

APEC Forum on Human Resources Development 2008

# The Role of TVET Providers in Training for Employees

19-21 November 2008 Chiba, Japan



**Asia-Pacific  
Economic Cooperation**

Ministry of Health, Labour and Welfare  
Overseas Vocational Training Association

# Preface

This report summarizes APEC Forum on Human Resources Development 2008 “The Role of TVET Providers in Training for Employees”. Since 1996, APEC Forum on Human Resources Development has been held in joint hosting by the Ministry of Health, Labour and Welfare and Overseas Vocational Training Association as a cooperative project by the Labor and Social Protection Network, Human Resources Development Working Group (APEC-HRD-LSPN) of Asia-Pacific Economic Cooperation (APEC).

This 12th forum was held from November 19 through 21, 2008 by gathering 24 representatives from 14 Economies except Japan (Brunei Darussalam, Canada, Chile, China, Indonesia, Malaysia, New Zealand, Peru, the Philippines, Chinese Taipei, Thailand, Singapore, Viet Nam and the U.S.) who mainly worked in policymaking in occupational skills development.

During the discussion of the 2007 topic, Sustainable Career Development throughout Working Life, the need to consider the use of career consulting, information provision, education and training providers, and other external resources was brought up. Further, the national and local governments, private service providers, and of course workers themselves were pointed out as the stakeholders of career development, and cooperation between them was debated.

On the other hand, as the labor market changes and workers’ ways of working change, companies will reinforce their awareness that human resources development is an investment. Corporate policies will change accordingly, shifting from a go-it-alone philosophy to effective utilization of external resources and from corporate initiative to the strengthening of worker autonomy. As a result, worker’s responses will adjust to the changes within companies, shifting toward the improvement of one’s own employability.

Under such circumstances, the shape of TVET providers who support human resources development outside the company is an important topic for discussion in order to promote appropriate and effective human resources development.

In light of the above, it has been decided that this year’s topic for the forum shall be the Role of TVET Providers in Training for Employees.

In addition, Dr. Alan Lester Ginsburg, the Lead Shepherd of APEC HRD WG was supposed to participate in this Forum. Unfortunately, he told us the bad news that he was absent because of his health condition.

He recovered now and he devotes himself to the preparation for APEC-HRD WG that will be held in Chicago in June 2009

We would like to thank the international and domestic participants who provided case example presentations, national and local reports and active discussions to make this forum such a fruitful event and the relevant parties who provided advice and guidance in summarizing this forum.

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Administrator

Office of Policy Development and Research, US Development of Labor / ETA

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## AGENDA

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*Forum Coordinator: Professor Tatehito Shimoda, Reitaku University*

### **Day 1: Wed. November 19, 2008**

|             |  |   |
|-------------|--|---|
| 9:30-10:00  | Opening Ceremony (2 <sup>nd</sup> Floor Nagisa Hall) |   |
| 10:00-10:30 | Photo Sessions and Coffee Break                      |   |
| 10:30-10:45 | Forum Introduction                                   | Professor Shimoda   |
| 10:45-12:00 | Keynote Speech                                       | Mr. Youichi Kimura<br>(President of Akita Polytechnic College)  |
| 12:00-13:30 | Welcome Lunch (3 <sup>rd</sup> Floor Hall)           |   |
| 13:30-14:45 | Case Study 1 (Canada)                                | Ms. Tammy Bloor-Cavers<br>(Ministry of Advanced Education,<br>Employment and Labour,<br>Government of Saskatchewan, Canada) |
| 14:45-15:00 | Coffee Break   |   |
| 15:00-16:00 | Presentation by economies                            |   |
|             | 15:00-15:20 Japan                                    |   |
|             | 15:20-15:40 Chinese Taipei                           |   |
|             | 15:40-16:00 Singapore                                |   |
| 16:00-16:15 | Coffee Break   |   |
| 16:15-16:55 | Presentation by economies                            |   |
|             | 16:15-16:35 China                                    |   |
|             | 16:35-16:55 Malaysia                                 |   |
| 16:55-17:30 | Discussion and wrap up of the 1 <sup>st</sup> day    |   |

### **Day 2: Thu. November 20, 2008**

|             |   |  |
|-------------|---|--|
| 9:00-10:35  | Case Study 2 (Joint presentation New Zealand)<br>Ms Patricia Anne Colgate (NZ Department of Labour)<br>and<br>Mr. Jeremy Baker<br>(Executive Director, Industry Training Federation of New Zealand) |  |
| 10:35-10:45 | Coffee Break  |  |
| 10:45-11:45 | Presentation by economies   |  |
|             | 10:45-11:05 Peru  |  |
|             | 11:05-11:25 Chile   |  |
|             | 11:25-11:45 Thailand  |  |
| 11:45-12:00 | Discussion and wrap up of the 2 <sup>nd</sup> day   |  |
| 12:00-13:00 | Lunch   |  |
| 13:10-      | Study Tour (Advanced Polytechnic Center & JAL Academy)  |  |

### **Day 3: Fri. November 21, 2008**

|              |  |   |
|--------------|--|---|
| 9:00 – 10:15 | Case Study 3 (USA)                                       | Mr. Thomas Michael Dowd<br>(US Department of Labor) |
| 10:15-10:30  | Coffee Break   |   |
| 10:30-11:50  | Presentation by economies                                |   |
|              | 10:30-10:50 Philippines                                  |   |
|              | 10:50-11:10 Indonesia                                    |   |
|              | 11:10-11:30 Vietnam                                      |   |
|              | 11:30-11:50 Brunei                                       |   |
| 11:50-13:30  | Lunch  |   |
| 13:30-15:00  | Discussion and wrap up of the Forum                      |   |
| 15:00-15:15  | Coffee Break   |   |
| 15:15-17:00  | Wrap up of the forum & Closing                           |   |
| 17:30-       | Farewell Reception (5 <sup>th</sup> Floor Browsing Area) |   |

## Opening Address

**Mr. Masaharu Tanaka**

Director

Overseas Cooperation Division

Human Resources Development Bureau

Ministry of Health, Labour and Welfare



Mr. Isao Aoki, President of Overseas Vocational Training Association, Mr. Yoichi Kimura, keynote speaker of this forum; Professor Tatehito Shimoda, coordinator of this forum. And distinguished human resources persons and dear colleagues from the APEC economies, ladies and gentlemen, good morning, ohayou gozaimasu.

It is my great pleasure to deliver the opening address on behalf of the Ministry of Health, Labour and Welfare, Japan, at the opening of the APEC International Forum on Human Resources Development 2008.

First of all, I would like to extend our warm welcome to our friends from the governments, research institutions, and academies of the APEC economies. I would also like to express my heartfelt appreciation to three human resources persons: Ms. Tammy Bloor Cavers, Minister of Advanced Education, Employment and Labour; Government of Saskatchewan-Canada; Ms. Patricia Anne Colgate, Department of Labor, New Zealand; and Mr. Thomas M. Dowd, the United States Department of Labor; as well as to the keynote speaker, Mr. Yoichi Kimura, for their dedication to this forum.

And my special thanks to our forum coordinator, Professor Ken Shimoda, Reitaku University. We will attribute the success of this forum to his excellent talent for creating a free-talking space and also for summing up and summarizing the complicated discussion.

The theme of this 2008 forum is the role of TVET providers in training for employees, and this forum aims to exchange information concerning the current situation of TVET providers and administrative approaches to that issue, deepening the discussion.

Taking advantage of this opportunity, I would like to explain the background in choosing this theme. We are now facing a transition period toward a knowledge-based society, which is fostered by technological innovations and globalization. And rapid changes in competencies are required by enterprises as well as in the labor market.

On the basis of these circumstances, last year, in 2007, we set the theme of the APEC HRD forum to be sustainable career development throughout one's working life.

In the discussions last year, the necessity of considering the utilization of career consulting, information divisions, education and training providers and other external resources was brought up. Further, we recognized that national and local governments, private service providers and, of course, workers themselves were the stakeholders in career development. And as the labor market changes and workers' ways of working change, corporate policies will change accordingly, shifting to effective utilization of external resources and shifting to the strengthening of worker autonomy.

In light of the above, it has been decided that this year's theme for the forum should be the role of TVET providers in training employees. Mr. Yoichi Kimura, who is going to make a keynote speech later, has played an active part for a long time in the field of public vocational training, and also has made other achievements in academic fields. He will mainly show perspectives on public vocational training in Japan, and indicate the appropriate direction for the discussion of this forum.

And it would be our great pleasure if this forum could be a precious opportunity for all of you to form networks with the other participants as well as the audience for working in the field of human resource development.

In closing, I sincerely thank Mr. Aoki, President of Overseas Vocational Training Association, and his staff members who have worked very hard in organizing this forum. Colleagues from APEC economies, please enjoy your stay in Japan, though it will be quite a short period, and hard work is waiting for you. Thank you very much.



## Opening Address

**Mr. Isao Aoki**

President

Overseas Vocational Training Association



Good morning everybody, and welcome to Japan and the Overseas Vocational Training Association. I am grateful to have been given the opportunity to welcome you to the 12th APEC International Forum on Human Resources Development. My name is Isao Aoki. I am the President of this organization, Overseas Vocational Training Association, OVTA.

We have here, with us today, 21 representatives from 14 APEC economies and Mr. Tanaka, the Director of the Overseas Corporation Division of the Ministry of Labour, as well as many other distinguished guests and participants. And as you already know, Dr. Alan Ginsburg, the Lead Shepherd of APEC HRD Working Group, has informed us of his cancellation due to his health at the last minute, it is my regret to tell you.

I wish his speedy recovery. OVTA is delighted to welcome you and is honored to host the APEC forum on Human Resources Development. On behalf of the Association, I would like to express our sincere appreciation to those who have helped to make this forum possible. The theme of this forum is to learn all technical vocational education and training providers – in training for employees.

With the current global financial instabilities and rapidly shifting economic situation, the environment in which people, including working people, find themselves today, is one of enormous challenge. In order to stay competitive under these harsh conditions, businesses in all countries need to nurture highly skilled personnel. People themselves are recognizing the need to acquire the skills their businesses and communities are demanding of them.

The desire among working people to improve their own skills is growing stronger and stronger. They are increasingly active, independently, and taking part in training and learning through correspondence courses.

Therefore, there is a need for a societal basis and organizations that will support skills development at the company and individual levels. We hope the theme of our forum this time will have less of this kind of societal meeting. I believe your discussions will be enormously beneficial. If the goals and roles of training for employees are established and we find out what kind of backing is needed... the OVTA acts as a provider for administration, language and cultural training for people from Japan working overseas, offering training to over 6000 people, mainly employees, each year. So you can always ask our staff what kind of activities OVTA is involved in.

