

THAILAND's Perspective on Skills Training in the Workplace

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Thailand has the population of 66.72 million (2009), of which 37.53 million constitutes the country's workforce. The employment system covers approximately 35% of the total labour force, whilst 65% falls outside the system. Amongst those within the employment system, 9.3 million are insured under the social security system.

I. SKILLS DEVELOPMENT IN THE WORKPLACE IN THAILAND

The direction of skills development activities in the workplace appeared in The National Economic and Social Development Plan, government policy and the policy of the Minister of Labour, and the Master Plan of Labour 2007-2011 are the guidelines for implementation.

The 10th National Economic and Social Development Plan A.D 2007 - 2011

The vision of Thailand is to develop the country follow His Majesty the King's Philosophy on Sufficiency Economy. The content deals with Human Resources Development are:

- (1) To develop the quality of people and the Thai society to be the knowledge-based society.
- (2) To develop the potential, competency and skills of people to cope with the competitiveness of the country by increasing knowledge and skills for working such as analytical skill, innovation, problem solving, decision-making, team working, ethics and working discipline.
- (3) To set up the learning and training systems that will enable people to work with new technology as well as to increase productivity.
- (4) To network from the basic education to the professional level, and link between government, private sector, and the community for the labour development. Organizing short courses training, promote in-plant training, **workplace learning**, and the learning centre.

(5) To set up the system that matches the skills or competency to the wage structure. The skill training should be extended to the vulnerable people and people in the informal sector who are employees or self-employed people.

Government Policy on Human Resource Development (HRD)

The policy of the current government dealing with HRD divided into immediate policy, security policy, social and quality of life policy, economic policy, international and economic policy and the good governance policy.

The strategy of the immediate policy is to cooperate with the private and industrial sectors to provide training to the unemployed or laid off persons and the young graduates who are new entrants to the labour market approximately 500,000 persons within the year 2009 to acquire knowledge skills for working as employees, self employed and changing occupation.

Security policy and the policy on social and quality of life the government uses the skill development strategy to access people in the insecurity area, the workers, aging population and the vulnerable people. The rational of this project is training to acquire knowledge, skills in order to have occupation for earning that will lead to good quality of life and alleviate poverty.

For the economic policy the government applies the skill development to increase productivity and competitiveness of Thai economy.

For the foreign policy, the government promotes ASEAN Economic Community and ASEAN Charter which stated that “people are the centre of development” so they should be developed in all aspects for strengthening socio-economics conditions of ASEAN region. Line ministries should work in integration with private sector which will support policy to achieve objectives

Master Plan of Labour (B.E.2550-2554) 2007-2011

The content of skill development appears in the Master Plan of Labour of Ministry of Labour in the strategy on promoting and supporting labour development to have sufficient quantity and quality in order to increase labour productivity and the competitiveness of the country. The capacity of workers should be upgraded continuously to keep pace with the development of technology. The public and private partnerships are to be promoted.

The government issued the Skill Development Promotion Act 2002 as the incentive and compulsory measure to stimulate and promote the workplace training. Furthermore the Thai government follows the practices proposed in the Recommendation 195 Concerning Human Resources Development: Education Training and Lifelong Learning.

Skill Development Promotion Act B.E. 2545 (A.D. 2002)

This act encourages business operators or employers to play a vital role in upgrading the skills and knowledge of the workforce by granting tax deduction of up to 200 percent of the training cost that occurred at the workplace. This stimulates private sectors and establishments to set up and register with the DSD as training providers for workplace learning.

