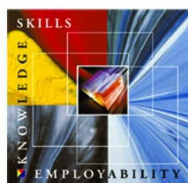
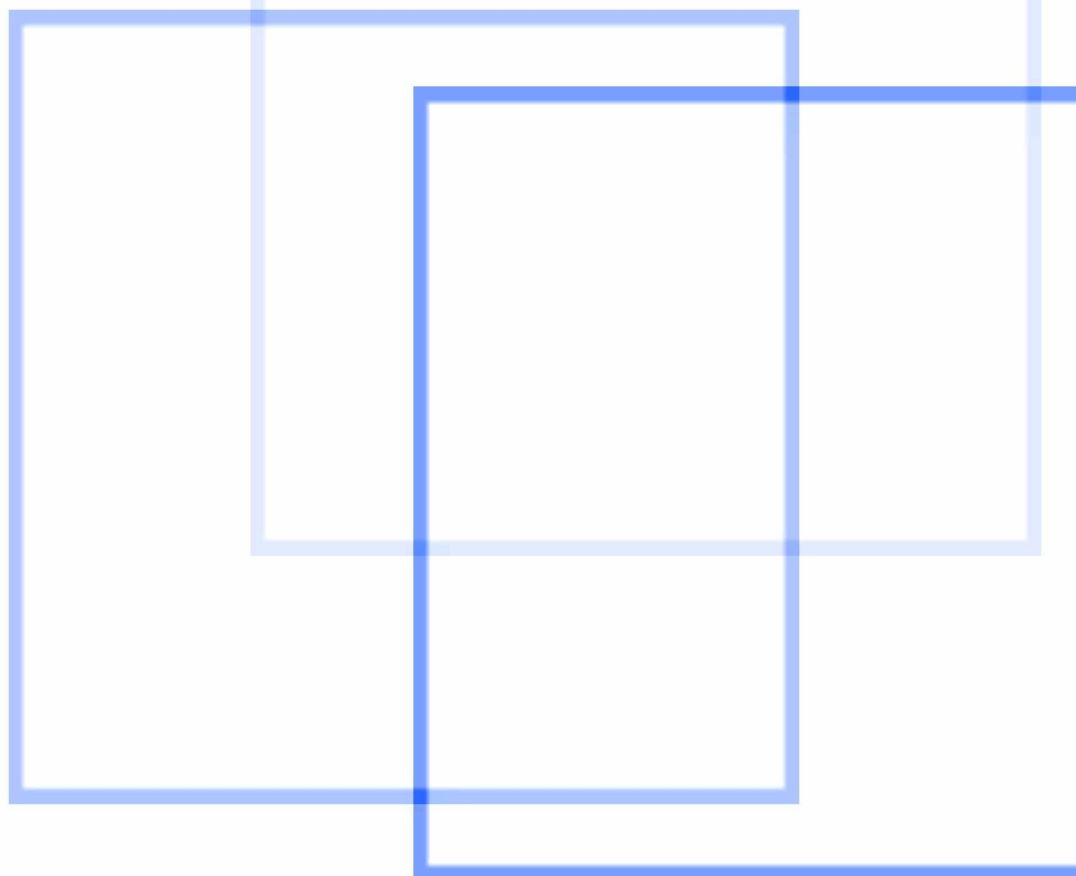




Major Skills Challenges Facing SKILLS-AP Member Countries in 2008 and Strategies to Address Them

Review of Country Reports presented for
the ILO/SKILLS-AP/Korea Second Technical Meeting of
the Regional Skills Network Partner Organizations in Asia and the Pacific
SIVAT, Incheon, Republic of Korea, 16 - 18 April 2008



SKILLS-AP

Regional Skills and Employability Programme in Asia and the Pacific (SKILLS-AP)

Regional Office for Asia and the Pacific

Strengthening Regional Skills Network through
Partnerships in Asia and the Pacific

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Regional Office for Asia and the Pacific

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Foreword

ILO supports its member States through a Regional Skills Network comprising government, employer and worker representatives together with a number of Partner Organizations. The Second Technical Meeting of the Regional Skills Network Partner Organizations was designed to review the skills challenges facing the countries in the region and to discuss better ways and means of making the Network more effective. As a first step in this information sharing, the major skills challenges faced by member States and strategies to address them were extracted from the country reports and have been compiled as a separate document.

This report includes valuable current information about the challenges facing countries in the region and I hope that the different strategies used to address them will provide examples for other countries to consider in addressing similar problems. I would like to thank the Government of the Republic of Korea for the strong support that they provided for this meeting and skills development in the region, I would also like to acknowledge the staff of HRD Korea, especially Mr Byung-Gie CHOI, Mr Jai-Myoung CHOI, and Ms Jong-Soon KIM together with staff of the SIVAT Centre who all played important roles in ensuring the smooth and effective functioning of the meeting.

I would like to take this opportunity to thank Mr Ray Grannall, Senior Adviser on Skills Development and Manager of SKILLS-AP who prepared this summary report and Mr Matthew Hengesbaugh who did the initial editing of this report. I would like to thank Ms Wipusara Rugworakijkul who provided and Ms Alin Sirisaksopit who assisted in the preparation of this report for printing.

Sachiko Yamamoto
Regional Director
Regional Office for Asia and the Pacific

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Introduction

In April 2008, the Second Technical Meeting of SKILLS-AP Regional Skills Network Partner Organizations was held in Incheon, the Republic of Korea. The purpose of the meeting was to review the progress made by the Regional Skills Network and to explore options and strategies to enhance its effectiveness as a mechanism for the sharing of knowledge and expertise between countries in the region. The meeting included government, employer and worker representatives. Participants included 27 ILO member States in Asia and the Pacific, including Afghanistan, Australia, Bangladesh, Cambodia, China, Fiji, India, Iran, Japan, Republic of Korea, Lao PDR, Malaysia, Marshall Islands, Mongolia, Nepal, New Zealand, Pakistan, the Philippines, Singapore, Solomon Islands, Sri Lanka, Thailand, Vanuatu, and Vietnam.

Prior to the meeting, each country was requested to prepare a brief paper for the meeting outlining

1. the organization of their national skills system;
2. the major skills challenges facing the country and
3. how the responsible government agencies or institutions are addressing them.

This report provides a summary of their responses, to questions 2 and 3 from the countries that provided reports for the meeting. Information was collected from the reports of governments, workers and employers. The full reports are included on the SKILLS-AP website.

Country Issues and Challenges

Afghanistan

The major skills challenge facing Afghanistan relates the development of a national TVET system that can contribute to its socio-economic recovery. The key constraints in Afghanistan's vocational education and training sector can be summarized as a lack of consistency, quality and coordination within and among various training providers. There is very little available information regarding the efficacy of the training being delivered.

Afghanistan does not possess an effective standardized curricula and qualification system, nor is there an accreditation body which can set and monitor quality and register quality providers and it lacks accurate and up-to-date labour market information that can be translated into effective skills development policies. There is limited coordination between the two Ministries responsible for TVET Departments (the Ministry of Labour and Social Affairs, Martyrs and Disabled and the Ministry of Education). Moreover these Ministries are not well-versed in contemporary skills development systems. There are only a small number of training providers in Afghanistan who are capable of providing high-quality labour market (demand) driven courses, using trained trainers who have access to modern training equipment.

Countermeasures

Under its National Skills Development Program (NSDP), the Government of Afghanistan has established a National Qualifications Authority and Framework. The program has two major and interlinked components:

- To increase the capacity of the national VET system to manage and deliver market-oriented vocational skills training;
- To facilitate and fund vocational and business development training which will lead to waged and self employment, and improved livelihoods.

These were initiated in March 2008 with funding from the World Bank. The Government of Afghanistan is also implementing the Afghanistan Skills Development Project (ASDP) in support of NSDP goals.

The NSDP has so far developed several departments in order to best streamline skills development activities:

- a department to develop competency-based curricula on a modular and levels-based framework;
- a department of monitoring and evaluation which will evolve into the standards and accreditation department; and,
- an economic sector department which will advise on targeting provision to suit the demands of the labour market across the service, agriculture, construction, commerce and industry sectors, and support curriculum development.

In 2007, the NSDP contracted a range of governmental and non governmental (private and NGOs) training providers to provide market driven training for about 10,000 unemployed Afghans, of which more than 35% were female. The typical duration for the training courses was from six to nine months. The tracing of 'graduates' from three rounds of this kind of closely designed and monitored contracting of training courses showed a very high (>80%) rate of employment and above average wages for the trainees.

The NSDP also facilitates the provision of business training for those trainees to go for self employment. In some cases the NSDP provides informal 'apprenticeship' training through private sector companies. The private companies often provide employment for the trainees upon their graduation. This is now being enhanced to include more off-the-job elements and is considered a very effective methodology at presenting to go for self employment.

The NSDP is also starting to implement a recently-developed system of registration and quality and performance monitoring to improve the accountability and more autonomous operation of TVET providers. In addition, the NSDP is trying to encourage all TVET agencies to adopt a more equitable approach to recruitment and also tries to ensure a high level of coordination and cooperation with other programs, agencies, and institutions operating at all levels.

Australia

Australia has enjoyed sustained economic growth for more than a decade and an ongoing challenge is to maintain this prosperity. The economy is currently operating near full employment with unemployment at a generational low of around 4 per cent. However, based on future projections, Australia's economic

growth will be constrained by three factors: skill shortages, an ageing population and lagging productivity growth.

Skill Shortages The Australian economy is experiencing debilitating skill shortages in critical areas. According to the Government's own estimates, Australia faces a shortage of more than 200,000 skilled workers over the next five years – and a deficit of 240,000 workers by 2016. These skill shortages are constraining output and putting upward pressure on inflation and interest rates. In August 2007, the St George-ACCI business survey noted that the availability of suitably qualified employees is the biggest constraint on small, medium and large businesses.

Despite the need to increase participation rates, Australia's record on training those who are not employed is poor. The current VET system is not training enough new or existing workers to keep up with the skill demands that are being placed on the Australian economy and its workers. Data shows that more than 70 per cent of long-term unemployed males have no post school qualifications, which is also true of 80 per cent of females receiving Parenting Payment who are not in the labour force. However, Australia spends just 0.04 per cent of its gross domestic product on training those who are not employed – the fifth lowest level in the OECD.

Ageing Population Over the next 40 years, the ageing of the population will see a doubling in the proportion of Australians aged over 65. Over the same period, the workforce participation rate is projected to decline from 64.5 per cent today to around 57 per cent by 2046. The 2007 Intergenerational Report estimated that the ageing of the population will contribute to a fiscal deficit of 3.5 per cent of GDP within four decades, driving Australia's federal debt to 30 per cent of GDP by 2046 to 47.4.

Slowing Productivity Since the late 1990s, Australia's productivity growth rate has been in decline. Labour productivity growth fell from an annual average of 3.3 per cent over the five year period to 1998-99, to 2.1 per cent over the five year period to 2003-04 – and in the three years since then it has fallen to just 1.1 per cent a year. As a result of this flagging productivity performance, Australia has fallen further behind global productivity leaders. Australia's overall workforce participation ranking has fallen from 8th to 12th place over the last 16 years. Its ranking for total male participation rates has also fallen, from 10th place in 1995 to 12th place today. The participation rates of males aged 25 to 54 years is particularly low, with Australia ranked 23rd among 30 OECD countries.