We also believe that the forum will offer major guidelines for future measures on human resource development in our respective APEC economies, because you can ask the government officials, researchers and members of the private sector, gathered here to discuss the current state of career development and public assistance for working people. And I am sure you will arrive at new viewpoints regarding the trade scene.

Although we only have three days for this forum, it is our hope that all of you taking part in this forum will have meaningful and fruitful discussions to make your future activities more effective and efficient. Please enjoy your stay here in Japan and at OVTA in particular. Thank you very much.



**Mr. Tatehito Shimoda**

Professor,  
International School of  
Economics and Business Administration  
Reitaku University

I would like to start the session, so before the keynote speech, I would like to confirm some issues, please take a look at the screen and see if there is a paper on your desk. So, as pointed out, this is the 12th forum since 1996.

This forum is organized under the HRD group at APEC. I am very sad to hear Dr. Ginsburg, Lead Shepherd is not here. Ever year, the Lead Shepherds comes here, and he or she observes our forum. But unfortunately this forum lacks our Lead Shepherd. And this year's theme is the role of TVET providers. Please keep in mind the theme, you know, our focus on the theme.

This is my idea, when we talk – we discuss this issue, for example, categories, it means there are many kinds of providers; for example, public ones, private ones, and community colleges. So there are many kinds of providers. And the second one is the relationship among the stakeholders. So who can organize the providers? Sometimes the ministry, sometimes the private sector, and the training field, some training providers provide very high level skills, but other providers provide very basic skills or languages. So we can say there are many kinds of training fields.

And the fourth one is money flow. How can you get funding, you know, how do they get funding. For example, tax funds, insurance, and self-funding, please consider these types of money flow. And last one is kinds of evaluation. For providers, there is a training provider system regarding who can evaluate these providers and how. So this is one thing to include, when we discuss this issue. After that, maybe on the third day, we are going to have a final discussion about the role of training providers, so maybe we are going to stick to the effective or efficient vocational training systems. This is my idea when we discuss this issue.

So before the discussion, I would like to confirm some items. So first one is the definition of TVET. In this forum, we use the term TVET, but for example Thomas in the United States currently use other terms, such as CTE, Career and Technical Education. And I guess this is a long discussion, it is a long discussion on the definition of vocational training. So, for example, some attendees come from the Ministry of Labor, some attendees come from the Ministry of Education. So it means we have many, many definition for vocational training.

So it is not our purpose to discuss the definition of vocational training, you know. You can use any word. I use TVET, maybe Thomas is going to use CTE, strictly a different meaning but mainly the same meaning. You can use vocational training, you can use vocational education, okay. So it is the same meaning. That is the first one.

Second one is target – target workforce. We are in charge of employment issues. So there are youngsters, meaning before recruitment, or unemployed people or aged people, so there are many targets, but our focus on the incumbent workers, meaning the currently employed. So you can refer to the problems of unemployed people, dislocated people. But our focus on the workers who are working now, they are employed people. So, unemployed people are not our focus this time, okay. Please share this meaning, okay.

So I would like to ask you, time is very limited and your presentation time is 15 minutes. And we have question-and-answer periods: five minutes. So in total, you have just 20 minutes. Please keep in mind your presentation time. So time is very limited. I am very interested in your economic situation, social situation or political situation but time is very limited, so please focus on the theme, vocational training.

And this is my remarks and finally this is – our output – every year we hold this forum, and after the forum we publish output. This is a paper , like a book in English. It is going to be delivered to Dr. Ginsburg, the Lead Shepherd, and to all of you. It includes your presentation and question and answers and final discussion.

If we have any problems or questions, we can continue to discuss this issue through the website. Dr. Ginsburg has launched a wiki page on HRD groups. It is fantastic, it is wonderful. We can access the website at anytime, anywhere, and we can continue to discuss, this forum's issues. So these are the issues I would like to confirm. I would ask you to enjoy fruitful discussion at this forum. Thank you very much.

# 1<sup>st</sup> Day

Keynote Speech

Case Study: Canada

Presentation by economies: Japan

Taiwan

Singapore

China

Malaysia



## Public TVET & their training courses



President,  
Akita Polytechnic College **Mr. Yoichi Kimura**

I am going to take this opportunity to present an outline of Japanese vocational training and education. As Professor Shimoda mentioned a lot, I am not sure whether I can prepare answer for that – I do not have much confidence in doing that. One thing, I will give some proposals at the end of this presentation.

First of all, there are four points for today's topic as you see. An outline of private TVET in Japan is the first thing, and the second point will be, as he mentioned, incumbent worker training upgrading for workers. This is like enhancing training for underemployed people. The third point is — you might have never heard about it before — this HRD, the Human Resources Development system. I will explain this at the end. Provider research – we have one proposal for that. That is the agenda for today's presentation.

This is where I live, Akita Prefecture. This is Hirosaki Park. This is Hirosaki Castle as you see. The cherry blossom is Japan's national flower, it is very beautiful in April. This kind of picture of Japanese scenery will appear whenever I change the topic within the slide, so you can refresh your mind if you like. You can refresh your mind accordingly.

First of all, let me talk about your Japanese workforce and vocational training. This is the Japanese educational system as you see. From 6 to 12 years of age, there is elementary school – this is compulsory school, 6 years to 15. There are almost 1.2 million people for every grade. They are enrolled in school. After this, most of the kids go on to high school. This is not compulsory education. Most are going on after high school – 45% of high school graduates go to university. These are statistics from 2004. This is kind of old. Last year, we exceeded more than 50% going to university. More than half of kids go to university or junior colleges. And also some of them go into special schools and 16% — one-sixth of high school graduates — go to be employees. So, what

portion – so, this is an issue in Japan. This is a kind of air pocket.

NEET, or “freeter”, is a Japanese term. NEET means, as you see, not in employed, education, nor training. So, there are approximately 0.6 million people in Japan. Freeter is another Japanese term. So, freeter is one of the Japanese terms, some of them are working as part-time workers or they are dispatched workers. They are unofficial workers. They are not official fulltime workers. There are approximately 1.2 million people over there. This is one of our huge social issues.

How are we going to bring these people into official work? This is one of the biggest themes for Japanese government and the Japanese society as well. How we are going to create a system or how we are going to produce employee opportunity. We have to come out with some policy to utilize these people.

This is the background to education training in Japan. This is the breakdown of workforce occupation. This is described in terms worker categories. There are 62 million people. One of the biggest groupings of employees is wholesale or retailing. 19% of all people are engaged in this industry. As you see accordingly. Of course, for us to implement vocational training, we have to first consider this ratio. This is a category in terms of the type of workers. So, there are employees – this is 79%, approximately 80%. The self-employees, 11%. As you see, this is the ratio. Considering this we are setting vocational training I will mention this later though.

This is the number of the educational institutions. The budget is given on the right. According to this table, public education in cooperation there are three sections, segmented lines. Starting from the government to the private, there are many kinds of institutions – there are many kinds of organizations in Japan. But the table itself has an issue, meaning the

categorizing itself has an issue. We decided on these categories when we decided who would approve this table –I will mention that later though.

Before I took this position, I was main researcher at JILPT (Japan Institute for Labour Policy and Training), and at that time, I drew this table. I tried to come up with the, I mean, segmentation of the table and then draw these lines. Based on some kind of concept, I created this table. This is not the only appropriate way to segment the table. But not all members of Japanese society or employees or employers accept this table or how it states things in the first place. I am asking, I mean, I am posing the question of whether you provide this kinds of vocational training in terms of these kinds of categories. Some of them say yes and then as you see – so there are almost like 17,000 institutions, the number of TVET providers as you see. They are distributed almost one-third each between the public sector, education corporations, and the private sector as you see. There is like 400 billion yen — that is the budget.

How many private sector companies are using the money for vocational training for employees? How much they have been spending? 10% so, school like university or graduate school, other professional schools. These are only rare cases. Private sector, 90% — most of it. Private training takes place in the majority of cases as you see. Approximately 90%.

Let us talk about public TVET. Let me talk about this. Public TVET means, as you see public TVET as stipulated by law. There are two laws stipulating this. One is the Human Resource Development Promotion Law. The other is implementing regulation under the HRDPL. According to this law, there are supposed to be objectives and also vocational training standards and also assistance by the employer and federation, as you see this and that I will mention later. This is implementing regulation of the HDL. The name of the course or the training, the duration, trainees, curriculum, number of trainers this and that such that such as, as you can see in either case.

HRD promotion laws stipulate only basic requirements only. In other words, though it is very flexible, you have to adjust to each local and to each municipal standards. That was our first priority to be considered, please understand this.

We have talked about the educational system in Japan and also labor topics, and also the number of vocational training institutions, and methods of trainings and things. And now, I would like to move on to talk about actual numbers, but before talking about that I would like to give you a little break. And here you can see that this is a Maiko dancer. This is a traditional occupation in Japan. She is a Maiko, which comes before Geiko. Maiko means she is being trained to become a Geiko. This is considered to be a very beautiful sight in Japan. I wanted to introduce you to that.

Now, let us move on to public TVET. We have a national government and also prefectural governments, as you can see in the slide. The northernmost island is called Hokkaido and the southernmost island is called Okinawa, and we have 47 prefectures. You are here in OVTA in Chiba Prefecture right here and I am from Akita prefecture in the north. There you can see that -- so, we have 47 different prefectural governments providing different vocational trainings.

Let us talk about public TVET institutions. As you can see here, they are divided into five major institutions. The first one is HRD centers, established by 47 prefectural governments. And of course, different prefectures have different numbers of HRD centers, but at least one in each prefecture. And the second category is Polytechnic Junior College. We have 10 all over Japan, 9 by prefectural governments and 1 by EHDO. EHDO is a governmental organization.

These are polytechnic junior colleges and polytechnic colleges. They are stipulated by law to provide vocational training. But they have different levels of courses. That is the difference between these junior colleges and college. And then Polytechnic Centers and HRD Center for the Disabled. And all these categories are public TVET institutions in Japan.

Now the first one, first type of public training courses is a training course for young people, for new graduates. The second kind is for jobseekers, for those who have left jobs, who are unemployed. The third kind, which is the actual main theme for today's forum, is training courses for workers. These three types are given by public training institutions. At polytechnic colleges, they give advanced courses for 2 years and junior colleges also for 2 years in advance courses.

