

Korean Experience with Skills for Economic Growth

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► Importance and Concerns of Skill Acquisition

- **Increasing Productivity**
- **The Important Role of National Economic Development by Helping the Adaption of New Circumstance Change and Technology Development**

▶ Economic Growth and Skills in Korea

- The Korean economy reaches the limit on quantitative input of labor and capital
 - ☞ The urgent switch to the growth through skill-based qualitative input
- The Need of new power for global competitiveness and sustainable growth
 - ☞ 'Low Skill' => 'High Skill or Creative Skill'
 - ☞ Solution for the skill differences caused by employment features

Environmental Changes Surrounding Skills

► The effects of low fertility and population aging

- **The student resources are expected to fall short by fertility drop.**
 - ☞ Reduction in the number of students leads to financial difficulties of higher education and devastates regional educational units.
- **As a result of population aging, social problems such as the employment of the aged have come up.**
 - ☞ The baby boom generation has leaved the labor market without provision for old age. It means a serious loss to the utilization of the aged human resources

★ Ratio of Adults above 65 of Total Population

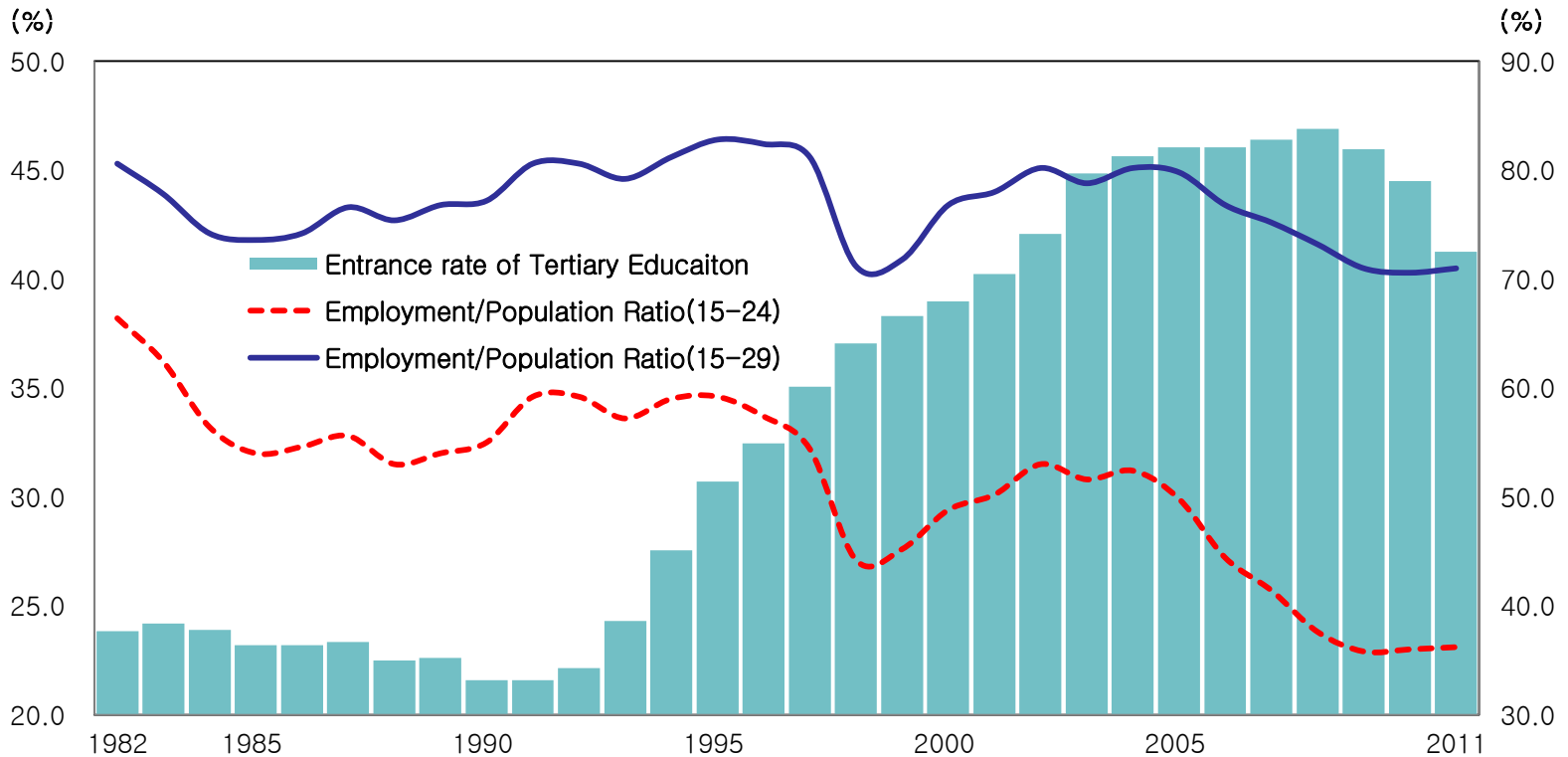
Year	1970	1980	1990	2000	2010	2020
Korea	3.1	3.8	5.1	7.2	11.0	15.6
OECD Average	9.6	10.9	11.7	13.0	14.8	18.0