Countermeasures

The Australian Government has an ambitious agenda, focused on economic and social reforms to drive productivity and workforce participation which will deliver economic benefits now and well into the future. This broad agenda addresses critical areas such as infrastructure and regulatory burdens, but importantly, recognises that effective, well-targeted investments in education and particularly training will boost productivity and participation and therefore increase Australia's GDP per capita.

To ensure that investments in skills have the maximum impact on participation rates, the Government has indicated that Australia's vocational and education training system must:

- Provide incentives and training for those currently not participating in the workforce;
- Invest in lifelong learning for our existing workforce to ensure they maintain and improve their job prospects in a dynamic work environment.

The Government aims to deliver more than 450,000 additional VET places over four years. Of the total additional vocational education and training places funded over the next four years, more than 175,000 will be allocated to people who are currently outside the workforce. The Government new continuing and re-entrant places is anticipated to support up to an additional 65,000 apprenticeship places over four years and around 120,000 over six years – including traditional trade apprenticeships. To ensure continuity, these additional apprenticeship places will be dealt with separately from the additional places for continuing training and those re-entering the workplace.

The Government has also announced a ten year, \$2.5 billion plan to build trades training centres in all of Australia's 2,650 secondary schools for the one million students in Years 9 to 12. The plan is aimed at keeping young people in school by enhancing the profile and quality of VET in schools to provide real career paths to trades and apprenticeships for students.

Australia's Industry Skills Councils include both employer and employee representatives and are currently responsible for the development of training packages and providing industry intelligence to the VET sector. The Government will provide \$51 million over the next three years to further strengthen Industry Skills Councils – effectively doubling their current funding allocations – and providing them with funding certainty. In this way, Industry Skills Councils will offer firms free impartial and independent advice about what skills the business may require, both now and into the future.

A new statutory body, *Skills Australia*, will be established and will constitute a high level board of seven experts, comprising economic, industry, academic and education expertise who will advise government on current and future demand for skills and training. It will identify future and persistent skills shortages as well as industries where retraining and up-skilling of workers may be required to prevent unemployment, under-employment and skills obsolescence. Based on the advice of *Skills Australia*, new training places will be allocated to selected industry sectors.

Bangladesh

The greatest skills challenge for Bangladesh can be characterized as the absence of linkages between training institutions and the skills required by enterprises. This is attributed to inadequate policy level support for the upgrading of the current vocational training program. The globalization of business and trade necessitates that working age adults are equipped with basic skills and up-to-date technical and vocational competencies. With global competition very high, Bangladesh's technical labour force does not possess the skills to work with advanced technology. The sizeable demand for these types of skills cannot be met in the context of the current labour market.

Bangladesh's training programmes are currently incapable of matching the skill needs of the labour market both in terms quality and quantity. Challenges are many, including:

- a weak relationship between employers and institutions;
- a lack of technical knowledge on the part of trainers about current technology;
- low industrial growth, which constrains the national budget from providing training with modern facilities and equipment; and,
- a general unavailability of well-trained instructors.

As a result, the current curriculum is not oriented towards the present job market. Bangladesh has a severe deficit of advanced training facilities, an absence of research and development centres, and a shortage of institutional training facilities.

Countermeasures

In order to overcome these obstacles policies must be prioritized in line with the following:

- Course curricula must be updated to meet the demands of national and international job market;
- A greater number of training facilities must be established;
- Every training institute must operate under the purview of advanced training
- An adequate budget must be allocated to each institute accordingly.
- Skill competitions among training institutes should be encouraged

Cambodia

As Cambodia's economy has shifted from centralized planning to a market-oriented economy, its Human Resource Development System faces difficulties remaining flexible and responsive to market demands. The acceleration of technology and information requires a highly qualified labour force, however, Cambodia's educational system and TVET training conveyed through this system do not adequately match the skills requirements of the global labour market. Cambodia does not possess an operational labour market information system, and therefore is not adequately aware of market requirements and demands.

While there is no shortage of available manpower in Cambodia, there is a lack of qualified craftsmen and technicians. College graduates face under-employment, while there are severe shortages of high-tech and skilled technical labour. This can be attributed to a structural contradiction between the existing educational system—the major source of skilled labour—and the demands of the labour market.

Education is currently focused on preparing students for admission in higher education institutions which tends to place undue emphasis on humanities at the expense of technical disciplines. The proportion of technical and vocational subjects to general subjects is low: because of the low frequency of partnerships with industries and private sector organisations. Students are generally taught theory and they lack the practical knowledge necessary to locate and hold jobs. In addition, there is inadequate career guidance and career counselling to assist students to choose vocations according to their job aptitudes and abilities.

The Cambodian economy is developing slowly and as such the demand for skilled labour is low. Yet, TVET does not play any significant role with regard to

national direction and economic development, because Cambodia does not have a national policy supporting TVET. The TVET system in place tends to be inflexible and non-responsive to labour market demands and does not have well-formed linkages with the private sector, such that graduates face difficulties locating productive employment. In this regard, Cambodia's TVET system fails to undertake tracer studies of graduates, and does not provide opportunities for graduates to take refresher and continuing education courses. Pre-service and in-service training activities are not conducted regularly. The situation is made worse by the low social value placed on the development of skills in Cambodia, particularly for manual labor. A societal preference for management and clerical positions are obstacles to TVET development: in the eyes of the users/client groups, TVET does not have a good relationship with the labour market and cannot contribute to its development.

While donors provide supplementary funds, public training institutions are mostly supported by the Government. However, the majority of the funds allocated by the Government are used for the payment of salaries. Because there exists no budget for operation, maintenance, training materials, etc. this adversely impacts the quality of training. In order for training to be responsive to the market it requires additional investment.

In terms of delivery, TVET training focus and curricula tends to be time-based and trainer-centred. As such they do not adequately instruct on the multiple skills required to meet the demands of its customers. Most of the training centres are located in Phnom Penh, with very few located in the rural provinces. Private training providers are not active. At present, training is also limited to fixed hours, making it largely inaccessible to those who have to work to support their families. Lastly, much of the training equipment is obsolete and the training materials are not up-to-date.

Countermeasures

The Asian and Pacific Regional Conference on TVET organized by UNESCO on the 15th of November 1996 in Melbourne, Australia, formulated some guidelines for developing TVET policies. Following these standards, Cambodia is working towards the development of 15 Strategic Policies to revise its TVET system:

1. Implement a Demand-driven System guided by Labour Market Signals
2. Develop a TVET System that will impart Competencies in accordance with Recognized Standards
3. Implement an Education and Training System with Multiple Exit/entry Points and for Flexible Delivery
4. Set up a System which Recognizes Competencies wherever and however they are obtained
5. Set up a TVET System that is Oriented to Officially Recognize Professions and Trades
6. Develop Education and Training Encompassing Formal, Non-formal and Informal sectors
7. Integrate technical and vocational education and training with the rest of the education system
8. Decentralize Management

9. Manage Institutions and Organizations on a Self- sustaining Basis with Partial Support from the Central Government
10. Offer higher level technician courses gradually in other parts of the country as part of the technical stream which will be an alternative to the general and technological streams
11. Make TVET more Accessible to the People in the Provinces & the Rural Areas
12. Make TVET more Affordable to the Low-income and Disadvantaged and Vulnerable Groups
13. Make TVET more Equitable by Affirmative Action in favour of Women & Vulnerable Groups
14. Make TVET more Efficient by Improving both Internal and External Efficiencies
15. Make TVET more Comparable with TVET Systems in the ASEAN Region

China

In China there is a large working-age population. However, the average education level is relatively low, resulting in a very prominent problem of underemployment as enterprises increasingly seek higher-skilled labour. The very large volume of workforce supply in China is incompatible with current employment demands of the labour market. An acceleration of the shift of surplus rural labourers to non-agricultural sectors has increased pressure on urban employment, increasing competition between new entrants to the workforce and retrenched workers seeking reemployment.

Countermeasures

The Chinese Government has undertaken many measures to promote education and training programs with the aim of improving the capacity of working-age citizens to obtain employment, to start a business and to adapt to occupational changes.

Reemployment Training Encouraging the re-employment of laid-off workers has been a long-term policy of the State, and enhancing skills training is the most important feature of this policy. China's reemployment training policy is highlighted by two dimensions: one is the provision of free training; the other is subsidizing workers to ensure training effectiveness. Eligible participants are subsidized for their training and receive competency testing by the central and local government.

Vocational Qualification-Oriented Training for Higher Education Graduates As the enrolment rate in higher education continues to rise, the number of graduates from higher education institutions has been increasing faster than the labour market can accommodate. Improving the employable skills of graduates is therefore a priority. MOLSS and the Ministry of Education (MOE) have been collaborating to provide skill training, testing, and vocational guidance to graduates in order to assist them in gaining national vocational qualifications (NVQs).

Training High-Skilled Workers Among all labourers in China, only 40 percent have NVQs, and less than 4 percent have NVQs at the first and second level. Since 2002 MOLSS has organized a special training project for high-skilled labourers which has been implemented in technical schools (colleges) nationwide, as well as in electromechanical industrial enterprises, the electronics industry and information industry. MOE has also organized a program to develop high-skilled technical labourers from 2002.

MOLSS has organized its “Five plus One” Plan and Action to be implemented nationwide between 2006-2010. This strategy has several integrated components:

Promotion Plan for Training New Technicians This program works toward accelerating the training of highly skilled workers to improve the quality of skilled labour force as a whole. Within five years, the efforts will have been taken to newly train 1.9 million technicians and seven million senior skilled workers nationwide. On-the-job training to upgrade workers’ skills has been enhanced with the aim of streamlining training, skill testing, employment and payment into one coherent program.

Reemployment Plan by Reskilling Laid-Off and Unemployed Workers This program seeks to further develop China’s national reemployment training program.

Promoting Competence in Start-Up Businesses is aimed at extensively developing start-up business training programs which provide one-stop services concerning training, policies, funds, technologies and information to those starting a business.

Skills Employment Plan For Rural Labourers is organized to conduct skills training for rural immigrant laborers and improve their access to productive employment. Services for vocational guidance, job placement, consultancies, etc. are provided for rural laborers registering to seek jobs in urban areas.

Skill Guidance for National Occupational Qualification Certificate aims to enhance occupational skill testing towards promoting skilled employment for laborers. Within 5 years time, occupational skill testing is expected to have been provided for 60 million persons.

Linking Actions Between Skills and Jobs aims to continuously implement sound employment services to provide effective support to skilled laborers’ employment after training. In this connection, China’s labour market network and the agencies of vocational education & training will continue to be strengthened.