The HRD Centers by each prefectural government, they are for those who are jobseekers, offering ordinary courses for 1 to 2 years. The next kind is training course for jobseekers, and these are given by Polytechnic Centers and HRD Centers. HRD Center, as I said earlier, is run by prefectural governments. The third kind is those for workers. These are given by Polytechnic Centers and HRD Centers.

As I explained, for those who are already in a company, which is our theme, I will touch upon that subject later on in detail. And here you can see the number of trainees who have undergone training courses. This shows the actual numbers from 2003 to 2008. The numbers actually vary a lot you can see. Here you can see the ones for jobseekers. Here you can see that the numbers have greatly changed – you can see it is between. And training courses for workers, you can also see that the numbers have greatly changed. Why have these numbers changed? The reason is that the Ministry of Welfare is always looking at the rate of unemployment. And when companies go bankrupt and for other reasons, the number of unemployed people will increase, naturally. Then they think that they should give more training to jobseekers, so they increase the number of those courses. They do not give actual numbers, but they instruct the prefectural governments and other entities to increase the number of vocational training courses to be given the next year.

This way, the public TVET entities are like a safety net. They give – they provide vocational training so that jobseekers can obtain employment – that is their main purpose. And of course there are seminars in order to retain the jobs that they already have, so those as well. Are there any questions? I would like to give you another break here. What have public TVET institutions done so far? I think you can see roughly – you can understand roughly. But public TVET in Japan, as I said earlier, has the purpose of securing employment – it is a safety net for jobseekers. That is one thing I would like you to understand.

And from now on, I would like to move on to training courses for those who are already at work, already have employment. These courses are for workers. They already have a day job or employment and we need to think of courses that enhance those workers. Now the major categories for this type are – one is daytime courses and the other is nighttime

courses. So, the first one is daytime courses from 9:00 to 4:00 p.m. – the courses are for 6 hours. By law, these courses must last for more than 12 years. More than 12 hours — companies and employers can decide to increase the number of hours if necessary.

This is data given by JILTP as of 2005 and as you can see here, this ranges from 2 days to 6 days or more. So, these courses were given and the number of courses is shown in this chart. And what we found out is that 2-day or 3-day courses account for more than 80%. As I said earlier, companies or workers need to attend these courses while they are working. They demand that the courses be short. And another thing, it says EHDO is 83.5 and prefectural government is 16.5 – meaning that EHDO gives far more of these courses than prefectural government. And the number of courses by prefectural government is 2000. And here we move on to nighttime courses. Those are from 6:00 p.m. to 3:00 p.m. courses. So, they are 3-hour courses at night. And likewise, these short courses account for 87%.

As I said earlier, for those employees and employers, they demand that these short courses be short. And 12-hour courses mean they run for 4 nights – 3-hour courses for 4 nights. These courses are given for 2 days for 6 hours each during the day. These are equivalent. So when they are held at night, they are spread out across 4 nights. And earlier we mentioned that EHDO gives far more courses than prefectural government, but here it is not a huge difference – it is about half and a half by EHDO and prefectural governments, as you can see. That was the difference between nighttime courses and daytime courses.

Let us move on to another slide. I would like suggest something to you. When I surveyed this, the courses for workers – how would we analyze them? When we thought about it, what kind of criteria should we use? We started from scratch. Unfortunately, we did not have criteria already set for analysis. We had to get together and start from scratch as you can see. Here are the broad classifications, specialized training, language training, OA computer training, qualification training, hobby cultural training. We have these broad categories. And then we looked closely at specialized training category, and we divided it into mid-level classifications. Here you can see manners, sales marketing, technical skills, clerical work, nursing



welfare, accounting finance, etcetera. We have these mid-level classifications. And then we deeply looked into technical skills for each of these skills and divided them into narrow classifications. There you can see mechanics, electrical, electronics, information, and these. This is our classification of technical skills.

Trainings for workers – how do we analyze them? We did not have any criteria so I want to point that out. I want you to understand that. Later on I will ask you again. But do you already have criteria and classifications as such – that is what I want to ask you. But either way – so this is what we created. This is the criteria for analysis. As a result of this analysis – we have found out some things and as public TVET these specialized training courses account for most. Other classifications, for example, language training, you can see that it is zero and cultural training is also zero. They are instructed not to give these training courses. Most training courses are for specialized training. You can see that OA computer training is only 9.4%, which is a small number.

EHDO prefectural government – what is the difference? We compared and EHDO give mostly specialized training. You can see that it is more than 90%. Prefectural governments give just about 40 something percent of the special courses and then you can see that OA computer training and qualification trainings also account for 40 something or about half of the whole number. EHDO and prefectural governments, they target different trainees – this is what I understand – this is what I understood.

Let us move on to the next slide. Here is the level that they are trying to achieve. This is what we surveyed. You can see here that elementary qualifications, national trade skill test, and intermediate or above. We compared according to these four different ratings – four different degrees. This is also an issue. No one knows if this classification is correct. Is it correct to divide the degrees into these four degrees? Is this right or not? We need to analyze further. But this is how we started, with these four degrees. And as a result, we found that EHDO only gives advance courses. Here it says only intermediate or above and there are no elementary qualifications or National Trade Skills Test. And as opposed to that, prefectural governments have four different degrees and over half of the courses given by them are elementary. And then intermediate or

above account for another half – this is what we found out.

Are you okay so far? The standard of the analysis might be different and they have to be or it will be integrated in order for us to have an analysis. But anyway, as for the public TVET, with the EHDO and also the prefectures, they are targeting a different layer of the trainees and also they are looking at a different achievement level. I hope you understand that.

Now, I want to talk about the comparison between providers. Now before that I would like to talk about this slide. Please raise your hand if you know what this is. Do you know Sado or tea ceremony? Anyone know about tea ceremony? This is very traditional in Japanese culture. As you can see, this is not just simply drinking the tea, but it also brings you to think about how to live or what religion is, what the objective of life is, why you have to work. While you are thinking like that you drink the tea. This is considered very deep art and this is a part of Japanese culture.

Now from here onwards, I would like to talk about all those different education training providers. We have a variety of providers in Japan. Now, I want to make a comparison between those providers. Earlier I talked about the public TVET – then what are the differences between the private training providers. And it was also revealed in our previous research. And this is the comparison. In public TVET and other TVET, these are private courses and this is the comparison table. And it is categorized by this – by the broad classification. This is another challenge here. In public TVET, there are 14,099 courses. But this is the actual number of the courses provided by public TVET. This is the number given by the Ministry of Health, Welfare and Labor. This is a number that actually we had in a certain year. But unfortunately, for other TVET, private TVET providers, this number says 4394 courses. This number is not necessarily calculated accurately because we have not really collected these courses' figures from all the private TVET providers.

Well, some private and public sectors called to register the courses and then they did. That is how we collected them. These 4394 courses, this number represents just a small portion of all courses provided by the private TVET providers. And we can research via the Internet. In Japanese, all TVET providers, I

do not think they register their courses. All of them – I do not think, all of them register their courses with this number. But the reason why I use this is I want to see what kind of courses are set up by private TVET providers were providing. We just want to know the trend of the courses provided by private training facilities.

Again, this 4394 is not all courses provided by the private TVET providers. This is just – we want to see the trend of what kind of courses are presented. Under this condition, I made some comparisons between public TVET and other TVET and what are the differences? We found out this. At the public TVET, they have 81% specialized training followed by OA and computer training 9.4% and qualification training 5.5%. That is what we found out. In contrast to this at the other TVET what are the target areas? As you can see on the screen, qualification training accounts for more than half of all courses that they provide followed by 21.8% which is language training and also followed by specialized training which is slightly less than 20%. These are the overall views of the different courses.

At the private TVET what are their targets? First of all, the area you can clearly see is the achievement level which is qualification training. For example, the information, the administrators or the construction managements, those qualifications or the licensing, we have a lot of them in Japan. 50% or so of them we were targeting for the qualification training because it is really straightforward and easy to set up courses for them. Also languages like English training or other language training. Of course, they do provide specialized training, which accounts for less than 20%. This is the characteristic difference that we found between the two different TVET.

Now, the achievement level or the levels, elementary qualification, national trade skill intermediate or above at the public TVET more than 85% of them is done by the EHDO. And the prefectural development courses are also providing seminars – that is why you will see this number. In contrast to this, in the private TVET course, qualification accounts for more than 50% and intermediate or above is slightly less than a half.

Looking at the specialized training, we further look into it. This is composed of manners, sales, marketing,

technical skills, clerical work, nursing, welfare. These are the subcategories under specialized training. At public TVET and also the other TVET providers have some differences. At the public TVET, technical skills accounts for more than 90%, so in almost all cases they provide technical skills courses. And in contrast at the other private TVET course, they provide technical skills training for more than 60%, but at the same time they provide nursing and welfare-related courses followed by clerical work related courses.

These are the last figures that I will present. Looking at the technical skills, training like electronics and telecommunication, construction, furniture, landscaping, et cetera, these are the subcategories under technical skills training. How do they provide these courses? And then we made some comparisons.

This is public TVET and this is private TVET and you can see the comparison. In public TVET, the largest number is information telecommunications, then 30% or so are for mechanics and control 12%, electrical and then electronics 10%. These are the majority of the technical and skill training. However, in the private TVET, definitely they have a lot of the information and telecommunication skills followed by mechanics, and printing design has a higher portion of the other courses.

Now I just made a comparison of private and public TVET. Who are the target employees or target learners? I hope it has been cleared up for you. In Japanese public TVET and in private TVET, they aimed for different areas. Actually I wanted to mention another thing. This is EHDO's survey. They made this survey based on the public TVET. This is the map of Chiba Prefecture where you are. In Chiba Prefecture, they have Polytechnic Center Chiba, located where the star is on the map. They conducted a survey within a 40 kilometer radius of the Polytechnic Center Chiba. They checked for human resource development centers. They conducted research. What kinds of training courses are available? What about the tuition and what about the training duration? These are the kind of topics that they surveyed.

Currently, the EHDO – this is public sector. The public sector cannot invade or intervene with the private sector. What should be done in the private sector? The public sector should be doing something

the private sector cannot provide – that is one policy. That is why EHDO made this survey.

Therefore, we talked about the different levels and the different types of training earlier. What kind of fields? They are different – levels are different. The biggest reason for that is because of this policy. Are you following so far? Am I okay? Based on these surveys, we found out the result.

This is a picture of Tokyo. It is somewhat lonesome but right here – I think you have the handouts, but right here there is Mount Fuji. It is really smoky so you cannot really see it. It is supposed to look much more vivid. But what do you think about, looking at this picture? Unfortunately, I do not really think this is a very good scene. We better have a much better view of Mount Fuji.