Thus, Skill Development Promotion Act encourages workplaces to establish themselves as training provider and conduct skill development in the workplace by giving incentives stipulated by the Minister under Section 7 with following privileges:

- (1) income tax exemption on the percentage of training expenses
- (2) assistance granted by the Department of Skill Development in providing the training of training personnel, skill standard testing provider, supervisors and others as well as on curriculum and equipment development
- (3) Consultation service from Department of Skill Development on skill development activities
- (4) Other privileges indicated in Ministerial Regulations
- (5) Exemption on import duty and value added tax (VAT) for tools and machinery brought into the kingdom for training purpose
- (6) Deduction on utility charges for electricity and pipe water bills in the amount of two times of the training expenses

II. THE EXTENT TO WHICH WORKPLACE LEARNING IS SUPPORTED BY GOVERNMENT AND THE VARIOUS EMPLOYERS AND WORKERS ORGANIZATION

In Thailand, public policies and measures dealing with vocational education and training falls under two domains. They are the Department of

Vocational Education (DoVE), Ministry of Education, and the Department of Skill Development (DSD), Ministry of Labour.

Department of Vocational Education and Training, Ministry of Education promotes cooperation with the private sector in dual vocational training (DVT) through training contracts that are signed between companies and trainees. Core to the success of DVT is the active participation of the private sector, whether by providing training allowance for the trainees or the training curriculum itself that is developed to target at the job in the workplace.

Department of Skill Development (DSD) operates under Ministry of Labour. DSD deals directly with skills development of the 30 million people in the workforce. DSD is the core organization that carries out schemes related to skill development coordination and promotion. DSD is responsible for skill training, retraining, and upgrading skills of the workforce to meet the national qualification standards. Three main areas for both technical and non-technical skills is in manufacturing, services and commercial sectors.

Main responsibilities of DSD are:

1. Skill standard development, promotion and testing
2. Conduct skills training and enhance skill development system
3. Promote skills development, workforce potential and entrepreneurship
4. Promote cooperation between public and private sectors in terms of networking and drafting of National Plans on skills demand
5. Oversees Skill Development Promotional Act (A.D. 2002) and relevant labour law
6. Promote and enhance skill development network both at national and international level
7. Perform other designated tasks in accordance with DSD authority stated by law or cabinet

DSD and SKILL DEVELOPMENT PROMOTION ACT 2002

Thai government has clear policy on human resources development which is the employees' capacity development in the workplaces is the most effective way, so the vital role of enterprises on human resources development has been stimulated and the Skill Development Promotion Act B.E.2002 has been issued for encouraging enterprises to provide training, upgrading skills, knowledge and competencies for employees and for those who are not employees. And also encourage private sector to set up and register with the DSD its own training centers for workplace learning and training. The incentives have been provided

to enterprises by deducting the cost of training 200 percent from the annual tax payment. The compulsory measure has been applied for the establishments with at least 100 employees which have to provide training for the employees at the rate of 50 percent of the total number of employees, if not the employer have to pay contribution to the Skill Development Fund approximately 480 baht per head per year for the number of untrained employees. Furthermore the establishments gain other benefit under this Act such as exemption tax of the training machines, bringing experts or trainers to train their workers, free of charge of water and electric fees.

The result of promotion of skill development according to this Act has resulted in the following output: 2006 (890,376), in 2007 (2,979,578 persons) and in 2008 (3,883,275 persons) respectively. The figures of each year have increased respectively and indicated that employers give more attention to their employees' capacity development.

DSD and Public and Private Partnership (PPP) for Workforce Development

To deal with the situation of the skilled labour shortage in industrial sector which is the effect of globalization and the technology changes, DSD utilizes the following mechanisms for coordination with the Private Sectors on workforce development.

NVTCC and PVTCC

The National Vocational Training Coordination Committee (NVTCC) is the national body issuing policy and planning on HRD in order to avoid the duplication of training and target group and **also sharing of training resources**. The committee chaired by the Prime Minister, consist of the members who are representatives from the private sectors such as Industrial Federation, Chamber of Commerce and also employers and employees Confederations of Thailand line ministries. At the local level there is also the Provincial Vocational Training Coordination Committee (PVTCC), chaired by the governor and the representatives from public and private sectors in that province are the member of the committee.