Fiji Islands

Fiji experienced extraordinary brain drain between the years 1986-1996. During this period an estimated (net) 12 per cent of Fiji's 1986 labour force emigrated (33,000 of 274,000 persons). More than half of this diaspora (53 per cent) was made up of middle-to high level professionals, 19,000 managers, professionals, technicians, associate professionals and clerical workers emigrated, representing 53% of the total 1986 stock of such workers. Although since 1996, new entrants have moved into these occupations – comprised tertiary education level graduates taking up entry-level positions – have greatly offset the numbers lost, they have not been able to compensate for the skills, experience and seniority lost.

Fiji is host to an exceptionally competitive labour market environment, though overall productivity remains very low. Of the estimated 17,000 persons seeking employment each year, only about 8,000 can be expected to succeed in gaining formal sector work. In this context, a majority of job seekers each year are compelled to enter the informal economy, particularly in non-farm enterprise/cash crop or mixed cash crop/ subsistence agricultural sectors. As Fiji’s workforce continues to expand, and with additional numbers entering these

typically low-productivity activities each year, the extent of underemployment is anticipated to increase unless support is provided to informal economy workers to enhance their productivity and incomes through skill upgrading and other forms of assistance.

Countermeasures

Implemented in 2000, the IHRDPEP is an ILO/UNDP/Fiji Government project aimed at creating 3,000 jobs over a three year period via seven sub-programmes:

- Small & Micro Enterprise Development,
- Cooperative Development,
- Eco-tourism Development,
- Policy & Coordination,
- Human Resources Development for Hotels & Tourism Industry,
- Advanced Vocational Training (AVT), and
- Labour Administration & Productivity Improvement (LAPI).

The IHRDPEP model is designed to create sustainable informal and formal jobs through an integrated approach by combining efforts and resources of both the public and private sectors. Following ILO's withdrawal from the Project in 2003, the Fiji Government has provided funding for IHRDPEP as one of its long term strategies to create employment opportunities, particularly for the informal economy. A total number of 419 projects have been established through the IHRDPEP program. Projects established include eco-tourism activities; vegetable, root crop, and livestock farming; fishing; floriculture; bakery; handicraft; sewing; small business; tour operators; home supervisors; front office operators; cooks; poultry farming; and beekeeping.

The IHRDPEP has faced numerous challenges over the course of its implementation, including lack of coordination both within the project, between responsible Ministries, and among donors, employers, workers and civil society organizations; lack of monitoring and overall programme management leading to mismanagement and duplication of activities; ineffective monitor and evaluation; absence of effective market linkages; and budgetary restrictions impeding effective implementation.

India

The Indian economy is witnessing a rapid growth, specifically in the services, infrastructure and industrial sectors. Due to technological advancements, the requirement of skilled work force by various sectors of the economy has increased drastically. However, the Indian Government faces challenges in ensuring that skill training remains demand-driven.

There is a wide gap of training capacity in India of about 10 million persons every year. While 12.8 million persons are added to the labour force annually, India has a vocational training capacity of about 2.5 million between all government agencies responsible for training activities.

Approximately 130 million Indians are currently classified as working poor: their livelihoods are unable to draw sufficient income to bring their family above the poverty line. The main reason for this is the low level of productivity and the

income earnings from their type of work. India thus faces a need to improve both the quality and quantity of skilled labour in the country to suit the requirements of its rapidly growing and modernizing economy. The Government is endeavouring to introduce training courses in emerging sectors so that the short-term and long-term skilled labour requirements can be properly determined, and skills gaps can be identified in advance so that they may be bridged through necessary initiatives.

Major impediments to meeting these challenges include a wide disconnect between the supply and demand of skills as a result of the following factors: outmoded resources and equipment utilized by Indian training institutes, an unavailability of short-term, sectoral-focused training courses, the low success rate of trainee graduates able to locate employment following training, and a general shortage of trained instructors.

Countermeasures

The Indian Government has undertaken a number of reforms to overcome problems of skills mismatching in its existing Vocational Training System to better identify emerging skill areas. In collaboration with industry and other key stakeholders, the Government has sought to enhance its labour market intelligence to better forecast skilled/semi skilled worker needs. Thus far curricula of more than 100 trades under India's training system have been revised, with 21 obsolete trades deleted from its purview. 70 new trades have also been introduced to the national programme.

In addition, India is in the process of expanding its vocational training capacity by increasing the available number of training institutes, and is working to ensure training delivery becomes more decentralized and aligned with market forces through the promotion of public/private partnerships. In this regard, the Indian Government has reconfigured its training management system with the view of upgrading equipment, improving its human resources base and up-scaling training curricula by forming closer ties with industry.

The Indian Government is also currently developing a framework and structure so it can be more responsive to skill development needs of its vulnerable citizens, including women, underprivileged segments of society, and unorganized sector workers. During 2007-08, the Indian Government launched its *Skill Development Scheme* (SDI) with the objective of training one million unorganized workers on demand driven vocational skills over the next five years, and one million persons each year thereafter. The Government hopes SDI will effectively support the training, certification and skills enhancement of workers in the unorganized sector. The private sector is playing a very important role in achieving the objective of the scheme, collaborating with the Central Government, State Governments, and other establishments including educational institutes such as schools, polytechnics, and engineering colleges to deliver training. It is intended that certification will be nationally recognized by both the government agencies and industry/trade organizations.

Iran

The current estimated unemployment rate in Iran is 12.1 per cent (26 per cent for youth). Despite this relatively high unemployment figure, employers report shortages of people with the skills required by the labour market.

Furthermore, many researchers argue that the human capital under-utilization rate (including unemployment, visible and invisible underemployment and hidden unemployment) amounts to more than twice the declared rate of official unemployment. Better coordination of all types of policies, in particular the economic, investment and human capital development policies, is needed.

TVTO is the branch of the Ministry of Labour and Social Affairs responsible for Iran's short-term technical and vocational training, which operates in both the public and private economic sectors. There is general agreement that training is not meeting labour market needs and that quality standards are not high enough: employers complain that trainees do not possess the skills that they require. The main factors inhibiting optimum TVTO performance can be summarized as follows:

- Insufficient management capability: the scope of the TVTO operation is enormous in both the geographical and managerial senses.
- TVTO's access to labour market information is very limited and is not sufficient to enable realistic medium- and long-term plans to be drawn up for TVTO operations. Moreover, TVTO's highly bureaucratized structure precludes modifying curricula as needed which inhibits training centres from meeting local demands flexibly.
- Inadequate quality assurance of the whole training system.

There is a lack of mechanisms to regularly monitor and update equipment and facilities of TVTO centres. Training centres does not regularly report on the condition and adequacy of equipment and facilities and the maintenance is left to the responsibility of the training centres.

Accreditation assessments of TVTO centres do not include any analysis of the trainee job placement rates achieved by the centres and they do not evaluate the process of assessing skills needs by the training centres. Similarly they do not take account of linkages with employers (including arrangements for work experience and apprenticeship) or analyze the provision of career guidance or support for job placement.

There are weak links between TVTO, employers' and workers' representatives. While mechanisms exist for developing skill standards with the involvement of Trade Associations, Trade Unions and Employers' representatives, the representation of employers and workers could be more systematically organized.

TVTO links with private sector employers are weak, and collaboration with private sector training providers could be much improved. For example, although many channels exist for employers' participation in TVTO's training provisions—such as the provision of tailor-made training programs catering for specific industries and companies—interviews have revealed that there is a lack of effective communication between TVTO, MOE and employers.

Because of the highly bureaucratic nature of TVTO, initiatives are rather fragmented and managed by different departments and thus the employers' participation appears ad hoc rather than systematic. The level of such participation is generally considered to be insufficient to ensure that TVTO offerings reflect labour market realities, and therefore the Government does not have a good understanding of labour market requirements.

Instructors (in general) do not have the necessary competencies to facilitate learning and motivation of the trainees.

Responsibility for the effective assessment of training needs has not been allocated to any organizations or ministries.

Currently no ministries are responsible for collecting and then distributing labour market information which can help the planning of training. The current approach to assessing is rather ad hoc and relies on individual initiatives of trainers, or institutions, in getting feedback from a selected number of local employers.

There is an absence of mechanisms for assessing the relevance of training curricula and the acceptability of the TVTO graduates in the labour market

TVTO curricula are not updated on a regular basis. A lack of formal labour market information means that instructors have to rely on their own local knowledge to design training that reflects the needs of their locality.

There is an absence of mechanisms to monitor and assess the impact of training in terms of employment. Although TVTO regional offices submit detailed reports to the head-office every three months, the monitoring and reporting mechanisms utilized by TVTO fall short of what is required to facilitate informed decision-making. Most notably missing from these reports is the proportion of graduates who have obtained employment (i.e. employment rates). In this regard, the notion of 'skills for employability' has not yet been shared throughout the Organization, with some still view skills training as a goal in itself.

Countermeasures

To make the TVTO's training more responsive to labour market needs, a macro level dialogue and coordination involving ministries/agencies responsible for economic and investment planning will also be needed. Integration of employment and training policy is seen as a vital issue to link the supply of skills training to the process of knowledge economy building and employment generation.

TVTO has set up research committees at both the national and provincial levels whose responsibilities include the assessment of labour market needs. The research department of TVTO is trying to establish a proper feedback mechanism to modify and upgrade curricula.

Despite recent efforts by TVTO, a number of initiatives (e.g. tracer studies, assessment of labour market needs) are still at their early stages and further capacity building in the area of identifying skills/labour market needs; impact assessment of training and outcomes will be fed into the curriculum development process.

TVTO plans to have 100 per cent assessments undertaken in the future. It is planned that eventually the assessment function will be separated from TVTO operations. Currently assessment centres are set up for assessing trainee's skills and granting certificates. Setting up at least one such assessment centre in each province is planned.

TVET should develop and establish a network of effective linkages between education and training and public and private sector organizations so that a flexible training system can be achieved which is responsive to economic and

social demands, particularly in small and medium enterprises, and which provides a range of choices for prospective trainees. Increasingly, TVTO is linking up with private sector enterprises to provide enterprise-specific training.

TVTO's training provision is largely confined to young people as noted (73.2% of trainees were younger than 30 years old, of which nearly 60% are less than 25 years old). In order for TVTO to substantially contribute to the development of a knowledge economy in Iran, it also needs to reach out to adult workers, both employed and underemployed/unemployed.

Skills standards should be revised and updated, with regular reviews of the standards. Updating of curriculum and competency standards of trainers also is needed. Lastly, TVTO curricula needs to be updated on a more regular basis or the basis on which curricula are developed must be modified.

Japan

Japan faces slowing labour productivity attributed to the steady decline of its fertility rate. In this connection, the country is working to address issues of youth employment where, in recent years, there has been a high turnover and unemployment rate among young people, including a growing number of youth with no established occupation. Most prominent among this group are those the Government of Japan has termed "freeters", or individuals who continuously repeat part-time jobs without ever obtaining a full-time position. If this situation continues, Japan may miss an opportunity to develop its human resource base, risking its competitiveness in the global market.

Countermeasures

In response to these challenges, Japan is working to upgrade its labour productivity and promote greater labour market participation among inactive members of its workforce, specifically un/underemployed youth, women who have left their jobs to bear and raise children and the senior citizens with the ability and intention to work.