Do you understand what I have been saying about the figures and also the public TVET? Well, they are doing some headcount research and they also done research into the other HRD development centers to develop their programs.

Okay. I want to talk about something else from now on. When we were putting on seminars, we gave out questionnaires so that we could improve our training. And of course those workers that took the questionnaire at the same time, we provided questionnaires for the employers. And these are the responses from the employers. Why did they request the public TVET training courses? These are the responses. And you can read this through later on what may be the very cheap tuition and the course contents and themes are meeting the needs or the course schedules, the time and durations are very appropriate reason. This is a seminar conducted by the government, so it is really trustworthy. I think this answer is quite funny. Anyway, these are the reasons why they selected the public TVET and the reasons why they sent their employees to the public TVET.

The top parts – these are okay. However, the answers to the bottom I believe we have to keep working on. Now, this chart is showing you what kind of thing that they expected from the courses and also if we were able to meet their expectation or not. Some people said they were very – not at all satisfied, not very satisfied, neither satisfied nor unsatisfied, some

were satisfied, very satisfied, and none. The purple and green and blue were combined together – it is so-so. For the basic technology, I believe, they were able to meet their expectation. And for the question if it leads to the improvement of their practical performance, 70% of them said yes. I believe this training worked. However, the issue is this problem solving – improving problem-solving abilities as what they expected, but this was very low. It is slightly less than 50% or about 50% -- people said yes, so this is a problem. In the creative technologies, employers send their employees to this seminar – as a result, they want their employees to be able to work creatively. And for this we did not receive very good number for yes. I believe the creative technology area has some problems.

Next, as a result of the seminar, do you fully utilize the results or what you learned from the seminar? That was the question. The people who said yes, currently or people who said yes, I will utilize for my future work and then not really. These are the three responses. As a result of the seminar, this will be really useful for current work or the future work. For the future work – but it is not really many people who answered yes, going to be working for future work. But we are satisfied because we targeted the courses in that way. Maybe in the future, this might be useful for their product development, but we do not have that many courses, just targeting for their future work, so that is why. So, the last page.

As a result of the seminar, what kind of results did they achieve in managerial areas? This is the result. Then from the top, we go from the highest number of responses to lowest. If I go over all of them, my time is running out – so I omit. These are the areas that they think the seminar was useful for. For the TVET planner side, I believe, these are the areas that we are supposed to be meeting the right criteria, so I think we did a very good job. We are satisfied with these results.

Next, we would like to change the topic a little bit. I showed you a picture of Mount Fuji at the very beginning. I introduced this concept to Human Resource Development System – some of you might not have heard of it, or maybe some of you have.

When we founded it – this is a very basic concept we founded in the organization. That was the basic plan. So right from Human Resources Development

System– so let me explain this concept.

According to this concept, a seminar about vocational training is being conducted and then will be operated. As you see this picture, this is Towada Lake – this is a very beautiful lake in Japan. This is autumn. There will be snowfall – snow later. Beforehand, the leaves turn red so you get a very calm feeling from this picture. Maybe it takes like 1 hour by airplane. It is a very beautiful place. We do not have shopping time as you said. But if find some time, please go to Towada Lake.

Lars. What kind of concept is this? As I mentioned this is stipulated by the law as you see. There is rapid progress in technology, and the economic environment is changing rapidly. We have to systemize and enhance skills firmly by law. Systematic means in terms of Lars, so we have to clarify what are skills – where are the skills. What kinds of work are there in Japan and what kinds of occupation in Japan in the corporation – we have to clarify in the first place. Then, based on the clarification, we will conduct human resource development. This is our life-long human resources development system. This is the flow as you see. What kind of occupation are you doing or your employees – what kind of occupation are they are going to do and what kind of operation they are doing – we have to clarify in the first place. In order to clarify that, we have to analyze the work in the first place. We will analyze then.

Then, next, as a result of the analysis, we can create a skill map. Then, based on the skill map, we will evaluate working skills, whether he or she has achieved satisfaction of the criteria for the work. And we will evaluate it, so we will see the strengths and the weakness of a certain person; okay, this is kind of strong – this is not so strong; we can find that out. As a result, we found some weaknesses, so we have to reinforce certain areas. We will set a goal according to that. As a result, we will create a training map. And based on the training map, we will conduct implementation. Then there is the advantage of Lars. This is Lars, so that development of human resources can be done very systematically and effectively, and the training in a step-by-step method. And also, as I said, you can clarify the occupation itself based on the analysis.

You can clarify the actual work operation happening within the company. But this is kind of a difficult hurdle to overcome actually. Recently, I mentioned Akita Prefecture frequently, there many people over here as well, right. Young people come in the picture, okay, they say I want to be like you – I want to be like, I mean like president or CEO. What kind of ability do you have? I mean if you are asked, can you tell – can you answer that kind of question? In order to get this position, you need this kind of criteria to satisfy the qualification, can you answer? Can you? I mention about like this. Qualification of the work is straightforward within the paper. But consider yourself – you have to put your ability into your hardcopy or paper so that you are making by yourself at this point. Can you tell – can you clarify that?

I mean it seems very simple, but it is not a very simple task. But we are trying to make these kinds of efforts, specifically speaking I will mention a more specific story on this by clarifying the occupation. We can see clear points of the ability of the certain person which is engaged in a certain occupation. How we want to improve or enhance the ability, we can set aa target or goal for the skills. This is an advantage – so Lars as we see. There is a separate interview skill map and training map. We are running out of time, so I am not going to go into details. But as you see, skill map means we try to draw a picture and we try to categorize from a very simple one to complex works. And as a result, we find the weaknesses and we will create the training map accordingly.

This is one of the samples -- this is the format. I am going to get in details like there are six formats. I will explain – maybe you can read later onwards. Here onwards let me talk about the very core part. This is a Seto bridge – one of the biggest bridges. This is one of the biggest structures and this is 13 kilometers long and it took 8 years to construct this. Everybody is using this bridge. Let me talk about the format.

As you see, so this is the skill map. The upper portion – so this is the skill map. The bottom portion is the training map. Vertical is type of jobs and the horizontal is the level of jobs. And the bottom part is just for the training map. This is the difficulty of training and also the type of the training. There are X and Y-axes accordingly. This is format two. This is

one of the parts of the skill map. On the left side, there is the pyramid, so what kinds of jobs are there what kind of difficulty are set. You listed up the description of the tasks. We are just from very simple tasks to very complex tasks according to this table. This is format two. The difference between format two and three is that for each job – so this is the same, each job has the each tasks, but below that there is work. This is a subset of the tasks. This is depicted up in order to implement your responsibility or work 1, 2, 3. Here onwards is format four.

Format four is that – so, we have tasks and all these skills. This is an important part. In order to perform each task, there is a list of things that you have to be able to do. Knowledge that is necessary in order to perform such tasks as well. These are the important points. These are indispensable Formats two and three might be easier to write, but format four is very difficult and critical.

I will explain in detail later on. We have created this analysis. That was the explanation of format one through four. And then here is a training map structure regarding the weakness of the person, starting from easier one to harder one. And we have this training map showing what kind of courses we need to create in order to overcome those weaknesses. They will first decide on the training target and then decide these other things.

Format six is a similar one and then format seven is – this is curriculum

These are indispensable. Formats two and three might be easier to write, but format four is the very difficult and critical. I will explain in detail later on. We have created this analysis. That was the explanation of format one through four. And here is a training map structure, regarding the weakness of the person starting from easier one to harder one, we have this training map – showing what kind of courses we need to create in order to overcome those weaknesses. They will first decide on the training target, and then, decide these other things.

Format six was a similar one and then format seven is – so this is curriculum, but the important thing is to create a solid curriculum in order to perform – give a course, the order and the contents, and material, and all those details – those concrete details, must be

included in the curriculum.

Now, I would like to talk about data credibility. This is picture from Kyoto. These buildings were built 1300 years ago, but they still stand as of today. And this is a very famous world heritage building. Now, I have mentioned earlier that establishing concrete curriculum for the courses is critical. I would like to tell you more about it. And here we are talking about job analysis database. In Japan, we have this thing called industry classification.

From the larger population we started analyzing. We started collecting this data in 1999, and in our results, here you can see construction, manufacturing, wholesale, retail trade, and services. There are lot of industries, and we hold 79 industries' information. Here, our Section Chief Kiyama was involved in this work. If you are interested, maybe you can ask him further questions. We have been surveying these 79 industries since 1999, and this is the result.

The important thing here is that from format one to format four, the data has all jobs, tasks, works, and all these things, and we have collected the information from the central associations. There are lots of central institutions, so we have collected information from those who work there, on the actual jobsites. We collected the data, and it is very important that we got the data from the actual workplaces.

Here is Lars' summary. Lars is – in order to analyze actual work, when we go visit a company A, to know what kind of jobs there are at company A, we can actually use Lars as a guideline. And then when the work description is clear, the training courses should be clarified. We can utilize the collected information in order to work on the actual training content. Job analysis data is very important, and is very useful and effective, in planning and implementing training courses. This is what we do at our organization.

This is my last topic. Japanese people – actually, maybe, it is cut off here, but it says Kedashi here is the red string, that is the red part. The point here is that from the surface everything looks pretty dark and not too colorful, but the reverse side, which you can see from time to time, actually has very bright colors, and this is a very distinguishing characteristic of Japanese culture, and I wanted to introduce you to that.

Let us move on to TVET providers, which is my main theme today. I needed to think. And here it says TVET market structure, so what is the market? When we think about vocational training, we have providers versus users, and in between them we have this TVET service market.

And at the same time, in order to survey the providers, let us survey them regarding these points, and for users, what their needs are, how they participate, and how they evaluate the courses given — we would like to know these points. We started from these two sides. And then — in order to clarify these points, we needed to think very hard on what kind of things we needed to analyze regarding the intersection, which is the service market. These points we have surveyed.