Advisory Board of Skill Development

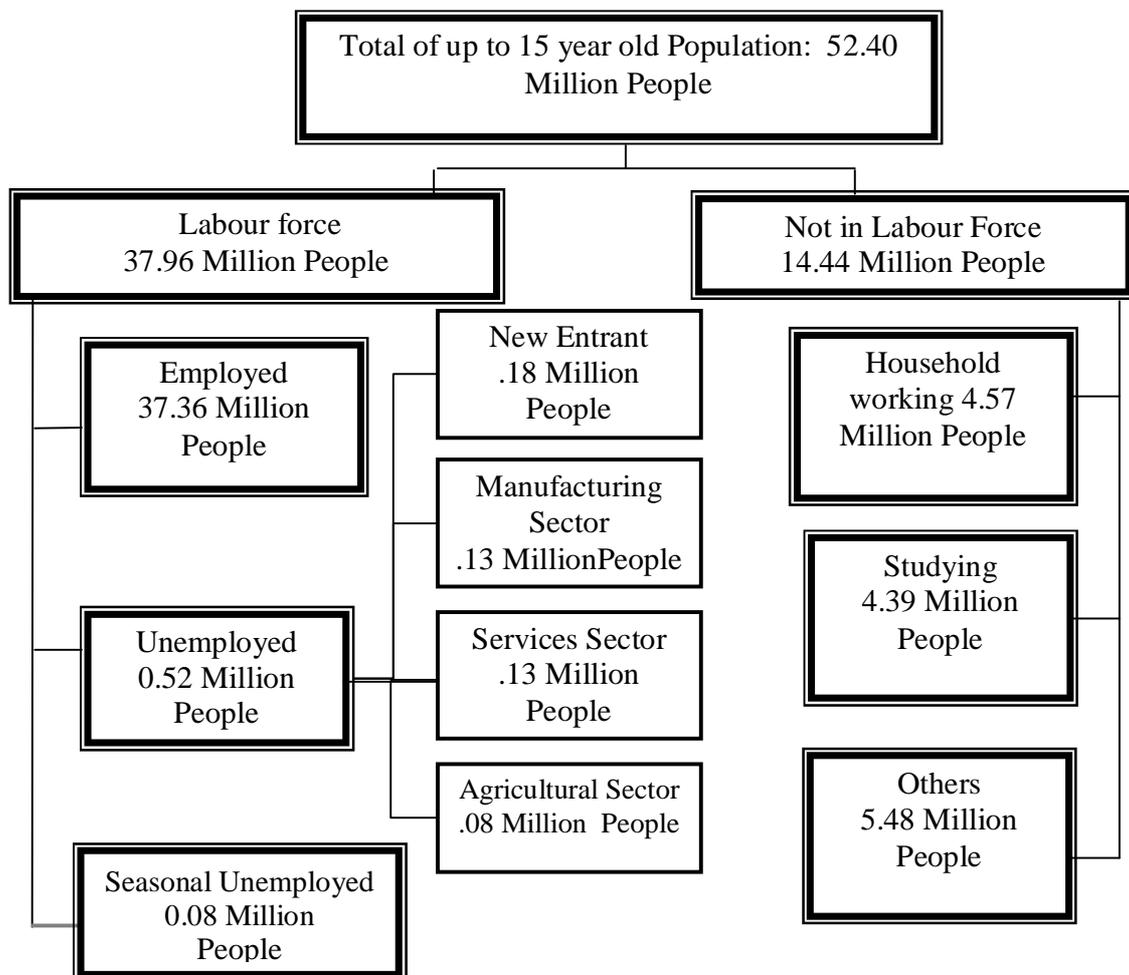
Advisory board of Skill Development for each Center and Institute, consisting of representative from private sector in the province, has the role to issue the guidelines on HRD in the institutes/centers, donate or share training

tools, materials, issue curriculum, instructors etc. The most important is to provide information on qualification and the demand of skill workforce.

As DSD is under the Ministry of Labour , the work of DSD should be in tripartite system means that cooperate with employers and employees Confederations for the success of the workforce development.