To implement this, the Ministry of Health, Labour and Welfare formulated its Eighth Basic Plan for Human Resources Development in July 2006. The theme of the Plan is "Rebuilding the environment to foster the continuous development of the working population for the sake of its vocational career" The Plan aims to address the structural changes in the Japanese labour market by developing policies that support vocational career development for all eligible workers. It outlines four specific measures towards the provision of diversified vocational training opportunities: establishment of a viable labour market infrastructure, such as through the enhancement of competence evaluation systems and vocational career support, providing sustainable career development support throughout workers' lives, promotion of human resource development which can respond effectively to labour market trends, and reinforcement of "on-field excellence", or on-the-job training support to facilitate the transmission and advancement of skills.

Republic of Korea

Korea is facing structural challenges such as slowing economic growth, a declining birth-rate and a progressively aging society, which has affected job

creation and productivity. If these trends are left unaddressed, Korea will experience a continued decline in its productive capacity because of its ever-shrinking labour force.

The Korean Government's current vocational training policies are seen as not meeting the skills needs of Korean enterprises. Regulations governing the implementation of training are viewed as unnecessarily cumbersome and programs are not customized to match regional and sectoral circumstances. Training agencies have demonstrated a failure to meet companies' demands for upgraded programs with modern technologies and lifelong vocational training development packages. Another issue is the mismatch between jobs, training and qualifications in the labour market.

The current qualification system does not adequately serve the requirements of the workplace because a majority of competency exams are based on the Korean school curriculum which is detached from the real corporate world. As a result, companies do not have reliable expectations of the certificate-holders. This is compounded by the fact that very few companies provide incentives for qualifications in employment, wage and promotion. Lastly, there exists an imbalance of human resources development by company size. While participation rates in vocational training have increased, the gap in human resources development between large companies and SMEs continues to worsen. Due to these inefficiencies, the training system is unable serve the needs of companies for skilled labour in proper time, aggravating Korea's labour shortage at the expense of skilled job creation.

Countermeasures

There is a need to tailor the training system and policy to companies and trainees, and develop onsite training systems for companies and workers. Competitiveness between academic institutions should be promoted in a way to cultivate workers with proper skills and knowledge to meet the need of labour market. Employers' organizations and labour unions need to cooperate in restructuring the governance system for human resources development

The government also needs to promote vocational training among SMEs by modifying the vocational training system. One way to do this might be to develop a consortium between a large company and SMEs to develop on-the-job training programs tailored to specific SMEs' circumstances. Voluntary investment of enterprises in human resource development needs to be encouraged in order to better respond to changes in the labour market.

Lao PDR

Still in the early stages of its development, Lao PDR does not possess an adequately qualified, productive human resource base which can reply to the demands of the domestic and external labour market. By way of example, the labour force is primarily comprised of economically-active labourers (74 percent); however, a mere 12 percent are skilled workers. Although some progress in the areas of vocational training and skill development has been made by the Government in recent years, the country continues to lack a comprehensive coordination mechanism, faces severe shortages in necessary financial and human resources, and does not have sufficient access to labour market data in which to upgrade its national training system.

In addition, the vocational training infrastructure is currently unable to accommodate demand. Training centres across Laos have an estimated receiving capacity of 15,000 people, yet an approximate 100,000 people are in need of training. This incapacity has been attributed to large numbers of labour migrants emigrating from the country. Lastly, because there are not enough legal precedents regarding vocational training and skill development in Laos, there exists no comprehensive strategy in which to encourage greater coordination with the private sector in implementation.

Countermeasures

The Lao PDR Government recognizes that vocational training and skill development are crucial factors in the national development of the economy. As such, the government has indicated its intention to increase its investment in skills areas by allocating more from the national treasury budget. The Ministry of Labour and Social Welfare (MLSW) has recently formulated its long-term strategic development plan (2007-2020), establishing a clear direction and agenda, outlining a strategy for cooperation, and estimating necessary financial sources with the aim of upgrading Lao PDR's national training system. Many new legal documents have since been formulated and relevant policies revised to improve the national framework on vocational training and skill development. Lao PDR is working towards the establishment of a national skill recognition committee, so that labour skill standards can be identified effectively; ASEAN skill standards in five areas have already been approved as points of reference. MLSW has begun conducting skill testing in various different levels.

Moreover, with support from MLSW, vocational training facilities have been widely expanded in both the public and private sectors. These facilities have been provided with necessary new equipment and teaching resources and the number of enrolled students has since increased from 15,000 year to 20,000 year. The courses, curriculum and learning-teaching materials will continue to be improved and developed. The Government is also aiming to conduct ongoing training-of-trainer courses on self-employment in ten Provinces with the objective of reducing labour emigration. The MLSW is looking to establish a regional labour information centre which will conduct periodic regional labour forums and is evaluating the feasibility of setting up more information centres in other parts of the country.

Malaysia

In the early 1990s, the Malaysian economy experienced rapid growth, driven largely by the manufacturing sector and this had resulted in the country experiencing severe skills shortage. Along the same lines, recent rapid changes in technology and increasing complexity of work processes in Malaysian industries have created new demands on the skilled workforce, namely for knowledge-workers or '*k-workers*'.

Countermeasures

To address these skills challenges, in the early 1990s the Malaysian government formed a high-powered Cabinet Committee on Training chaired by the Minister of Education, to assess the country's industrial skills demands and training systems with the aim of making relevant recommendations for policy

reform. The Cabinet Committee published its report in 1991, putting forward major policy recommendations, including a focus on expanding the accreditation of skills as a measure to strengthen linkages between training and technological change.

National Occupational Skills Standards (NOSS) were introduced in 1992 as the national benchmark for skills training and certification in the country. Under this rubric, skills training programmes are benchmarked against actual workplace requirements, in line with a competency-based training (CBT) approach. The decision aimed to enhance the effectiveness of the country's skilled workforce, and to gear skills training towards meeting the actual needs of the Malaysian industry. Adopting the CBT approach was a shift of emphasis from an instructor-centred to a trainee-centred approach, involving the identification of competencies required in the world of work, and focusing on actual performances by assessing competencies around modules so that training, assessment and certification could be flexibly undertaken.

The introduction of NOSS-based training in 1992 resulted in two major changes to Malaysia's existing skills training and certification system. The reforms involved firstly introducing an accreditation approach to replace the prevailing national trade testing system and secondly, adopting a new five-level skills qualification framework to replace the existing three-tiered system.

Over the years, these combined strategies have arguably succeeded in building skills training into a major component in the country's national education and skills training system. However, realising that the new forms of training for *k-workers* must utilize the workplace as the prime learning environment, the Government of Malaysia implemented the National Dual Training System (NDTS) in 2005 with the aim of producing 31,500 skilled workers by 2010.

The NDTS involves a two-year training programme carried out at two learning environments, namely 70-80 percent in workplaces and the remaining 20-30 percent in selected training institutions. In terms of training delivery, *self-reliant learning*, *action-oriented teaching* as well as *learn and work assignments* have been adopted as the fundamental teaching and learning approaches. The notion of '*training occupations*' was also introduced for the first time in Malaysia to designate the training programmes to be selected for NDTS implementation. With regard to curriculum design and development, *National Occupational Core Curriculum (NOCC)* was introduced as the basis for training and assessment. The NOCC is a new form of training documentation and it differs from training resources used in the existing NOSS based training because its development has been premised on the work process orientation.

In 2006, the development of the NOSS in Malaysia reached a major milestone with the promulgation of the National Skills Development Act. Under the new Act, for the first time in the country, NOSS development came under the national legislative and regulatory framework. The Act contains provisions for the establishment of NOSS, its review and variation, as well as the use of NOSS for curriculum development, assessment and national certification.

Mongolia

There is an acute awareness of the Mongolian government, its enterprises and workers that public and private training institutions are encountering severe

difficulties in providing the level of skills training needed for modern enterprises. Moreover, the mismatch between the training provided by existing training institutions and the skill requirements of the workplace is widening. The effects of globalization, rapid changes in technology and the way in which work is now organized have contributed significantly to this widening skills gap in Mongolia. Public training institutions have particular difficulty securing budget, equipment, material and appropriately trained human resources to enable them to provide relevant skill training for today's workplace

Furthermore, there is a disparity between the way in which training providers conduct skills training and the way in which enterprises contribute to the skill development of their workforce. While larger enterprises frequently invest in training, small and medium enterprises are often unable or unwilling to invest in training their workers. Vocational training and workplace learning and training or "on-the-job" training (OJT) strategies are on the whole lacking in Mongolia.

Recognized challenges in the area of vocational education and skill development and training in Mongolia include: an absence of a coherent policy on vocational education and training; a lack of consistent qualitative and quantitative studies carried out on demands of the labour market; a need for systematic training of teachers in vocational training organization; limited skills and experiences of vocational subject teachers; a lack of integrated labour information database on vocational education and training; the non-existence of economic incentives to encourage the involvement of private sector in skill training; the lack of an independent assessment system; and poor coordination between government, professional organization and associations.

Countermeasures

In response to the above-mentioned challenges, the Government of Mongolia in cooperation of its social partners and other stakeholders have undertaken a number of measures:

Direct Financial Aid In order to better attract their interests, students of vocational training schools are provided with stipends, with the costs of their training subsidized by the State.

Workplace-based training The Recommendation on Organizing Workplace-based Training was adopted by the National Tripartite Committee on Labour and Social Dialogue in 2003. The Recommendation aims to implement Article 45 of the Mongolian Labour Law in order to create favourable conditions for organizing on-the-job-trainings. The types of workplace-based trainings include training in new vocations or occupations, retraining, and training of employees in self/lifelong/skill development.

Revision and Re-formulation of the Law on Vocational Education and Training A revised draft law on vocational education and training has been developed. It gives specific mention to enhancing training materials and resources, designing work apprenticeship programs, and instituting a labour market information system, among others.

Memorandum of Social Consensus to Develop Vocational Education and Training This MOU was a product of the working group comprised of representatives of government ministries, employer's organization, chamber of commerce and industry, trade unions and other NGOs. The memorandum reflects and covers

many elements of changes and reforms agreed to be introduced in the revised draft law on VET, including developing projects and programs, encouraging private sector participation, improving the legal environment, and creating of multi-source financing mechanisms, among others.

Conceptualizing an integrated and comprehensive policy framework for skill development Mongolia has benefited from ILO-SKILLS-AP in creating awareness and familiarizing itself with new concepts, ideas and approaches which will feed into an Outline for National Skills Strategy of Mongolia for subsequent review. Its strategic objectives will highlight undertaking policy reforms; supporting employers in skills development and develop on-the-job training; facilitating skills development in priority industries; enhancing employability through skill development; creating equal opportunities in training and employment; developing social partnership in skill training; and organizing strategies for monitoring and evaluation.

Nepal

Every year 300,000 Nepalese youth enter into job market. However, the majority of them remain unemployed due to lack of employable skills. Out of Nepal's workforce of ten million, only 16 percent are engaged in paid employment: the remaining is self employed with about four million working as unpaid family workers. The numbers of jobs available in the domestic job market are scant compared to amount of job seekers, particularly in the formal sector. Approximately 31 percent of Nepal's population is living below the poverty line. Moreover, the majority of Nepal's citizens leaves school early and they are not properly prepared for gainful economic activity. A vast number of adults have either not been to school or not received any technical education or vocational training. Nevertheless there is a lack of short and relevant training courses to equip the future workforce with occupational competencies. As a result, Nepal's workforce lacks productivity in domestic as well as in overseas labour markets.