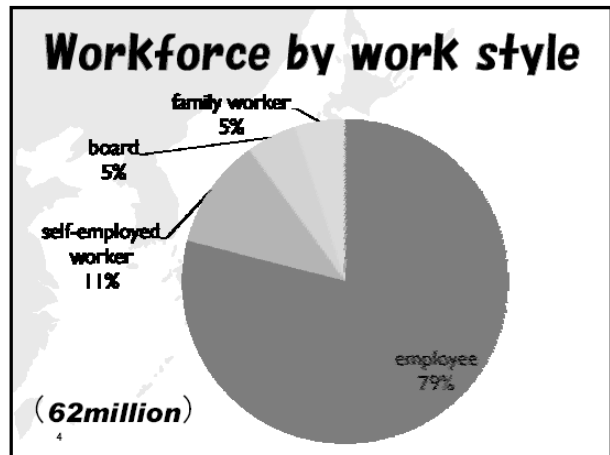
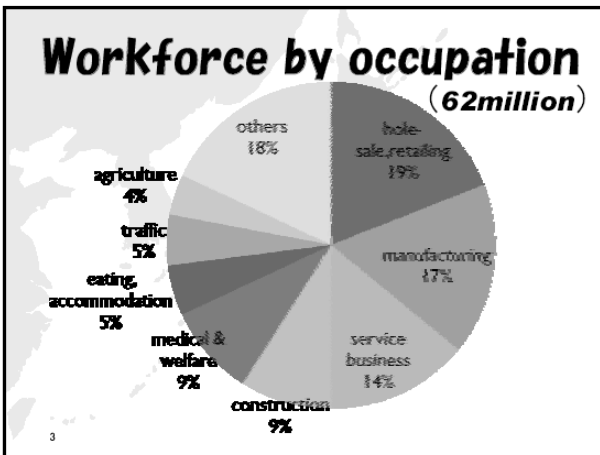
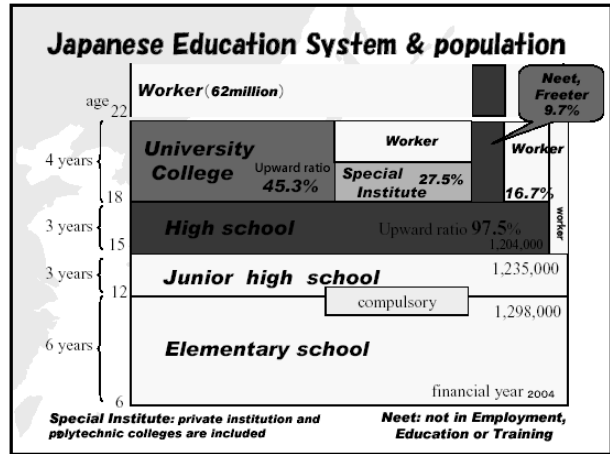
I want you to understand that we needed to set the criteria first, in order to move on with the analysis itself, and we have discovered a number of things. We would like to give some proposals to you. This is written in the educational training provision law in Japan. Not just to give training, but we need to think about workers' occupations, lives, work-life balance, and all those comprehensive aspects. And we needed to have a solid infrastructure, and we need to improve that for HRD, and also to make provision for HRD disparities, another thing which is today's main topic, which is what TVET providers must do. So this is the role study on TVET provider.

The polytech center in Chiba, we have explained to you what kind of functions they have and what kind of organization it is, what kind of classes they give. That is what they do on their own, and of course, private entities conduct their own analysis as well. So in this ...

trend what must the Japanese government do? The TVET service market, they need to understand the market clearly, and what kind of improvements the government can make, which is what we are working on. This is my last slide, this is just an example. Regarding these points, we need to clarify these points when conducting analysis. It is very important to research on the TVET providers.

I hope I made myself clear. I have one thing to ask you, lastly. The economy has become globalized, and companies have no national borders. And each country — and each company is trying to have effective training courses. And even in Japan, these points have not been clearly defined. Japan is struggling to find that out. You are all here for this organization APEC's vocational training forum, so we are closely networking and we would like to closely cooperate and work on achieving these goals. In Japan it is like this. And how about Korea, how about China, and how about Western countries, what kind of criteria do you go by? And that kind of discussion — I am thinking that this is what we need in this forum. People have already started searching, but maybe this is the time for globalization on this topic as well, maybe we need to cooperate in this regard.

In order to do research on the TVET providers, we would like to establish a group so that we can have a unified working group for analysis, so that we can finally find out what types of providers each country has and what kinds of criteria they have and such. I greatly appreciate you coming here all together in order to create this opportunity. My suggestion here to you is to clarify such differences and the situation in your own country and bring them all together as a group. Thank you very much for listening



### Institution

|                         |   | number of TVET providers |     | expense from private company |      |     |
|-------------------------|---|--------------------------|-----|------------------------------|------|-----|
|                         |   | 17,000                   | 3%  | ¥ 400 B                      |      |     |
| public                  | government  | 32%                      | 3%  | 10%                          | 100% |     |
|                         | prefectural government                                    |                          | 22% |                              |      |     |
|                         | The 3rd sector (semi-public sector)                       |                          | 8%  |                              |      |     |
| educational corporation | independent organization ( college, professional school ) | 35%                      | 7%  | bit                          | 30%  |     |
|                         | university, graduate school                               |                          | 28% |                              |      | 70% |
| private sector          | professional school                                       | 36%                      | 7%  | 90%                          | bit  |     |
|                         | financial group, association, corporate body              |                          | 11% |                              |      | 10% |
|                         | NPO, labor union  |                          | 7%  |                              |      | 30% |
|                         | chamber of commerce and industry, employer's association  |                          | 25% |                              |      | 60% |
|                         | company limited, limited company                          |                          |     |                              |      |     |

### Public TVET

**Public TVET is stipulated in the Law.**

- Human Resources Development Promotion Law (HRDPL)
- Implementing Regulations under the HRDPL

## HRD Promotion Law

- **objective**
- **vocational Training Standard**
- **assistance for employers**
- **foundation of Public TVET institutions**
- **training materials**
- **Vocational Training trainer**
- **and others**

## Implementing Regulations of the HRDPL

- **type of training course**
- **course name**
- **training course duration**
- **number of trainee**
- **curriculum**
- **number of trainer**
- **buildings, aria of workshop, facilities, equipment, tools and their quantity**
- **and others**

## HRD Promotion Law

- TVET courses and durations set **basic requirement only.**
- In another words, **the law & regulation permit flexible TVET training courses** that are adapted to the regional training needs.

### Public TVET institutions

| TVET                               | Setup founder    | No. of Institution |
|------------------------------------|------------------|--------------------|
| <b>HRD centers</b>                 | prefectural gov. | 174                |
| <b>Polytechnic Junior College</b>  | prefectural gov. | 9                  |
|                                    | <b>EHDO</b>      | 1                  |
| <b>Polytechnic College</b>         | <b>EHDO</b>      | 10                 |
| <b>Polytechnic Center</b>          | <b>EHDO</b>      | 62                 |
| <b>HRD Center for the Disabled</b> | Government       | 13                 |
|                                    | prefectural gov. | 6                  |
| <b>Polytechnic University</b>      | <b>EHDO</b>      | 1                  |

EHDO is committed by Government as public  
Employment & Human Recourse Development Organization

### Public TVET (Prefectural Government)

From Hokkaido to Okinawa,  
47 Prefectural governments

### Public Training course

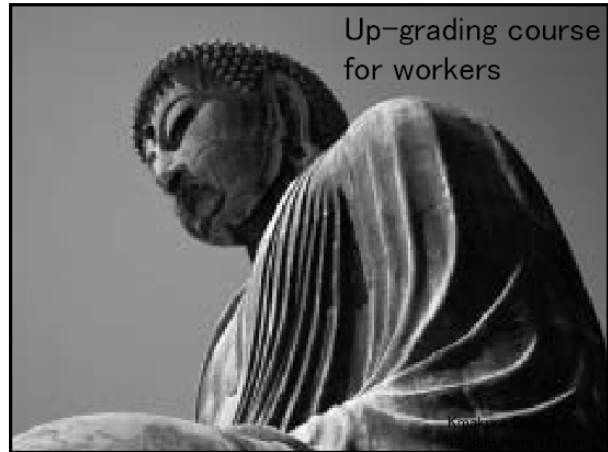
- **Training course for young people**  
 Polytechnic college : advanced course, 2 years & 2 years (applied)  
 Polytechnic junior college : advanced course, 2 years  
 HRD center : ordinary course, 1 ~2 year
- **Training course for job seekers**  
 Polytechnic center : ordinary course, Up-grading training  
 HRD center : ordinary course, 1 year
- **Training course for workers**  
 Polytechnic center : ordinary & advanced course, 12 ~ 42 hours



### Number of Trainee

Public TVET

|                  | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    |
|------------------|---------|---------|---------|---------|---------|---------|
| total            | 409,276 | 368,314 | 389,651 | 381,274 | 337,001 | 275,272 |
| for job seekers  | 182,194 | 182,763 | 191,321 | 187,093 | 171,284 | 141,779 |
| in plant         | 89,664  | 82,154  | 63,233  | 54,801  | 47,319  | 42,323  |
| outsourced       | 92,530  | 100,609 | 128,088 | 132,292 | 123,965 | 99,456  |
| for workers      | 201,798 | 161,345 | 174,675 | 170,662 | 142,783 | 112,080 |
| for young people | 25,284  | 24,206  | 23,655  | 23,519  | 22,934  | 21,413  |



### Day time course

From 9am to 4pm

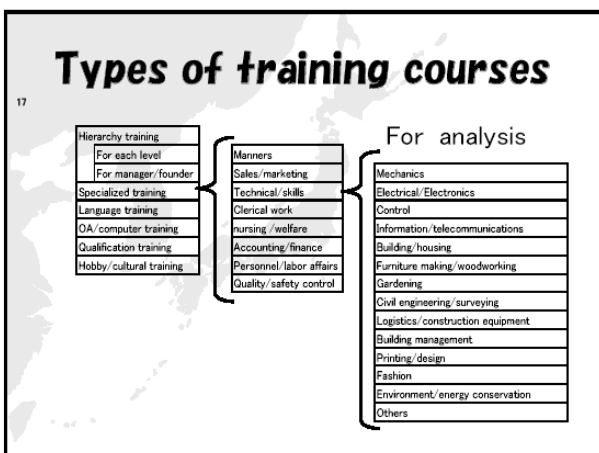
|                  | 2 days (12h) | 3 days (18h) | 4 days (24h) | 5 days (30h) | 6 days & more (30h over) | total  |       |
|------------------|--------------|--------------|--------------|--------------|--------------------------|--------|-------|
| EHDO             | 3,302        | 4,660        | 1,617        | 441          | 83                       | 10,103 | 83.5  |
|                  | 32.7         | 46.1         | 16.0         | 4.4          | 0.8                      |        |       |
| prefectural gov. | 1,051        | 594          | 250          | 43           | 62                       | 2,000  | 16.5  |
|                  | 52.6         | 29.7         | 12.5         | 2.2          | 3.1                      |        |       |
| total            | 4,353        | 5,254        | 1,867        | 484          | 145                      | 12,103 | 100.0 |
|                  | 36.0         | 43.4         | 15.4         | 4.0          | 1.2                      |        | 100%  |

number of course

### Night time courses

From 6pm to 9pm

|                  | 12~18h | 20~24h | 25~30h | 33~45h | 48~60h | 63~75h | 80~102h | 108h~ | total |       |
|------------------|--------|--------|--------|--------|--------|--------|---------|-------|-------|-------|
| EHDO             | 854    | 249    | 75     | 15     | 3      | 0      | 0       | 0     | 1,196 | 59.9  |
|                  | 71.4   | 20.8   | 6.3    | 1.3    | 0.3    | 0.0    | 0.0     | 0.0   |       | 100%  |
| prefectural gov. | 413    | 219    | 80     | 41     | 24     | 14     | 5       | 4     | 800   | 40.1  |
|                  | 51.6   | 27.4   | 10.0   | 5.1    | 3.0    | 1.8    | 0.6     | 0.5   |       | 100%  |
| total            | 1,267  | 468    | 155    | 56     | 27     | 14     | 5       | 4     | 1,996 | 100.0 |
|                  | 63.5   | 23.4   | 7.8    | 2.8    | 1.4    | 0.7    | 0.3     | 0.2   |       | 100%  |