Source: OECD (2009), Factbook, Environmental and Social Statistics

Environmental Changes Surrounding Skills

The extension of higher education and the imbalance of human capital investment

☐ Youth employment and higher education



Reference: The National Statistical Office, The Ministry of Education(2012).

Environmental Changes Surrounding Skills

► The extension of higher education and youth unemployment crisis

- The extension of higher education has a positive side to improve skill level of human resources

- ☞ Higher education was elite education by the mid-1980s

- Public education from the mid-1980s to the 1990s

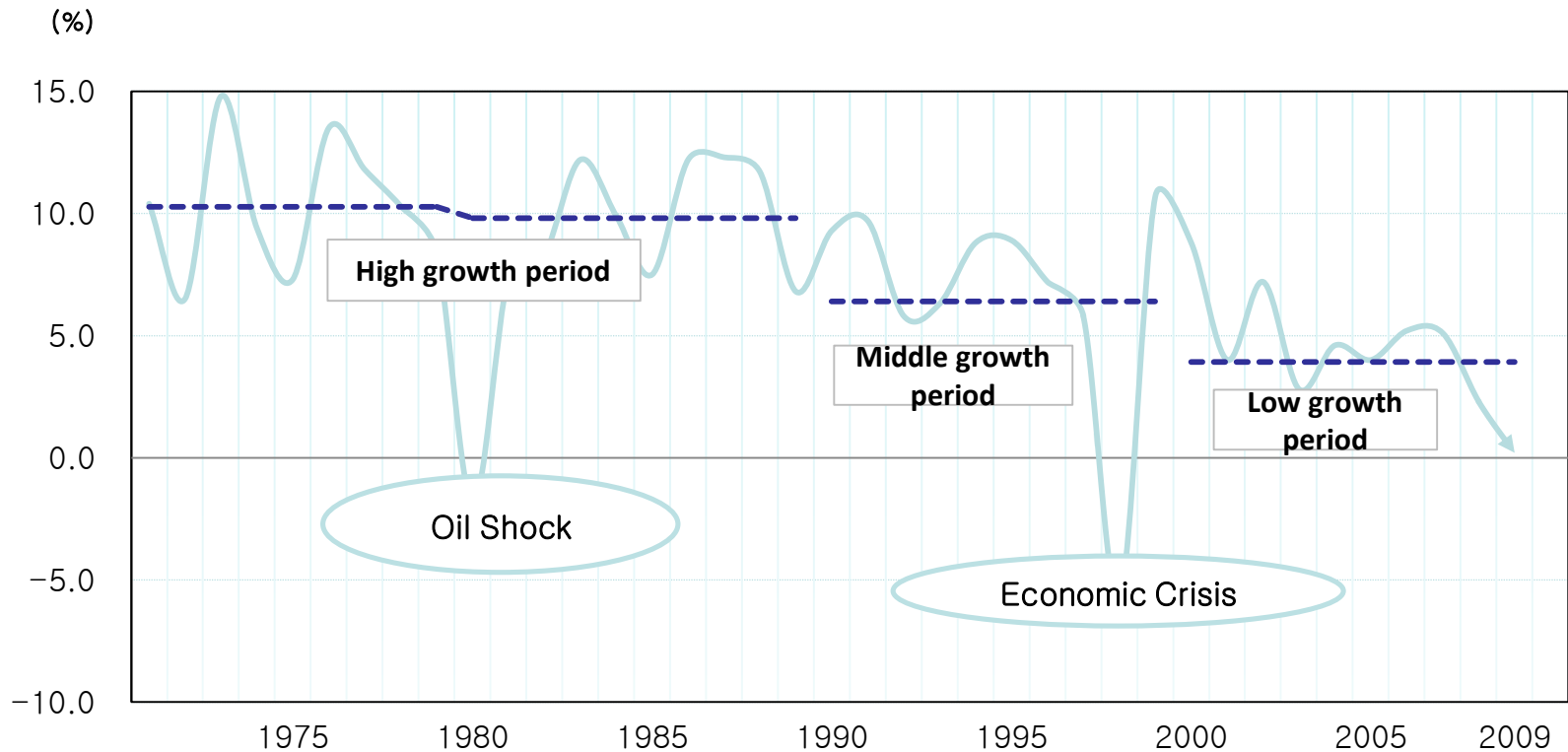
- Universal education after the 2000s

- But inefficiency of human capital investment caused by unemployment crisis of college graduate and a long leave of absence is disclosed

- ☞ It leads to inconsistency of skill and instability of unemployment and deterioration the quality of employment.

Slowdown in the Economic Growth Rate and the Employment Rate

□ Long term trend of the economic growth rate



Reference: The Bank of Korea(2012).

Actual Condition of Skill Development

- Extension of vocational training : unemployed persons, SME workers
- Increasing necessity of skilled labor power in the labor market

Skill Level of workers by enterprise scale(manufacturing workers)

100~299 Workers	300~999 Workers	1,000~1,999 Workers	Above 2,000 Workers	Whole Workers
4.52	4.67	4.97	5.08	4.72

National Competency Standards(NCS) Development in Korea

- Promoting the strength linkage between qualifications “Work-Training-Qualification” through development and utilization promotion of National Competency Standards(NCS)
- Completed development of NCS for 291 trades among total 800 trades by the end of 2011
- ✘ NCS : standardize ability(knowledge, skill, attitude) at the national level to need to perform one’s duties in industrial setting
- Utilizing at Junior college, specialized high school, testing / training standards maintenance, enterprise training center etc.

National Competency Standards(NCS) Development in Korea

▶ NCS and Government policy Direction

- **Core National Project : NCS**
 - Finish NCS Development by 2014(Around 833 units)
 - Reorganize school education, vocational training and qualification
- **Making the competency-oriented Society, not the academic level-oriented society**

National Competency Standards(NCS) Development in Korea

► Introduction Background of NCS

What to know?
Traditional Education

Change
Paradigm

What(How) to do? Competency-oriented Education

- National Occupational Standards
- National Competency Standards
- Evaluation Standard of Competency
- Standard Law of Qualification,
Law of National Technology Qualification,
Law of Worker Competency