TEVT needs to expand massively in the light of these shortages and, while training efforts in all relevant occupations and on all levels of competence are required, there is a strong need to correct existing inefficiencies. Despite continuous efforts of the government to strengthen the TEVT sector for the preparation of skilled graduates, current TEVT activities need improvements in preparing students for employment opportunities. The TEVT system faces shortcomings in access to training, training relevancy, standardization of curriculum, trainers' training, research and communication activities, quality of training and post training support. Key issues and challenges of Nepal's TEVT sub sector are summarized as follows:

Access to Training In Nepal, there are fewer training institutes available than the potential demand. The strong competition for training institutes run by the government limits access to most disadvantaged groups such as women, disabled and Dalit (low caste) communities. The poor and disadvantaged, because of their lower educational achievement, are less likely to be selected due to their poor access to basic education. Mobile training has been imparted to a limited extent as a means of improving access to training for those in distant areas. The lack of easy and economical transportation means (i.e. access of motorable roads) however, limits to the feasibility of mobile training in many districts.

Relevancy of Training The TEVT system in Nepal is largely supply driven and focused on delivering training based on the content of standardized curriculum. The low job placement rates of graduates suggest courses offered by training providers fail to satisfy employers' or self-employment needs. Inadequate linkages between educational institutions and labour market partners have also led to a lack of mutual cooperation. Consequently, educational institutions are not always fully aware of the needs of employers.

Most of the technical education programs in Nepal are designed focusing mainly on public sector jobs with little consideration on ever-emerging job opportunities in the private sector. Notably missing from the curricula are entrepreneurship skills training components to assist graduates become capable of initiating and managing their own enterprises to generate self-employment. Further, linkages between training and employment are not well coordinated such that TEVT graduates face difficulties in locating jobs even if job opportunities are available in the private sector.

Quality of Training The quality of training is another factor that limits the employment of graduates. Many instructors, especially those in private colleges, do not possess training in instructional techniques and do not have sufficient industrial experience and technical expertise. Inadequate physical facilities, lack of training materials and hands-on learning activities are some of the constraints to quality training, contributing to the low employment rate of graduates.

Lack of Post-training Support Many TEVT providers focus solely on training rather than the outcomes of training. Post-training support is critical, and a failure to coordinate amongst service providers has resulted into no or low employment outcomes.

In spite of strong support from the national policies for the expansion and development of TEVT to cater the skill development needs of the out-of-school youth and disadvantaged groups, nationally accepted strategies, structures and systems are not in place to support this expansion. Implementation plans have not been developed to translate the above policies into actions. Financial constraints in TEVT have created impediments in the effective delivery of technical and vocational training. In addition, there continues to be weak linkages between the labour market and the TEVT training providers at all levels: mismatching occurs between the type of skilled labour demanded by the enterprises and the kind and quality of training graduates of skill training institutions.

Countermeasures

The state will encourage and support training providers' efforts through a liberalised regime which focuses on training outcomes and facilitates an easy transition into the economy. Financial support will be extended to all citizens who require training but cannot afford to pay for it. Stipends shall be made available for them, to ensure entry into training becomes affordable and accessible. The emergence of new training courses will be organized around a revamped system of Nepal Vocational Qualifications. In this upcoming system most occupational training courses shall be concluded with an official assessment and a certificate. Occupational careers will be open to enrolled trainees through a combination of initial training, subsequent occupational experience and further training of various

kinds. All modes and places of learning, formal or informal, in-school or on-the-job activities will be utilized.

New Zealand

For the past several years, New Zealand has been suffering skill shortages across a number of key occupational groups, which is a constraint on economic growth. Low rates of labour market participation exist among those with caring responsibilities, young people, mature workers, those experiencing ill health and people with disabilities. There is room to improve the skills that are delivered through the tertiary education sector so that they are more suited to future skill needs. In addition, more than a million New Zealand adults do not have the literacy, language and numeracy skills in which to succeed in the modern economy.

Countermeasures

The Government of New Zealand is committed to ensuring that skills are developed at all levels, from functional literacy to managerial and leadership capability, and attracting and retaining highly-skilled individuals from around the world. The four key priorities of the New Zealand Government's Tertiary Education Strategy (TES) and Statement of Tertiary Education Priorities (STEP) for the period from 2008 to 2010 are:

Increasing educational success for young New Zealanders

Improving research connections and linkages to create economic opportunities

Increasing the achievement of advanced trade, technical and professional qualifications to meet regional and national industry needs; increasing literacy, numeracy and language levels in the workforce

Literacy, Language and Numeracy Strategy

The New Zealand Government has developed a strategy to up-skill the workforce, focusing on lifting literacy, language and numeracy skills. Priority areas for this work include changing workplace practices, motivating and assisting individuals and developing the capability and capacity of training providers. The Government is investigating ways to engage employers and employees in literacy, language, and numeracy training in the workplace. Up to 15 exploratory partnerships are being formed to increase the number of firms engaged in literacy, language and numeracy training. Partnerships are being evaluated to improve the knowledge base on business gains resulting from literacy, language and numeracy training, and which models work best in New Zealand workplace.

In 2006, the Government announced Choices for Living, Caring and Working, a ten-year plan of action to improve the caring and employment choices available to parents and carers. In 2008, the Government announced the development of its *Schools Plus Programme* to achieve the Government's goal that all young people are in education, skills development or structured learning, relevant to their needs and abilities, until the age of 19. The *Pathways to Inclusion* strategy sets out the Government's direction for vocational services for people with disabilities. The aims of vocational services are to increase the

participation of people with disabilities in employment; an increase the participation of people with disabilities in their communities.

Pakistan

Pakistan is facing multiple challenges on the front of skills development. Characterizing these challenges is the low technical vocational competence and productivity of its workforce, coupled with the inability of Pakistan's existing TVET system to produce highly skilled and adaptable human resources capable of responding to the fast changing needs of the globalized economy. Recent data indicates that the unemployment rate in Pakistan has reached nearly 18 percent. Moreover, an estimated 70 percent of the non-agricultural workforce is within the informal economy, often in very low skilled, low quality forms of employment.

The present Technical Vocational Education and Training System (TVET) can be characterized as fragmented with no standardization and uniformity. It is supply driven with poor linkages with industry, lacking institutional framework and a national direction. There has been a phenomenal growth during the last two decades in the number of institutions and enrolment of trainees but no significant change in the management and administration of TVET has been made.

Pakistan's training system is supply-driven, lacks meaningful participation of stakeholders, and is not geared to meet the current and foreseeable future needs of the skills market. Due to shortage of skilled labour, local industry is finding it difficult to adapt to the demands of the external market, particularly in the implementation of innovative processes. There is a lack of the equipment necessary to achieve higher quality and productivity in the face of increasing competition. This has resulted in poor enterprise competitiveness both at the local and international level.

Due to low budgeting provisions for training materials, poor quality of teachers and obsolete machinery, existing TVET institutions are not capable of imparting and developing skills required for competitiveness, productivity and employment. These factors have resulted in increasing unemployment on the one hand and a skills shortage on the other. The training system is structured such that it does not allow easy entry and exit to trainees, and does not provide customized and special training to vulnerable workers and workers whose skills have become redundant.

Pakistan's training system imparts industry-specific courses, despite the fact that there is limited industry in the rural areas where the majority of the population lives. There is an urgent need to develop skills for agriculture and agro-based skills to support the rural population as well as to improve the skills, technical competence and quality of workers in the informal economy. Unemployed, educated youth are another target group which must be equipped with technical skills to help them gain productive work. However, there are very limited provisions for continuous in-service opportunity training to best respond to the changing requirements of the labour market. Another obstacle is the shortage of high-tech institutions in Pakistan to cater to the new emerging requirements of knowledge economy. As the current accreditation and qualification framework does not extend national competency standards linked with international recognized benchmarks, the locally trained workforce is experiencing difficulties in locating employment abroad.

Presently, Pakistan lacks an effective labour market information system to support skills development planning by reporting on current and future skills market requirements, annual additions to and the demographics of the national workforce and its demographics. There are very low budgetary provisions for research work into the good practices across the region that can be used to improve the system. Effective Public-Private Partnerships must be further encouraged to mobilize collective efforts and enhance the relevance, efficiency, equity and sustainability of TVET.

Countermeasures

In order to face the skills challenges, the Government has initiated measures that include the involvement of stakeholders particularly the employers in policy making for the development of the TVET system. Under the Chairmanship of local employers, Skill Development Councils (SDCs) and Centre Management Committees (CMCs) have been established to facilitate the arrangement of training courses to meet the requirements of the local industry and skills market. These organizations are in the process of being strengthened by promoting their role and responsibilities and integrating them into the mainstream of the TVET System.

The TVET System has been restructured as well. The National Vocational and Technical Education Commission (NAVTEC) at the Prime Minister Secretariat has been established as an apex body for the purpose of providing regulation, coordination and policy direction for TVET in Pakistan. One of the important functions of the NAVTEC is to implement a national strategy for reforming TVET with a focus on establishing uniform institutional mechanisms for its management and delivery across the country. However, the desired level of coordination and streamlining of the institutional machinery dealing with TVET has not yet been achieved.

A National Strategy is currently under preparation that aims to strengthen the TVET System so that it is able to deliver the training that meets the needs of individual, enterprises and the society as a whole. The strategy seeks to structure the training system to ensure it is

1. demand oriented, flexible, efficient and responsive to changes in technology, global environment and needs of the economy;
2. provides adequate coverage and access to target groups,
3. is industry-led and relevant in terms of its output and supports industrial and business competitiveness;
4. encourages active role for private sector; and
5. conforms to national standards of quality and is also bench marked against international quality standards.

The Strategy also suggests promoting a unified structure at the provincial level, bringing together all major public sector training providers under one umbrella, with the aim of setting-up sector skills councils led by industry, developing competency-based training packages, establishing centres of excellence in key economic sectors and designing institutional mechanism for curriculum development and quality control. It also focuses on the development of a national qualification framework. Extending competency based training,

promoting flexible training delivery, vocationalizing school education, encouraging better governance and capacity building, supporting teachers' training, expanding the apprenticeship training programme, integrating the informal economy, and instituting an effective labour market information system will be crucial to the successful implementation of the Strategy.

The Philippines

In the Philippines, the demand for Technical Vocational Education and Training (TVET) can be linked to three sources: first, from the country's priority sectors which seek to utilize TVET in order to upscale critical skill requirements, second, from the need to replace skills lost to labour migration and third, from the domestic labour market where supply and demand is mismatched and structural unemployment continues to exist.

Enrolment data indicates a growing recognition of the contributions of TVET to the Philippine society and economy. However, TVET is faced with a number of challenges that require careful scrutiny and attention. Foremost is its ability to help deliver generating six to ten million jobs through domestic job opportunities and deployment of Overseas Filipino Workers.