### Course Structure 1

Fields of specialty

| [Fields of courses]     | EHDO              |       | Prefectural gov.  |       | Public TVET       |      |
|-------------------------|-------------------|-------|-------------------|-------|-------------------|------|
|                         | Number of courses | %     | Number of courses | %     | Number of courses | %    |
| Hierarchy training      | 381               | 3.4   | 105               | 3.8   | 486               | 3.4  |
| For each level          | 293               |       | 96                |       | 389               |      |
| For manager/founder     | 88                |       | 9                 |       | 97                |      |
| Specialized training    | 10,207            | 80.3  | 1,283             | 46.2  | 11,500            | 81.6 |
| Manners                 | 0                 |       | 7                 |       | 7                 |      |
| Sales/marketing         | 38                |       | 2                 |       | 40                |      |
| Technical skills        | 9,542             |       | 1,088             |       | 10,627            |      |
| Clerical work           | 86                |       | 80                |       | 136               |      |
| nursing/welfare         | 22                |       | 23                |       | 45                |      |
| Accounting/finance      | 118               |       | 34                |       | 152               |      |
| Personnel/labor affairs | 130               |       | 14                |       | 144               |      |
| Quality/safety control  | 271               |       | 78                |       | 349               |      |
| Language training       | 0                 | 0.0   | 5                 | 0.2   | 5                 | 0.0  |
| OA/computer training    | 711               | 5.3   | 616               | 22.0  | 1,327             | 9.4  |
| Qualification training  | 0                 | 0.0   | 781               | 27.8  | 781               | 5.5  |
| Hobby/cultural training | 0                 | 0.0   | 0                 | 0.0   | 0                 | 0.0  |
| Total                   | 11,289            | 100.0 | 2,800             | 100.0 | 14,099            | 100% |
|                         | 80.1              |       | 19.9              |       |                   |      |

### Course Structure 2 level of specialty

| [Fields of courses]     | EHDO                 |       | Prefectural gov. |               |                           |                      |       |       | Public TVET |       |
|-------------------------|----------------------|-------|------------------|---------------|---------------------------|----------------------|-------|-------|-------------|-------|
|                         | Intermedate or above | %     | Elementary       | Qualification | National trade skill test | Intermedate or above | Total | %     | Total       | %     |
| Hierarchy training      | 381                  | 3.4   | 59               | 0             | 0                         | 46                   | 105   | 3.8   | 486         | 3.4   |
| For each level          | 283                  |       | 54               |               |                           | 52                   | 96    |       | 389         |       |
| For manager/founder     | 98                   |       | 5                |               |                           | 4                    | 9     |       | 97          |       |
| Specialized training    | 10,207               | 90.3  | 904              | 0             | 0                         | 389                  | 1,293 | 46.2  | 11,500      | 81.6  |
| Manners                 | 0                    |       | 7                |               |                           | 0                    | 7     |       | 7           |       |
| Sales/marketing         | 38                   |       | 2                |               |                           | 0                    | 2     |       | 40          |       |
| Technical/skills        | 9,542                |       | 800              |               |                           | 285                  | 1,085 |       | 10,627      |       |
| Clerical work           | 86                   |       | 20               |               |                           | 30                   | 50    |       | 136         |       |
| nursing /welfare        | 22                   |       | 15               |               |                           | 8                    | 23    |       | 45          |       |
| Accounting/finance      | 118                  |       | 23               |               |                           | 11                   | 34    |       | 152         |       |
| Personnel/labor affairs | 130                  |       | 7                |               |                           | 7                    | 14    |       | 144         |       |
| Quality/safety control  | 271                  |       | 30               |               |                           | 48                   | 78    |       | 349         |       |
| Language training       | 0                    |       | 5                | 0             | 0                         | 0                    | 5     | 0.2   | 5           | 0.0   |
| OA/computer training    | 711                  | 6.3   | 350              | 0             | 0                         | 286                  | 636   | 22.0  | 1,327       | 9.4   |
| Qualification training  | 0                    |       | 0                | 104           | 77                        | 0                    | 781   | 27.9  | 781         | 5.6   |
| Hobby/cultural training | 0                    |       | 0                | 0             | 0                         | 0                    | 0     |       | 0           |       |
| Total                   | 11,299               | 100.0 | 1,318            | 704           | 77                        | 701                  | 2,800 | 100.0 | 14,099      | 100.0 |
|                         |                      |       | 47.1             | 25.1          | 2.8                       | 25.0                 | 100   |       |             |       |



### Providers comparison 1 Fields

| Fields of courses       | Public TVET |               |                      |                      |        |      | Other TVET |               |                      |       |      |
|-------------------------|-------------|---------------|----------------------|----------------------|--------|------|------------|---------------|----------------------|-------|------|
|                         | Elementary  | Qualification | National trade skill | Intermedate or above | Total  | %    | Elementary | Qualification | Intermedate or above | Total | %    |
| Hierarchy training      | 59          | 0             | 0                    | 427                  | 486    | 3.4  | 2          | 0             | 53                   | 55    | 1.3  |
| For each level          | 54          | 0             | 0                    | 335                  | 389    |      | 2          | 0             | 23                   | 25    |      |
| For manager/founder     | 5           | 0             | 0                    | 92                   | 97     |      | 0          | 0             | 30                   | 30    |      |
| Specialized training    | 904         | 0             | 0                    | 10,596               | 11,500 | 81.6 | 76         | 0             | 744                  | 820   | 18.7 |
| Language training       | 5           | 0             | 0                    | 0                    | 5      | 0.0  | 27         | 0             | 931                  | 958   | 21.8 |
| OA/computer training    | 350         | 0             | 0                    | 977                  | 1,327  | 9.4  | 90         | 0             | 104                  | 194   | 4.4  |
| Qualification training  | 0           | 704           | 77                   | 0                    | 781    | 5.5  | 0          | 2,387         | 0                    | 2,387 | 53.9 |
| Hobby/cultural training | 0           | 0             | 0                    | 0                    | 0      | 0.0  | 0          | 0             | 0                    | 0     | 0.0  |
| Total                   | 1,318       | 704           | 77                   | 12,000               | 14,099 | 100  | 195        | 2,387         | 1,832                | 4,394 | 100  |
|                         | 9.3         | 5.0           | 0.5                  | 85.1                 |        |      | 4.4        | 53.9          | 41.7                 |       |      |

### Providers comparison 2 Fields of specialty

| Fields of courses       | Public TVET |                      |        |      | Other TVET |                      |       |      |
|-------------------------|-------------|----------------------|--------|------|------------|----------------------|-------|------|
|                         | Elementary  | Intermedate or above | Total  | %    | Elementary | Intermedate or above | Total | %    |
| Specialized training    | 904         | 10,596               | 11,500 | 100  | 76         | 744                  | 820   | 100  |
| Manners                 | 7           | 0                    | 7      | 0.1  | 0          | 0                    | 0     | 0.0  |
| Sales/marketing         | 2           | 38                   | 40     | 0.3  | 0          | 7                    | 7     | 0.9  |
| Technical/skills        | 800         | 9,827                | 10,627 | 92.4 | 56         | 468                  | 524   | 63.9 |
| Clerical work           | 20          | 116                  | 136    | 1.2  | 7          | 40                   | 47    | 5.7  |
| nursing /welfare        | 15          | 30                   | 45     | 0.4  | 0          | 162                  | 162   | 19.8 |
| Accounting/finance      | 23          | 129                  | 152    | 1.3  | 4          | 25                   | 29    | 3.5  |
| Personnel/labor affairs | 7           | 137                  | 144    | 1.3  | 3          | 22                   | 25    | 3.0  |
| Quality/safety control  | 30          | 319                  | 349    | 3.0  | 6          | 20                   | 26    | 3.2  |

