policy: not just for current demands but also for future demands
 - ✓ Always entails many risks of failure; but inevitable for forward-looking policies
- Attempts of imposing training obligations to employers in the early 1960s
 - ✓ Started discussion when the level of economic development still low
 - ✓ Even though excluded in the Vocational Training Law in 1967, finally introduced in the early 1970s
 - ✓ Significant contributions such as the introduction of government loans to companies, widened consensus about the necessity of companies' investment to vocational training.
- Kumoh Technical High School in the early 1970s for top level skilled workers
 - ✓ Massive investment: construction budget 1971~1974 = three times bigger than the total budget for the facility of vocational high schools in 1974
 - ✓ Special measures to attract excellent students, top 10% of middle school graduates: Zero tuition fee, free dorm, qualifications and jobs after graduation
 - ✓ Brilliant achievements: 4 gold medals among Korea's 22 gold medals at the 24th International Skills Olympics (1978, overall winner for 2 consecutive years)
 - ✓ Kumoh Technical High School = A school that only geniuses could enter
 - ✓ Social reputation comparable to that of a first-class general high school at the time

Q3: How to integrate TVET policy within the economic development strategy?

- In Korea, combined results of:
 - ✓ Strong will and leadership of the top policy maker
 - ✓ Competent and committed civil servants, and
 - ✓ Effective utilization of external aid, especially professional expertise
- An episode of strong will of the top policy maker:
 - ✓ Shortage of skilled workers due to the expansion of export sector reported,
 - ✓ Then President Park Jeong-hee issued an **urgent order** about:
 - the use of military facilities and factories of state-owned for technical training
 - maximum use of the existing facilities for increased supply of short-term technical training,
 - the Minister Without Portfolio should lead the specification of the urgent presidential order.
 - ✓ Contributed to:
 - Widened the recognition about the importance of vocational training
 - Strengthened the position of the Labor Administration
 - Various institutions became vocational training institutes in Korea
- **Joint results of Efforts from inside + Supports from outside**
 - ✓ Dedication of young civil servants in economic development and vocational training, and
 - ✓ Effective advice and support from foreign countries.

Q4: How to establish effective public-private partnerships?

- **Public-Private Partnership in education started in the late 1940s**
 - ✓ If the private sector establishes private schools, various benefits such as:
 - ✓ exempted from land reform, social recognition and subsidy for operating costs
- **Public-Private Partnership in training started since the mid-1970s**
 - ✓ Before then, vocational training through public institutions + in-house training
 - ✓ With the increased demands for training, the **Basic Act on Vocational Training**, 1976 started to approve private training institutes as “accredited vocational training”
 - ✓ Expansion in the 1980s: # of private provider, 33 in 1977 → 130 by the mid-1990s
- **Private education and training providers:**
 - ✓ Contributed to the expansion of learning opportunities
 - ✓ However, some are accused of abuse of government supports
- **A fundamental dilemma of TVET in developing countries appeared**
 - ✓ Need for offering incentives to private sector; at the same time,
 - ✓ Need for regulation to prevent from abusing gov't money at the expense of quality of TVET

Q5: How to promote employer-led training?

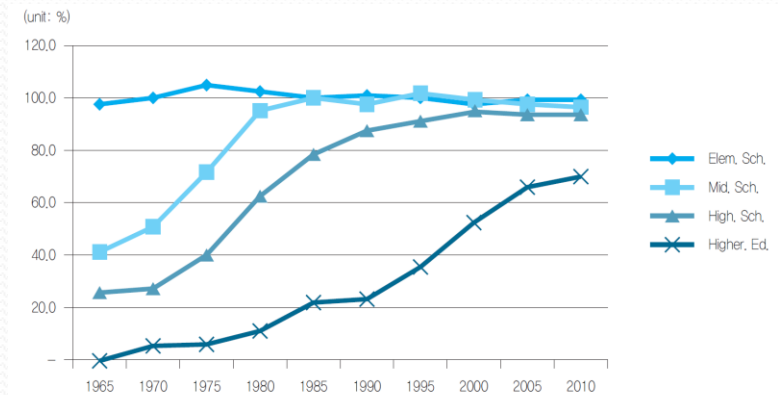
- In the early 1970s, new growth strategy based on heavy and chemical industry
 - ✓ Steel, machinery, shipbuilding, electronics
 - ✓ Not just for economic but also for military considerations in the changing international political situation
- Vocational Training Special Measures Act (1974): **Vocational Training Obligation**
 - ✓ To significantly expand the supply of skilled workers to heavy and chemical industry
- Required large (+500) companies to:
 - ✓ Provide a certain amount of **initial in-plant training** to unskilled youths or,
 - ✓ **Pay training levies** if they failed to meet the speculated training targets.
- How such obligation worked? **Unique political and economic environments**
 - ✓ Economic development led by authoritarian state,
 - ✓ Various kinds of benefits to companies,
 - ✓ In exchange, obligations on companies and complaints from employers oppressed, arguing the urgency and potential benefits of promoted in-house training
 - ✓ **Sticks and carrots: Mixture not just at micro level, but also at macro level**

Q6: How to manage qualification system without qualification framework?

- Before Eco. Dev., Little specialization of jobs → Few jobs requiring qualifications
- Econ. Dev. → diversification of jobs → increased demand for qualifications
 - ✓ Fragmented management of qualifications by several ministries
- The Vocational Training Act in 1967
 - ✓ Consistent management of skills tests by the Labor Administration
 - ✓ Still ministries manage the contents and standards → confusions continued
- National Technical Qualifications Act in 1973
 - ✓ Stronger role of LA and reorganization of existing qualifications (integration, abolition, etc)
- Korea's vocational qualification system without Qual. Framework
 - ✓ Continued adjustments of Qual. according to Eco. Dev., without correspondence with academic degrees
 - ✓ Possible to respond flexibly to changing labor market through changes in individual Qual.
 - ✓ Inevitable confusions given the limited human and material resources to set up Qual. framework

Q7: How to establish the positive relationship between TVET and general education?

- TVET and general education: Either complementary or competitive
 - ✓ Complementary: Good basic education = prerequisite for quality TVET
 - ✓ Competitive: If job market not clearly divided, relative attractiveness depends job chances of TVET and general education
- Complementary during the early stage
 - ✓ Universalization of primary and expansion of lower sec. education
 - ✓ Laid the foundation for the development of TVET after the 1960s
- Competitiveness since the 1990s
 - ✓ Expansion of higher education and increased knowledge intensity in industry
 - ✓ TVET lost its relative attractiveness with decreased wage premium of vocational high school graduates since the mid 1990s: Impacts of changing labor demand
- Need for careful monitoring on the changing relationship between general edu – TVET – labor market





THANK YOU VERY MUCH!

Q & A

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