Some of the other main challenges that TVET must address include the following:

Need for greater industry involvement TVET is most dependent on industrial links, especially with Micro, Small and Medium Enterprises (MSMEs). However, many remain generally reluctant to invest in training activities.

Lack of purposive career guidance and profiling of the youth There is a need to guide out-of school youth and high-school leavers on what courses to take to help them become more employable. It has been found that many students often end up enrolling in courses that do not fit their aptitudes, leading to high dropout rates or course shifting.

Negative bias Many Filipinos view TVET as a "dead end" where careers usually stagnate and career growth is hampered by lack of the requisite educational qualifications.

TVET faces several administrative challenges which must be resolved in the coming years in order for it to successfully meet the country's widening employment and skills demands. TVET's capacity to provide subsidized training in the Philippines is outstripped by demand and there is a clear shortage of available training spaces. Moreover, existing public resources are insufficient and as such cannot make a viable contribution to the Government's anti-poverty initiatives. The Philippines is a major source country of labour migrants in the international market, highlighting the potential of mobilizing largely untapped workers' remittances as a resource to expand training and replenish skills outflow.

Another major challenge is the problem of skills demand-supply mismatches. A large number of trained graduates are left unemployed or underemployed because they do not fit the requirements of the job market. A number of job vacancies cannot be filled because of disparities between competencies and job content.

The ability of the TVET sub-sector to respond to the increasing demand for training places in the coming years will rely mainly on its ability to better manage its present resources. Public resources are limited and are unlikely to increase due to a tight fiscal budget. High per capita costs of TVET programs need to be seriously addressed and there is a need for more efficient use of public resources.

Investments in middle-level skills development have remained inordinately focused on direct training provisions by national government, which has delayed a long-intended decentralization of management to local government units (LGU) and private sector. The challenge therefore is for TVET to effectively distribute the burden regarding the provision of training. To optimize the use of public investments, there is a need to realign TVET programs to focus on programs with a high market absorption rate as well as on emerging programs and opportunity areas where the private sector has yet to invest. There is also a need to pursue more income-generating projects given the high cost of technology and the logistical requirements of promoting program quality.

There is a need to strengthen employment facilitation services and procedural arrangements among Public Providers, such as national agencies and the educational system should be improved. The monitoring and evaluation functions of domestic and overseas labour management bureaus must also be better coordinated. Agreements must be forged in as far as the leadership in the various stages in the TVET process is concerned to facilitate continuous access to career and learning opportunities.

Countermeasures

Under the present circumstances and the need to facilitate the creation of 6 to 10 million jobs in the next five years, TVET has to contribute to employability enhancement as well as to employment creation. This prospect can be realized as greater coordination between the demand and supply segments of the TVET sub-sector. This shall also promote self-employment which now constitutes most of the total employed in the country. Appropriate matching processes aided by labour market intelligence is being worked out to mitigate the problem of unemployment and underemployment.

A profiling system called the *Youth Profiling from Starring Careers* (YP4SC) is currently being implemented by the Technical Education and Skills Development Authority (TESDA). It is an on-line complete guidance delivery system to help young Filipinos make right TVET career choices, based on an objective assessment of their strengths and interests for right job. TVET programs and services are also actively advocating competency-based programs and/or two-to-three year diploma programs, with adequate enterprise-based exposure.

TESDA plans to decentralize its direct training functions to local government units, industry associations and other agents, ready to take on the responsibility. Funding support to develop standards and curricula for MSMEs will be sought from established industry chambers, industry associations and other bodies.

To counter negative perceptions about TVET, a smooth interface between TVET courses and college degrees has been put in place to cater to the varying needs of students and promote upward academic mobility. A *ladderized*

education program (LEP) is now in place, enabling individuals to obtain vocational skills and training, get a job and proceed to college for subjects and competencies acquired in TVET. TVET graduates will have to be provided with the option of self-employment if they are not able to find wage employment opportunities, particularly among MSMEs and the agricultural sector. TVET will aim to integrate the knowledge, skills and attitudes required for self-employment to all TVET clients as well.

Republic of the Marshall Islands

Education and skills deficiencies are impeding the social and economic development of the Marshall Islands (RMI). RMI faces significant shortages in almost all professions and trades and a growing reliance on foreign workers to fill supply labour deficiencies. The fact that most job seekers lack basic competency in English literacy and numeracy and do not possess critical thinking and other life skills needed for employment is a primary barrier to economic development and social stability. Approximately 70 per cent of students who start school do not complete their secondary education and only a small number receive tertiary institutions (2% of non-public employees are college educated). Less than half of the 1,300 students who complete grade 8 annually can be accommodated in existing high schools; some of those who exit attend upgrading programs but most are idle, unemployable and increasingly unstable. This underlines a tension between the urgent need to meet the overall growth requirements of the country while also providing remedial assistance to young people who are unprepared for vocational training or unskilled employment.

Since 1990 over 12,000 Marshallese have migrated to the U.S. (more than 20% of the current population) in search of better jobs and services. There is also concern over the employability and overall welfare of Marshallese who have migrated and the impact of decreasing remittances. Despite high out-migration to the U.S. the population of the RMI is growing and there is increasing urbanization. The economy is stagnant and growth in private sector employment is marginal excluding construction and wholesale/retail sectors and to a lesser extent tourism. Unemployment is estimated at 34 percent and youth unemployment at over 60 per cent; rates will increase as the number of wage seekers continues to grow much faster than the jobs available. There are estimated to be at least 7,000 people currently looking for work and an estimated 1,000 school leavers entering the labour market each year. Just to maintain current employment levels, at least 350-400 new jobs a year need to be created.

Improving wage-employment skills alone will not address the unemployment problem in RMI given the narrow economic base. As such, opportunities must be created for self-employment and micro enterprise development and appropriate training provided. However, technical education and vocational training (TVET) in RMI is extremely limited and over subscribed. TVET institutions lack operational capacity and there is a significant shortage of experienced and qualified instructors. There are no private, for-profit training providers in RMI; the country lacks an organized apprenticeship program and there is currently no employment referral system.

In terms of the provision of training, TVET programs supporting non-formal livelihood skills are sporadic and largely uncoordinated. Training is either free or heavily subsidized; as there is no tradition of self investment in skill development,

this serves as a disincentive to providers. A common perception is that training provides an incentive for emigrating which is a deterrent to private sector investment (i.e. “the more training we provide the more people we lose”).

The administration of TVET in RMI is substandard because of infrastructure costs and economy of scale issues. Vocational training aligned with international standards is expensive, given aptitude levels of trainees, due to the lengthy time required for skills acquisition. Furthermore, labour market data and its management is limited and is not currently used as the basis for sectoral or national planning. Lastly, government agencies and key providers have overlapping mandates and inter-agency roles and responsibilities are poorly defined resulting in poor optimization of TVET resources.

Countermeasures

RMI has defined a National Strategy (2007-2011) to improve TVET planning, service delivery and evaluation at community and national level during. The Strategy stresses the need to work in close partnership with government ministries, tertiary institutions, the private sector and community groups interested in education and training outcomes. The strategy is aligned with the Ministry of Education Strategic Plan and seeks to build on programs with demonstrated success and to develop innovative and culturally sensitive responses to existing and projected labour demands. The Strategy will be guided by the need for greater public understanding and support, innovative practice, enabling policy and improved accountability.

The Guiding Principles of RMI’s National Strategy are listed as follows:

- Innovative Practice;
- Support initiatives that prevent school drop-outs and improve student performance and retention rates;
- Improve basic literacy and numeracy levels of school drop-outs through provision of a multi-faceted and targeted remedial and life skills programs;
- Focus on bi-cultural experience and expectations and prepare students for local and overseas opportunities;
- “Vocationalize” education from K-12 through integrated curriculum, teacher training and increased involvement of community and business leaders;
- Provide specialized TVET training in high demand occupations through contractual performance-based arrangements;
- Enhance opportunities for marginalized groups such as women, youth, Ebeye and the Outer Island residents;
- Increase involvement of elders and community leaders in instruction of traditional skills, knowledge and attitudes;
- Ensure TVET programs are customized to the local context and respond to the development aspirations of the people;
- Identify strategies to improve work ethics while respecting Marshallese traditions;
- Encourage entrepreneurship and enhance practical skills needed for sustainability and improved quality of life;
- Formalize and expand work experience and mentorship schemes particularly with the private sector;

- Improve information management systems to better understand labour market trends and ensure proactive programming;
- Explore possibilities to use ICT technology to improve range and accessibility of TVET programs;
- Leverage opportunities for participation in off shore training that respond to indigenous and industrial needs;
- Explore use of TVET programs that stimulate the labour market and overall economy;
- Increase understanding by policy makers about the critical role of TVET in national human resource development
- Clarify roles and responsibilities and improve collaboration between service providers
- Increase public involvement and ownership for education and training outcomes
- Improve public awareness of career options and effectively streamline students to appropriate learning environment
- Build the capacity of local TVET to deliver high quality and relevant programs and institutional ability to manage and regulate the sector
- Develop a TVET accountability matrix with clearly defined objectives, targets and performance indicators and ensure high level oversight on annual basis
- Increase resources dedicated to TVET without reducing quality or accessibility of academic education
- Establish a reliable funding base that enables program priorities to be locally determined

Singapore

Singapore's workforce is rapidly aging, with slightly over half (53%) of the economically active residents aged 40 years or older, including 25% aged at least 50 years, up from 33% and 13% respectively in 1991. Correspondingly, the median age of the resident labour force rose from 34 years in 1991 to 40 years in 2007. Singapore is also facing growing and fierce competition from lower cost countries. To sustain economic competitiveness, there is a need for Singapore's economic landscape to undergo a transformation where greater emphasis will be placed in developing and maximising the human capital.

The economic landscape is currently evolving at a high speed where there are major restructuring at both national and corporate levels. The speed of change is likely to remain a key feature of the Singapore economy and will have implications on its workforce, both for blue collars workers and white collar professionals, in terms of the need for flexibility and adaptability to respond to the fast-paced changes. New jobs created will also require workers who are better skilled and educated.

Countermeasures

The Singapore Government will continue to develop world-class Continuing Education and Training (CET) infrastructure to build the pool of human capital and raise its quality. A new CET Masterplan was announced by the Singapore government in Feb 2008. It is a comprehensive plan to prepare Singaporean workers for the future and develop Singapore's competitive advantage. It will

work to better integrate all CET and education systems, and expand tripartite outreach to all workers.

The CET Masterplan is aimed at preparing Singaporean workers and industry for important shifts anticipated in the labour market. Nearly 60% of Singapore's workforce will have at least a diploma qualification by 2020, (compared to 36% in 2007), and this will generate an enormous demand for new jobs. The Government will be responsible for equipping Singaporeans with the skills for job opportunities in new growth industries, whether they are preparing for new jobs, switching careers or acquiring new skills for their jobs.