III. LABOUR MARKET STRUCTURE AND LABOUR MARKET INFORMATION

Population and Labour Force



Source: National Statistic Office: November 2008

**Layoffs in Thailand classified by business categories
(January 2009)**

Number	Garment and Textile Production	Counseling and Maintenance Service on Computer	Decorative Product for Furniture	Electronic tools and parts production	Product made from Minerals	Others	Total
No. of establishments	87	68	63	59	53	403	733
No. of workers	13,067	3,340	6,951	11,064	8,394	14,683	57,499

Source: Department of Labour Protection and Social Welfare, MOL, 2009

**Layoffs Situation in Thailand classified by business categories
(December 2008)**

Business Categories	No. of establishments and employee be laid off		No. of establishments and employees tending to be laid off	
	Places	Persons	Places	Persons
1. Furniture and decoration	52	5,725	17	3,412
2. Apparel and attire product	47	9,865	18	5,927
3. Tools and equipment for radio and television	23	3,614	42	43,504
4. Garment and textile	20	2,587	5	2,534
5. Medical equipment	5	2,602	3	366
Others	399	21,314	138	48,764
Total	546	45,707	223	104,507

Source: Department of Labour Protection and Welfare, 2009

Output of Skill Development Activities

Activities	2006		2007		2008		2009
	Planned (persons)	Output (persons)	Planned (persons)	Output (persons)	Planned (persons)	Output (persons)	Planned (persons)
Total	470,380	1,142,618	1,224,420	3,282,928	2,332,180	4,196,951	2,816,940
1.Training for increasing job opportunity	47,320	65,755	52,110	71,456	53,420	73,960	55,200
2.Training/ Promotion of Entrepreneurship	7,480	9,036	6,090	7,441	6,680	8,949	6,480
3.Pre-Employment Training	14,632	14,817	12,680	15,658	12,680	16,062	12,750
4.Upgrading Training	103,178	122,009	112,940	160,103	118,100	162,760	134,100
5.Skill Standard Developing/ Testing	37,770	40,625	40,600	48,692	41,300	51,945	41,310
6.Skill Development promotion	260,000	890,376	1,000,000	2,979,578	2,100,000	3,883,275	2,567,100

Source: Report of the Department of Skill Development, 2008

IV. SKILLS TRAINING AND JOB ASSESSMENT SYSTEMS

DSD has skill training assessment to all trainees who attend the training courses organized by Skill Development Institutes and Centers located throughout the country.

- All applicants will get vocational guidance on their training course to match the labour market' and trainees' needs as well as their own qualifications before attending the courses.
- Attendance of all trainees will be recorded throughout the course. 80% of their attendance will be the past criteria for their certificates.
- All trainees must get the evaluation test after the training completion.

- All training graduates will get skill standard tests for the courses whose skill standards have been already set.
- All institutes and centers will contact DOE for the job placement for all training graduates.
- Any training graduates, who do not get job placement by DOE, will be followed up by the institutes and centers. Or they can contact directly for employment with DOE which has branch offices throughout the country.
- As the system of DSD focuses on practical training in the establishments, so most of the trainees who have good industrial habits are employed by the establishments that they were trained.
- DSD has tracing system for trainees who graduated in the pre-employment training courses and also are the new entrants to the labour market. After their completion, DSD will coordinate with establishments and DOE for their employment. They will be followed up for their employment within 3 months whether they can get job.

For workplace learning to be successful, DSD is now developing competency based skills standards with 39 industrial sectors and tourism and service sector. Competency based standard will consist of competency list of occupations in various sectors, which will reflect on the training curriculum and assessment. With competency based skills standard, we can locate competency gap and further develop training curriculum and try to bridge the gap. This is to increase employability and productivity of the workforce as a whole.

Thailand has to be ready in terms of the changes in the international platform such as ASEAN Economic Community which emphasizes on human free flow of labour, therefore, Thailand has to focus on human resource development in order to create decent jobs for the workforce that has high productivity which will eventually lead to a sustainable economy of the nation.

Skill Development Road Map