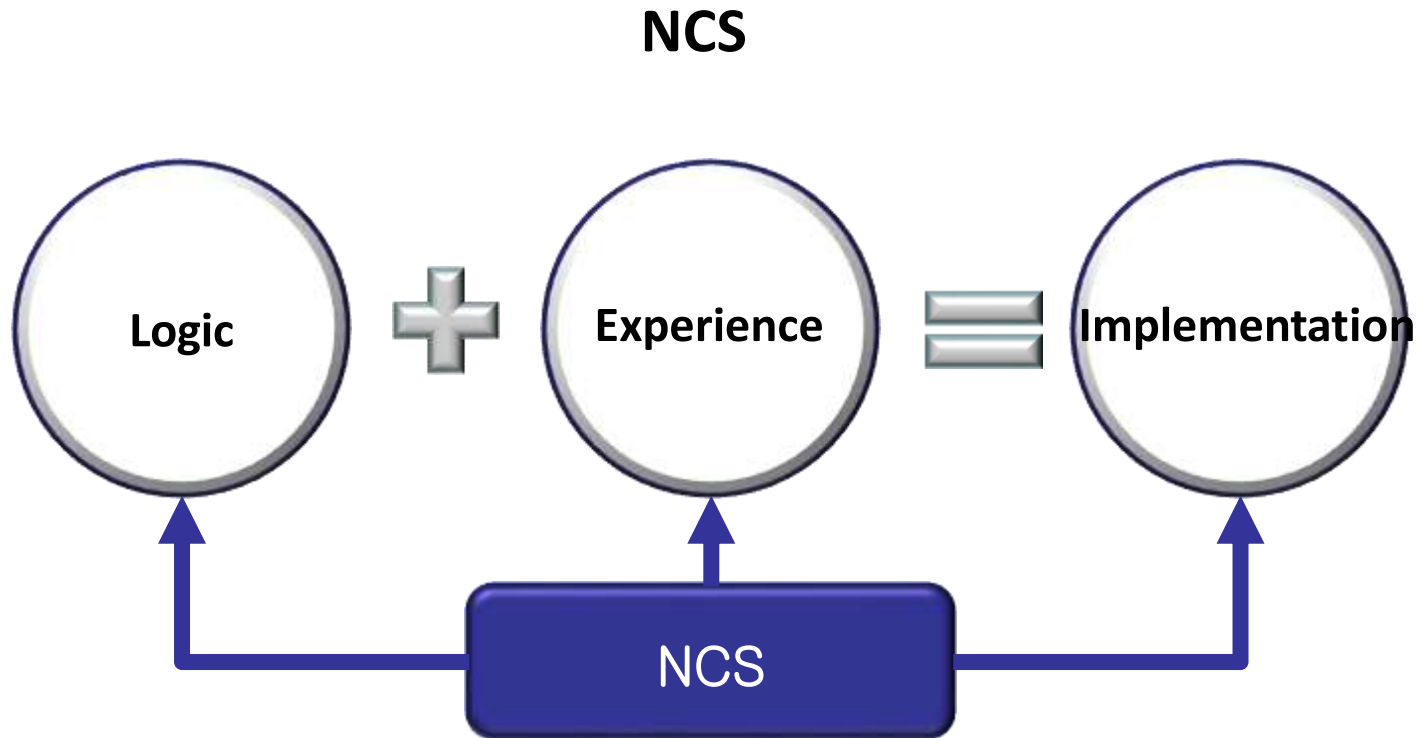
Apprenticeship
System

Curriculum
Development

Qualification
Framework

National Competency Standards(NCS) Development in Korea

► Meaning of NCS



- Education and training by human capital contract**
- Restructuring of the skill development system of workers**
- Introduction of job search period(Gap Year) policy**
 - University entrants can choose a job experience period for a year, and the experience can be linked to strong student loan system
- Establishment of the skill development system in service factors**
 - The expansion into skill development in service factors from the existing manufacturing industry-centered skill development.
 - Especially, characteristic skill development such as skill development in high value added service factors and self-employed business skill development

- Re-establishment of recognizing results of the learning system in service-related factors**
 - Establishment of the qualification and certification system by typical characters of skills
 - Establishment of the certification system for e-learning and connection between a learning result of high educated persons and the qualification system

- Skill for Innovation**
 - Innovation : Core of Economic Growth
 - Importance of creative power and entrepreneurship : involving formal education curriculum, supporting SME's OJT, and supporting budget of university

Thank you

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