Ten new CET Centres in potential growth sectors will be instituted, including - aerospace, precision engineering, process manufacturing (chemicals/petrochemicals, engineering services, biologics, pharmaceuticals, environmental technology), portable manufacturing skills, service professionals, logistics and supply chain management, allied healthcare, community and social services, workplace safety and health, and adult training. Existing CET Centres will be expanded to meet demand in growth sectors such as finance, information and communications technology (ICT), tourism and hospitality and digital media. In addition, the Government is working to expand CET capacity from 22,000 workers today to 80,000 workers by 2010. A new Institute for Adult Learning to develop trainer capability and conduct applied research into adult training for enhanced training quality and effectiveness will also be created.

Solomon Islands

There is a significant unemployment problem in Solomon Islands (SI), and the country lacks the necessary support in terms of government policies and sponsors to raise the standard of training in the country. Out of a total of working age population of about 298,000, only about 69,000, or 23% are full time or part time wage earning jobs. Of these, over 11,000 are employed in the public sector. Within the formal sector, only about 80 businesses employ more than 15 or more workers. The remaining 1,500 or so registered businesses are very small and often made up of a single self employed entrepreneurs. Moreover, in both the formal and informal sectors, there is a high level of youth unemployment, defined as young people between the age of 12 and 29 who are no longer studying and who are not employed, or who are working only intermittently and in very low-productivity positions. There is also a very significant gender difference in the workforce. There are more than twice as many males as females in paid employment while in unpaid work (the informal economy), females outnumber males by about 25 percent. Key posts in all sectors that need adequately qualified personnel have been found to be held by expatriates.

There is, however, a strong demand for skilled labour in specific occupational areas, both in the private and public sectors, where there is an unmet and increasing demand for professionally and technically trained employees at all levels. Formal sector firms are currently about 53 percent understaffed. Despite large numbers of the non-working adults in the country, the private sector finds it difficult to recruit trained personnel to fill critical positions. This can be partially attributed to an imbalance in the wage structure such that some jobs in high demand have salaries that are too low to attract skilled workers. Another issue is that some industries pay significantly higher salaries for the same job, causing a drain of trained manpower from one industry to another.

Albeit these factors, among the vacancies for those with technical and vocational skills, fewer than half specify the need for individuals to come with formal certificates of Technical and Vocational Education and Training (TVET). The reason for this discrepancy is that employees in the formal private sector do not have a high regard for the quality of TVET graduates from the local training institutions; most view TVET programs as essentially supply driven and poorly taught. For this reason, they prefer to employ secondary school graduates with good academic records and suitable work attitudes and then train them out to take short courses to learn specific skills.

In point of contrast, within the public sector, the current capacity to train these specialists is limited and cannot satisfy the demand for new recruits. The public sector currently accounts for about 16% of paid employment; a retrenchment of 1999 and a suspension on recruitment between 2000 and 2003 affected the availability of skills and resulted in a shortage of workers at mid-career level. There are also significant shortages of technically trained specialists in many fields. These shortages negatively affect overall productivity and the political viability of the nation and its prospects for economic growth.

There are however several problems with training institutions in SI as they currently exist. The quality of the training that they provide is variable at best, with most being less than satisfactory. There are a number of reasons for this, including a lack of established training capacity in SI, and a mismatch between demand and types of training offered. In addition the labour pool in general does not possess the basic level education required to participate in many trainings, particularly in high-tech professions.

Countermeasures

The government has spearheaded moves to set up a National Skills and Productivity Authority under the Labour Division of the Ministry of Commerce, Industries and Employment. Institutional reform of training centres is underway. Recommendations include:

- an increase in the number of trainee recruits;
- increased funding to improve teachers and institutional quality;
- a shift in training focus to be geared more towards response than demand; and,
- the establishment of a mechanism to better identify demands in all sectors so resources to support skills development in these areas can be more effectively allocated.

In SI's informal economy, there is also a highlighted need to prepare young people to find wage employment in rural industries, and promote village-based enterprises to facilitate greater options for self employment. It is of paramount importance that the country makes comparisons with employment trends across the Pacific region to gauge its progress.

Sri Lanka

Despite achievements in the human development front, Sri Lanka continues to face the challenges of accelerating the growth rate of the economy which has been fluctuating between four to six percent in recent years. In terms of employment generation, the private sector has continued to play a leading role. In

2006. the private sector had a 42.1 percent share of total employment while the public sector was estimated at 13 percent.

There are several public and private sector institutions engaged in providing professional and vocational training. Professional training is available and provided by private, internationally-accredited institutions. The Technical Education and Vocational Training (TEVT) sector in Sri Lanka is currently made-up of an extensive system of public, private and NGO sector Training providers. Taken together, these institutions provided training to around 61,112 individuals in 2006 (Central bank of Sri Lanka Annual report- 2006).

A number of challenges have been identified in regards to developing appropriate skills for the Sri Lankan workforce: training programmes are not always market-oriented; duplication of training occurs in high frequency; there is a lack of coherent skills standards to assess trainees; and training curricula often do not match the needs of labour market.

Countermeasures

The Tertiary And Vocational Education Commission (TVEC) was established in 1991 and functions as the apex body for setting policy and regulations for TEVT sector activities under the purview of the Ministry of Vocational and Technical Education. TVEC is responsible in ensuring the quality and relevance of technical training in Sri Lanka. The general responsibilities of the commission involve policy development, planning, co-ordination and development of tertiary education and vocational training; establishing a nationally recognized system for granting of tertiary education awards including certificate and other academic distinctions; and designing academic and training standards in institutions, agencies and all other establishments providing tertiary and vocational education.

Development of VET plans is a pioneer activity initiated by the TVEC in the year 1999 built on the premise that industry knows best about the training and skills needs of their work force. Industry associations, lead training agencies and professionals in the private and public sectors participate in the process of formulating training strategies. As apart of this activity, TVEC also undertakes industry field visits to assess skills needs of industry partners.

As a result of this concerted planning initiative, training programs have been reoriented, new training courses have been implemented and successful and courses have been expanded and up-scaled in collaboration with public and private training providers. The identification of occupational good practices towards the development of National Skills Standards have also been recorded.

A labour market information bulletin has been developed to be periodically circulated with information pertaining to the Sri Lankan labour market, including data on unemployment, labour force participation, wages, vocational training and characteristics of the workforce. This bulletin has proved important for policy makers, as well as managers and planners at all levels in the TVET sector in providing information on career guidance and job placement agencies.

The establishment of a Quality Management System (QMS) in training institutes that have registered under the TVEC and conducting accredited courses is a prime responsibility of TVEC. In addition, a National Vocational Qualifications Framework is now being implemented. National Vocational

Qualifications have been established to support efforts in enhancing the development of an internationally competitive workforce in Sri Lanka. The framework is a key element in unifying Technical Education and Vocational Training.

The Asian Development Bank has supported the introduction of National Qualification Framework through the Skills Development Projects (SDP) and Technical Education Development Project (TEDP). Through the SDP and TEDP, the government is committed to ensuring the development of the country's human resources by matching technical and Vocational Training and labour market demand.

In this regard, the National Vocational Qualification of Sri Lanka (NVQSL) sets the standard for national training needs to help bridge employment mismatches in the formal and informal sectors. Quality assurance is fundamental to all aspects of the NVQSL; it includes the determination of National Skill Standards, training delivery to learners on and off the job, the skills assessment of candidates and award of qualifications.

The NVQSL ensures that all current and newly emerging technical education and vocational training are well coordinated. Competency Based Training (CBT) curricula and appropriate teaching, learning and assessment materials are made available through the framework. This also sets requirements for registration and accreditation of training providers and courses. Technical and vocational qualifications, which comply with the national quality requirement and form the criteria for accreditation of courses by TVEC, are formally recognized through the NVQSL. The NVQSL is based on National Skills Standards identified by the industry stakeholders, which include relevant core and generic skills.

Thailand

Thailand has progressively integrated into the global market. Regional cooperation with neighbouring countries is growing in many aspects, as evidenced by the country's involvement in the Great Mekong Sub-region (GMS) and the Bay of Bengal Initiative for MultiSectoral Technical and Economic Cooperation (BIMSTEC) organizations. In addition, Thailand has committed to a number of free trade agreements, most notably through its member status in the Association of Southeast Asian Nations (ASEAN). Through ASEAN, Thailand has been proceeding with other member states to establish ASEAN Economic Community (AEC) with the goal of achieving an integrated market by 2015. AEC will pave the way towards a free flow of goods, service, investment, as well as skilled labour, to promote equitable development and poverty reduction across the region. In regard to skilled labour mobility, ASEAN member countries shall adopt trade liberalization and remove all barriers to discrimination on employment, and to this end the AEC framework insists on harmonization of education and training standards. With the average Thai worker presently holding an average of 8.5 years of education, and with an estimated total of 300,000-400,000 persons graduating from Thai education system on a yearly basis, the openness of labour mobility accorded through the AEC presents a potential challenge to upgrading the skills of the labour force. Many industrial sectors have demand the government to effectively resolve these issues.

Countermeasures

The Ministry of Labour has taken into consideration these challenges and many efforts and measures have been enacted to address them accordingly:

The 2002 promulgation of Skill Development Promotion Act (SDPA) was a considerable step both in dealing with Thailand's skilled labour shortage and addressing the technological lag faced by its labour market. The major objective and enforcement mechanism of SDPA is in line with Thailand's National Training Policy which aims to foster private sector cooperation in skills development and training programs. SDPA established the Skills Development Fund (SDF) for supporting skills development activities. In compliance with SDPA, enterprises which employ 100 employees or over-- approximately 14,000 enterprises in the country— are required to provide training for no less than half of the number of workers they employ annually. Enterprises which fail to comply with this requirement are subject to pay a penalty contribution to SDF, which varies depending on the proportion of the employees they have trained. Testimony to its effectiveness, SDPA has encouraged many enterprises to train their own workers, and hundreds of curricula ranging from operational skills to advanced technology competency have been developed. An estimated one and a half to two million workers are trained in this way annually.

The Finance Ministry Decree on Tax Reduction for Training Cost became effective in 2005. This decree provides tax incentives for enterprises that outlay expenditures on training their own workers. This measure has shown not only to benefit enterprises by increasing their training activities but has been a key mechanism in assisting workers to acquire the skills and competencies they need in the workplace.

The National Commission on Vocational Training and Coordination (NCVTC) was initially formed by a Minister's Council resolution as a national body for implementing and coordinating vocational training strategies. In the past however, this agency did not deliver a comprehensive strategy or build strong network linkages due to weak organization. The NCVTC was reactivated in 2007. Its main objectives are to upgrade the national workforce training plan in accordance with the labour market. Other key objectives include monitoring and evaluation the implementation of the national training plan and to scale-up vocational education and training activities to strengthen the skills of the workforce. The Prime Minister or Deputy Prime Minister is responsible for designating a NCVTC chairperson; NCVTC members comprise senior officials from both the public and private sectors involved in economic and educational institutions as well as other skills development experts. The current NCVTC stands the national coordination body for driving training policies and cooperation between networking agencies with the aim of facilitating greater national competitiveness.