### Providers comparison 3 Fields of technology

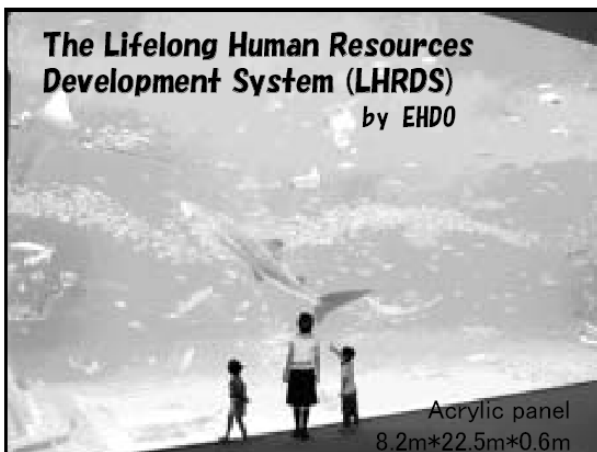
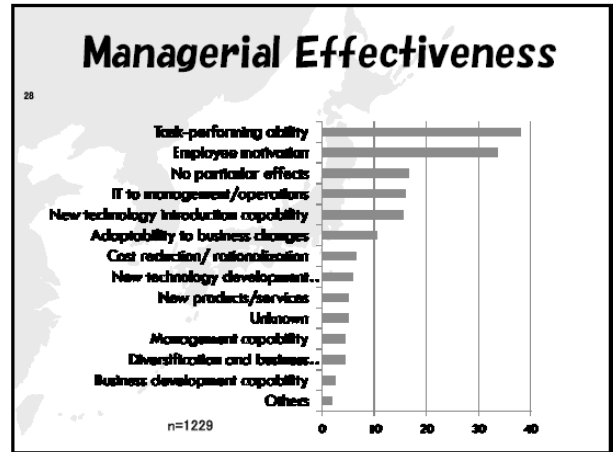
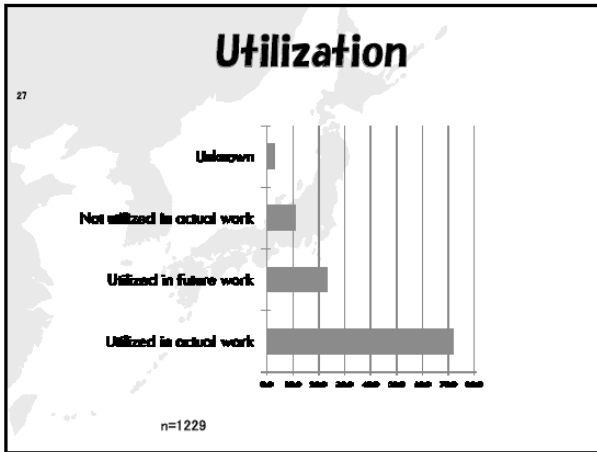
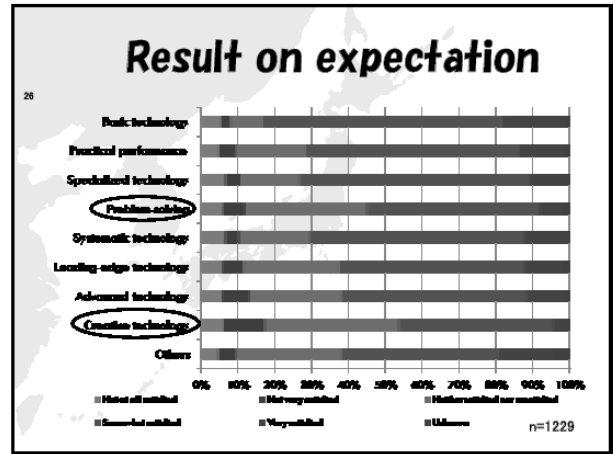
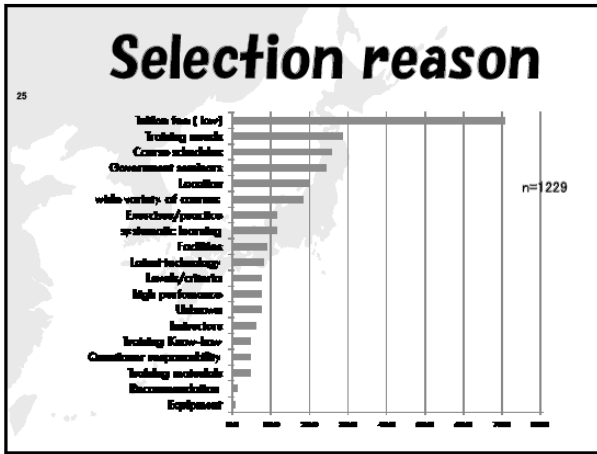
| [Fields of courses]              | EHDO              |      | Prefectural gov.  |      | Public TVET       |      | Other TVET        |      |
|----------------------------------|-------------------|------|-------------------|------|-------------------|------|-------------------|------|
|                                  | Number of courses | %    | Number of courses | %    | Number of courses | %    | Number of courses | %    |
| Mechanics                        | 2,954             | 31.0 | 358               | 33.0 | 3,312             | 31.2 | 52                | 9.9  |
| Electrical/Electronics           | 1,111             | 11.8 | 36                | 3.3  | 1,147             | 10.8 | 10                | 1.9  |
| Control                          | 1,271             | 13.3 | 79                | 7.3  | 1,350             | 12.7 | 3                 | 0.6  |
| Information/telecommunications   | 3,076             | 32.2 | 312               | 28.8 | 3,388             | 31.9 | 292               | 55.7 |
| Building/housing                 | 848               | 8.9  | 162               | 14.9 | 1,010             | 9.5  | 36                | 6.9  |
| Furniture making/woodworking     | 29                | 0.3  | 13                | 1.2  | 42                | 0.4  | 0                 | 0.0  |
| Gardening                        | 2                 | 0.0  | 24                | 2.2  | 26                | 0.2  | 3                 | 0.6  |
| Civil engineering/surveying      | 8                 | 0.1  | 4                 | 0.4  | 12                | 0.1  | 1                 | 0.2  |
| Logistics/construction equipment | 25                | 0.3  | 2                 | 0.2  | 27                | 0.3  | 11                | 2.1  |
| Building management              | 4                 | 0.0  | 2                 | 0.2  | 6                 | 0.1  | 0                 | 0.0  |
| Printing/design                  | 134               | 1.4  | 40                | 3.7  | 174               | 1.6  | 50                | 9.5  |
| Fashion                          | 0                 | 0.0  | 18                | 1.5  | 18                | 0.2  | 13                | 2.5  |
| Environment/energy               | 53                | 0.8  | 9                 | 0.8  | 62                | 0.6  | 1                 | 0.2  |
| Others                           | 27                | 0.3  | 28                | 2.6  | 55                | 0.5  | 52                | 9.9  |
| Total                            | 9,542             | 100% | 1,085             | 100% | 10,628            | 100% | 524               | 100% |

### EHDO Provider Survey

- Type of TVET institution
- Training course
- Tuition fee
- Training duration
- Number of trainee

Polytechnic center  
Chiba

40km



### The Lifelong Human Resources Development System (LHRDS)

presents in stages the development and improvement of workers' skills based on the basic philosophy of the Human Resources Development Law.

LHRDS is a guideline to clarify the skills required for work and to offer systematic step-by-step education and training according to the goals of skill development.

**Point 1** What is the concept of "LHRDS"?

Basic philosophy of the Human Resources Development Promotion Law

→

LHRDS

The development and improvement of human resources,

1. increases the adaptability of workers to changes in the industrial structure, the rapid progress of technology, and other economic environments, and

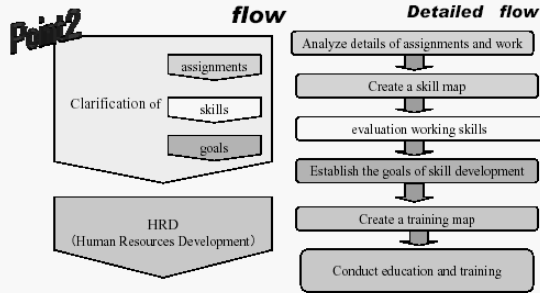
2. must be implemented systematically and incrementally throughout the working period of individual workers, while considering the "employment-life design of workers."

Based on the basic philosophy shown on the left, LHRDS systematically and incrementally,

1. realizes the skills required to perform the duties of industries, organizations, and corporations, and
2. human resources development to acquire the skills for workers to perform specific duties.

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## What is the flow of HRD based on the "LHRDS"?



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## What are the advantages of HRD using the "LHRDS"?

**Point 3**

The LHRDS can be utilized to establish a framework for HRD based on the social and economic situations surrounding companies.

Upon establishing a suitable LHRDS which meets the needs of each company, based on the flow of HRD mentioned in Point 2, companies can successfully execute a HRD process and the following are the advantages :

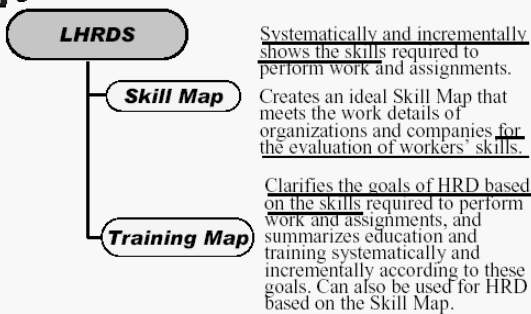
- \* Develop human resources systematically and effectively.
- \* Construct the concept for systematic step-by-step HRD.
- \* Clarify skills possessed or required by organizations and companies.
- \* Make future goal settings easy, as the evaluation of each employee is possible.
- \* Clarify the achievement of HRD.
- \* Clarify career formation.
- \* Develop human resources that meet set goals and personnel allocations.

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## What is the structure of the "LHRDS"?

**Point 4**

Consisting of "Skill Map" and "Training Map"



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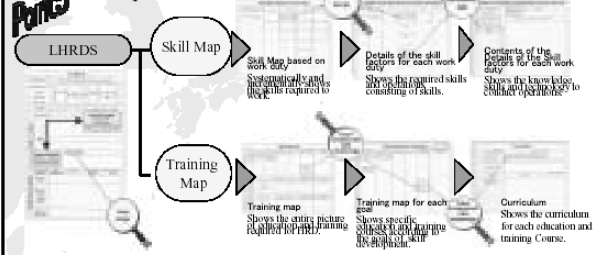
EHDO assists organizations and corporations to create LHRDS based on the details explained below.

In addition, EHDO offers education and training based on that system at Public HRD institutions.

Point 5 shows a sample of the LHRDS( Format 1 ~ 7).

**Point 5**

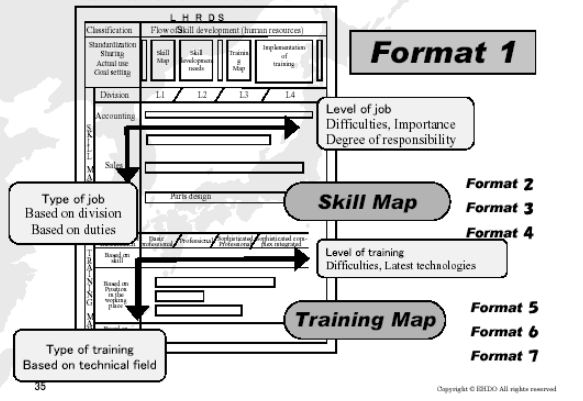
Sample of the "LHRDS"



\* With the aid of a computer LHRDS can easily be created.