Vanuatu

With a population of less than 200,000 and a small economy that is primarily based on fishery, agriculture and tourism, the Government of Vanuatu is faced with the challenge of educating and skilling its workforce in order for it to effectively contribute to the social and economic development the country. In mid 2006, the population of Vanuatu was growing at an average rate of 2.6 percent. Forty-one percent of Vanuatu citizens are under the age of 15 years. Seventy-nine percent live in rural areas, with many communities located in extremely

remote locations with minimal access to basic services such as health, education and training. A 2007 literacy survey conducted by the University of the South Pacific identified Vanuatu as having the lowest literacy rate in the South Pacific at 37 percent. There is a strong trend towards urbanization with the rate of internal migration to the main towns increasing every year, motivated by the search for better opportunities in terms of jobs and education, especially among young people.

As a result of these factors, the Vanuatu labour force has a very low rate of participation in the formal economy. According to the 1999 census, 72 percent of those employed in the informal economy were engaged in subsistence agriculture while 28% were working in the cash economy. Female participation rates in post school education and training or in the labour market are also low. In 2003, the number of women participating in education and training post school was 60 women to 100 men while women comprise only 35 percent of the public and 32 percent of the private sector labour force.

Improving the skill level of the workforce is contingent on the Vanuatu Government's capacity to develop its national Training policy and National Human Resource Development Plan, strengthen networking between training providers and industries and develop a labour information system to monitor and evaluate training effectiveness.

There is limited data on the impact of the existing TVET system; however, recent surveys indicate that 43 percent of graduates are in full time employment while a further 20 percent are in part time and casual employment. Seven percent of graduates were reported to self employed. While nearly 70 percent of graduates are in some form of employment, the number of students still unemployed is quite noticeable. There remains a critical need to further assess the relevance of courses in the context of the current labour market.

Countermeasures

Developed with ADB financial assistance, Vanuatu's *TVET Master Plan* (2003-2010) outlines the development of a demand-driven, coordinated, cooperative and continually improving TVET system. It indicates that formal, non-formal, and distance learning approaches will be utilized to train and foster skills, knowledge, and values towards the betterment of Vanuatu's society and economy. The organizing principles of the Plan can be summarized as follows:

- The recognition of the importance of strong and effective policies in the development of Vanuatu's TVET system.
- The encouragement of a range of practical, high quality and relevant competency-based TVET courses to meet the development needs of the formal, informal, and non-formal economies, and to promote self-employment and self-reliance.
- The promotion of the expansion and strengthening of TVET training in the rural areas and to meet Provincial development needs.
- Support for the upgrading of the Vanuatu Institute of Technology and other formal TVET providers, with a longer-term vision of a single, sustainable, multi-purpose, multi-campus national institute.

- The advocacy of strong, community-responsive, non-formal TVET groups providing various learning opportunities and services for empowerment, community development, and improvement of quality of life.
- The sponsorship of an accessible and equitable TVET system.
- The approval of sustainable funding for the TVET system, both formal and non-formal.

Vietnam

Vietnam is accelerating its process of integrating into the global economy with the aim of becoming a fully industrialized country by 2020. In order to achieve this, Vietnam is pursuing a multi-dimensional development agenda through which the enhancement of its human resource base has been identified a critical factor. The Government of Vietnam has worked to increase its support and investment into its TVET system in recent years; however the accelerated pace of technology and rapid development of industry both domestically and abroad, has resulted in a wide gap between the demand and supply of skilled labour within the country. In this connection, training methods and equipment of TVET system do not meet the full requirements of labour market: equipment is not adaptable to the modern practices and technologies utilized by productive Vietnamese enterprises; training curricula are not up to date; training methods are largely instructor-focused and therefore ineffective; and training instructors are unable to access learning opportunities to improve their instructional techniques.

Countermeasures

In response to these challenges, Vietnam is increasing investments in TVET through the following ways:

- increasing the state budget for TVET system;
- actively attracting investment from organizations to enhance TVET personnel;
- encouraging international investments in TVET institutions with 100 percent of foreign capital met matched through joint ventures with Vietnam partners; and
- channeling foreign development aid into skill development projects.

Vietnam is also seeking to transition TVET from supply-led system to demand-led system which towards the provision of competency based training; design curricula based on the industry skill standards, steadily reforming TVET programs so that move beyond time-structured, rote modes of instruction; strengthening the relationship between TVET system and industries through the activities of PIAs (Program industry advisory committees) and SIACs (School industry advisory councils); and seeking industry-experienced personnel for teaching staff, while working to dynamically foster and enhance the professional knowledge and teaching methods of existing staff.

Review of Major Issues

A number of similar issues or themes were identified by many of the countries. These are summarised below.

Skills Mismatch

Many countries highlighted the fact that many of the formal courses offered were not meeting the needs of industry. Curriculum was not relevant to the specific needs of the labour market. This often prevents trainees from locating suitable employment following their graduation. Some countries were trying to move from a supply to a demand driven training system but there were still many outdated training courses being delivered because teachers did not feel comfortable to change to new areas. Many countries commented on the fact that many university graduates were unemployed or underemployed while there were major skills shortages for people with technical skills. Some mentioned that skills could not be taught because relevant equipment and materials were not available or in short supply.

The result of this situation is that many trained graduates will not get jobs because they do not meet the needs of employers.

Limited Linkages with Industry

A common issue was the lack of effective linkages with industry. Qualification systems were often not understood by industry and companies had low perceptions of training institutions and qualifications that they offered. Partly for this reason industry representatives were reluctant to talk to training organisations to specify their training requirements

There were little mention of effective partnerships with industry yet if these operate effectively they can help training institutions identify emerging skill areas and design appropriate courses in conjunction with industry. This can assist developing countries enhance their productivity to reach a higher level of competitiveness.

Many countries recognised that their TVET systems were supply driven and not properly attuned to the skill needs of industry and not meeting the needs of the labour market. A related issue is that many SMEs are reluctant to invest in training activities, concerned that in so doing their workforce will seek advanced opportunities elsewhere. As a consequence, limited funds were available to training organisations and many training agencies felt incapable of meeting companies' demands for upgraded programs with more modern equipment.

Many countries are working to reform their training systems so that they can be more responsive to the needs of industry and other key stakeholders, Various strategies were being developed to meet this needs

High Youth Unemployment

Maintaining sufficient levels of youth employment is crucial to sustain labour productivity and competitiveness over the long term. Training and educating young people has therefore been highlighted as a key priority of many countries. However, many countries continue to experience high rates of youth under/

unemployment; domestic labour markets are often unable to absorb them following their departure from the school system. This may compound already existing labour challenges found in many countries. In the Marshall Islands for example, youth unemployment rates are estimated at over 60 percent, and is expected to increase as the number of wage seekers continues to grow much faster than the jobs available. Japan is working to address issues of youth employment where, in recent years, there has been a high turnover and unemployment rate among young people, including a growing number of youth with no established occupation.

Shortage of Training Instructors

A critical area that was mentioned was the shortage of teachers especially in skills shortage areas such as those related to modern processes and technology. Developing countries often face difficulties in providing meaningful vocational education and skills training to enhance the quality of their labour force. Many trainers and training instructors are unable to access learning opportunities to improve their instructional techniques and many instructors do not have sufficient industrial experience and technical expertise. Similarly Iran reports that on the whole, TVET instructors do not have the necessary competencies to facilitate learning and motivation of trainees.

Lack of Coordination Between Government Agencies

A consistent issue is that there is a lack of effective coordination between government departments and educational agencies within countries. A coherent institutional framework is a crucial factor in facilitating effective training policies towards the development of a skilled human resource base. However, many developing countries do not possess the institutional capacity or organization to systematically coordinate their national TVET policies. Consequently some countries are constrained in their ability to provide an adequate level of support in which to upgrade their vocational training programs. There were many examples where various government departments do not collaborate with each other in the design and implementation of programs and the result was a high degree of duplication. Many countries lack a national approach to TVET which means that there is no guide to national direction and economic development and the coordination of funding to match skills needs with training..

Skills Shortages

Most countries are facing skills shortages which can occur at the same time as areas of underemployment of their workforce. There was evidence of ineffective planning with cheaper courses being offered even though they are not in areas where there are skills shortages. Workers are becoming more mobile and countries with the lowest wages and salaries were losing skilled workers to more developed countries.

Another reason for skills shortages is the ageing population generally in nations with higher GDP per capita. Developed countries usually have a much lower fertility rate due to greater wealth, education, and urbanization. Mortality rates are low, birth control is understood and easily accessible, and costs for children are often deemed very high because of education, clothing, feeding, and social amenities. Longer periods of time spent getting higher education often

mean women have children later in life. Consequently, as their population continues to age, developed countries face increasing challenges to maintain levels of labour productivity and competitiveness through the continued participation of their workforce in the labour market.

A related issue is the lack of systems to assess the skills of the existing workers. Many workers have skills obtained on the job but without effective systems to recognise these skills they cannot be used to get better jobs

Rural to Urban Migration

Facing a large population of unskilled and unemployed labourers in rural areas, many developing countries are experiencing a rise in internal migration to urban areas from individuals seeking waged employment. This is increasing pressure on governments to meet the skills needs of their population, particularly in places where the capacity of training providers is exceeded by demand for services. The shift of rural labourers to non-agricultural sectors has also increased pressure on urban employment and increasing competition between new entrants to the workforce and retrenched workers seeking reemployment.

At the same time gaps are created in the rural sectors where high skills are needed to increase productivity and develop new jobs and productive industries. A related issue is the fact that many developing countries do not have effective labour market information systems to monitor these trends and provide key information on the composition of the workforce to assist in the planning for skills development

Weak Training Capacity

Faced with increasing competition in the global market, the governments of many countries are facing tremendous demands from their workforce for advanced competencies and skills. Broadly speaking the demand for these skills greatly outstrips the physical and technical capacity of national systems to provide appropriate training. Developing countries very often do not have the financial resources required to invest in improving the quality of their training systems. In this regard many do not have modern equipment and materials necessary to achieve higher productivity in the face of increasing competition.

There were a number of schemes to gain funding for TVET but in general it appeared that the system received low levels of funding compared to the economic needs of the countries and the funding applied to other education sectors. This low level of funding affected the quality of training and many countries needed support in updating their vocational training infrastructure, curricula, instructors, equipment and training resources. While skills development was seen by most countries in the Asia-Pacific as a key priority in order to improve their productivity and competitiveness it rarely received the funding that it needed.

Large Informal Economy

Many developing countries are faced with large numbers of people who cannot locate employment in the formal wage sector, and must resort to working in the informal economy, often in very low skilled, low quality jobs. Countries face many problems addressing training needs for these groups because they are

often remote, isolated or lack any forms of basic education. To upgrade skills for these groups is expensive often because of their location and the shortage of trained teachers or organisers. There was some mention of the need for entrepreneurship skills training components to assist graduates become capable of initiating and managing their own enterprises to generate self-employment.

Conclusion

This report identifies many issues and needs for the countries in the Asia Pacific region. Issues are common between countries with skills shortages, the need to effectively manage skills migration, the need for improved partnerships with industry as some major themes.

It is likely that all countries could benefit by reviewing the problems and strategies described in this report to get ideas about possible ways for new national systems to be developed and for existing systems to be improved.