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## Structure of the "LHRDS"



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| Department, Section                  |                            | Level |                                |                  |     |
|--------------------------------------|----------------------------|-------|--------------------------------|------------------|-----|
|                                      |                            | L 1   | L 2                            | L 3              | L 4 |
| Engineering<br>electronics equipment | electronics circuit design | Task1 | analog circuit                 | overall design   |     |
|                                      |                            |       | discrete circuit               |                  |     |
|                                      |                            |       | digital circuit                |                  |     |
|                                      |                            |       | printed board                  |                  |     |
|                                      |                            |       | measurement                    |                  |     |
|                                      |                            |       | input/output circuit           |                  |     |
| Inspection                           | measuring and test         | Task2 | basic test                     | image procession |     |
|                                      |                            |       | material measuring and test    |                  |     |
|                                      |                            |       | machine measuring and test     |                  |     |
|                                      |                            |       | machine measuring and test     |                  |     |
|                                      |                            |       | electrical measuring and test  |                  |     |
|                                      |                            |       | electrical measuring and test  |                  |     |
|                                      |                            |       | nondestructive test assessment |                  |     |
|                                      |                            |       | measuring tool management      |                  |     |

**Task3**

**Task4**

**Skill map**

**Format 3**

Department, Section

**Skill map**

| department                        | job                        | Level  | L1                          | L2                               | L3                                | L4               |
|-----------------------------------|----------------------------|--------|-----------------------------|----------------------------------|-----------------------------------|------------------|
| Engineering electronics equipment | electronics circuit design | Task1  | analog circuit              | analog circuit (parts selection) | analog circuit (Tr basic circuit) | analog circ      |
|                                   |                            |        | analog IC circ              | analog IC circ                   | IP                                | overall design   |
| Inspection                        | measuring and test         | Task2  | basic test                  | material measuring assessment    | image processing                  | image processing |
|                                   |                            |        | preparation                 | material measuring assessment    | image processing                  | Work             |
| Work 1                            | Work 2                     | Work 3 | material measuring and test | machine measuring assessment     | Task4                             |                  |
|                                   |                            |        | preparation                 | dimensions assessment            |                                   |                  |
|                                   |                            |        | solidity test               | roughness assessment             |                                   |                  |
|                                   |                            |        | strength test               | three-D assessment               |                                   |                  |

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**Format 4**

| SECTION          | measuring and test          | Level | L1   |
|------------------|-----------------------------|-------|--|
| TASK             | material measuring and test |       |  |
| Work             | subjects                    |       |  |
| 1. preparation   | Skill                       |       | 1. be able to test material quality<br>2. be able to analyze component<br>3. be able to measure remaining stress<br>4. be able to analyze frequency of vibration<br>5. be able to measure length using slide caliper<br>6. be able to test and assessment PT |
| 2. solidity test | Knowledge                   |       | 1. know about composition and quality of metal<br>2. know about composition test using metaloscope<br>3. know about assessment method of metal   |
| 3. strength test | Skill                       |       | 1. be able to test Brinell hardness, Vickers hardness<br>2. know about types and feature of mechanical measurement   |
|                  | Skill                       |       | 1. be able to test tension and bending<br>2. be able to test impact resistance<br>3. be able to test fatigue   |

required Knowledge

required skill

**Training map structure**

Division & Section

Training target

Level

**Training map**

Task

Setting training target based on working factor

Training course name

**Format 5**

training course :drawing, Lathe operation, CAD, tooling, new materials

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**Job analysis Database**

Based on industry Classification in Japan

EHDO has collected 42 industry analysis model data according to employee's population since 2001.

|   |
|---|
| Construction  |
| Construction Work, General Including Public and Private Construction Work |
| Building Work   |
| Civil Engineering Work  |
| Painting Work   |
| Gardening Work  |
| Construction Work by Occupation, except Equipment Installation Work       |
| Interior Finish Work  |
| Carpentry Work  |
| Form Work   |
| Scaffolding Work  |
| Concrete Work   |
| Steel frame and Steel Reinforcement Work                                  |
| Painting Work   |
| Equipment Installation Work   |
| General Piping Work   |
| Electric Work   |
| Telecommunication Work and Signal System Work                             |
| Manufacturing   |
| Publishing, Printing and Allied Industries                                |
| Printing Industries   |
| Manufacture of Plastic Products   |
| Plastic Products  |
| Manufacture of Fabricated Metal Products                                  |
| Cutlery and Hardware  |
| Plumbers Supplies   |
| Fabricated Constructional and Architectural Metal Products                |

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**Job analysis Database (2)**

|  |
|--|
| Metal Machine Parts and Tooling Products                           |
| Stamped and Pressed Metal Products                                 |
| Metal Coating, Engraving and Heat Treating                         |
| Coating Metal Products   |
| Manufacture of General Machinery                                   |
| Machinery and Equipment for Construction                           |
| Agricultural Machinery and Equipment                               |
| Metal Working Machinery  |
| Manufacture of Electrical Machinery, Equipment and Supplies        |
| Electric Appliances  |
| Communication Equipment and Related Products                       |
| Electronic Parts and Devices                                       |
| Manufacture of Transportation Equipment                            |
| Motor Vehicle Parts  |
| Railroad Car Parts   |
| Manufacture of Precision Instruments and Machinery                 |
| Measuring Instruments, Analytical Instruments and Testing Machines |
| Wholesale and Retail Trade, Eating and Drinking Places             |
| Wholesale Trade, General Merchandise                               |
| Wholesale Trade, General Merchandise                               |
| Services   |
| Information Services and Research                                  |
| Computer Programming and Other Software Services                   |
| Professional Services, Not Elsewhere Classified                    |
| Engineering and Architectural Services                             |
| Miscellaneous Business Services                                    |
| Building Maintenance Services                                      |
| Non-destructive Testing Services                                   |

Database JOB analysis

41

**Job analysis data**

from format 1 to format 4 data

data has all tasks, works and their necessary knowledge & skills required from JOB (duties) of company

collected from central associations (including industrial associations)

42

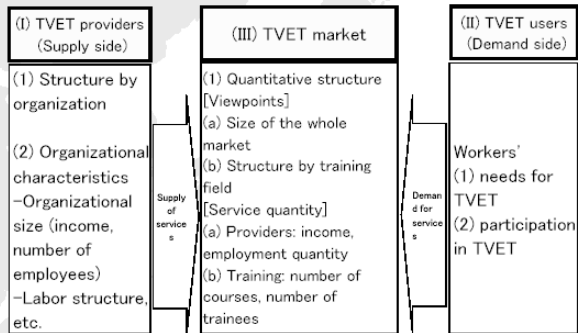
# LHRDS summary

- **LHRDS is a guideline for clarification of skills required form work| job**
- **and for systematic step-by-step training accordance with the goals of skill development.**
- **Job analysis data is very important.**
- **LHRDS is useful and effective for private sector HRD and TEVT institution to implement training courses.**

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# Structure



45

# Political Implication

- ..... Improvement for HRD
- Provision for HRD disparities
- Role study on TVET provider(for example private provider role)  
*For the purpose not only HRD, but also accordance with occupation & life, and for making a good living, the government have to assist individual worker for the beautiful carrier development.*

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# Provider Research

- Founder
- Number of provider each founder
- Income, number of employee
- Training course (field, level & duration)
- Course charge
- Standardization of course ( training course map)
- And other necessary items

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## ◆ Q & A Session

### Q-1:

Jeremy Wagger from New Zealand. I am interested in the whole area of qualifications training, and I am just wanting to get some clarification of what that category covers. You mentioned licensing, is that basically what it covers? It is not all the – I am just trying to get some clarification what the term qualifications training means, because it seems unusual that the public sector is not offering qualifications training? Thank you.

### Mr. Yoichi Kimura (Japan):

In principle, when it comes to qualification, there are qualifications determined by the Japanese government. Like for building a house, you have to have licensing for the construction workers or constructor, for example. Those qualifications, the licensing that you want to receive, depends on the type of qualification, and the duration and courses are different. So in order to pass an exam seminars are provided for those employees. Am I answering your question?

### Q-2:

Based on your research in Japan, virtually none of that training is being provided by the public TVET, and almost all of it is being provided by the private sectors, is that what your research was telling us?

### A-2:

Private TVET, of course center on the qualification training. Public TVET, and also EDA job are now conducting it, however. Prefectural training centers are providing qualification training.

### Mr. Tatehito Shimoda (Japan):

It is a somewhat confusing issue. Before this forum, I talked with Tom about certification. Certification, certificate, and qualification have slightly different meanings. Actually, Mr. Kimura pointed out two types of qualification. One is qualification, the other is a National Trade Skill Test. National Trade Skill Test is also kind of qualification, it is a public one, and when we think about qualification, there are both private and public. There needs to be further discussion on the division of qualification. So it is a little confusing yeah, sorry.

### Q-3:

Yes, thank you. Congratulations on the presentation. Many thanks. I have a question about when you decide – in the market structure, you say that the demand side is workers, the users are workers. And I wonder about the decision of what training is to be about, is it the decision of companies, do workers participate in it when you assign users on the demand side.

Because may I complement – because there is a kind of tension between the needs of companies and the needs of workers. Companies have their own needs, of course. And in another slide, you show that most training was for the actual work, employment, not for other future employment. So I wonder how you solve this tension?

### Mr. Yoichi Kimura (Japan):

As for the first question, so when we conducted this survey here, on the user side, and of course, people taking this training sometimes have two positions, that of the company employee, and that of the individual, the private individual. For the research we conducted in 2005, the questionnaire clearly stated, do not answer these questions based on your employee status. So not for whether this will be contributing to your company or not, just purely how do you understand or how do you think about TVET training as a private individual. So that is how we receive the responses, and how we have set up the questions.

So for the research content, how we set up the research questions, and also the methodology for doing research, we still have a lot of room for improvements and discussions. When we conducted this research in 2005, we wanted to clearly state our position regarding the reason why we were taking this survey.

And for your second question, the TVET seminars, whether they were useful toward current work or not. They were useful for the current work, but not useful for future work, the questions regarding that. I do not really think I understood your question correctly, but the EHRDs set up seminars. Their target for training is – they basically set the target, many courses aim to be good for workers in their current job responsibilities, and that is why we receive the responses that way.

So for any training which will be good for future roles, maybe product development or so forth, it is not over but we do not have many such training courses

available for the employees. Of course, if we provide such training, then the respondents will say that it was useful for their future roles.

**Q-4:**

But just PPT, so we just see the corner of your presentation. If possible please provide us full text of your presentation. And I was deeply impressed by your skill map, and the training map, which I think will be very useful for us. Thank you.

**Mr. Yoichi Kimura (Japan):**

As for the text these are all written in Japanese, unfortunately. But if it is necessary, the text might be translated into English I hope, what do you think?

Okay, then, I have notes, these are the notes, as you can see. This is in Japanese obviously. So this Japanese text I will provide to OVTA, and OVTA will make an arrangement for this Japanese to be translated to English and distributed to you, is that okay?

**Q-5:**

Thank you very much for your profound presentation, I found it interesting. In fact, I have four questions but I will reduce it to two. One question was already asked by the representative from the New Zealand. My question is on your last slide, provider research. You said that each economy should clarify the issues, and bring them all together in a working group. Could you please clarify what kind of working group you mean, is it that the APEC HRD working group should continue working on these issues or not, that is my first question.

And my second question is on the outline of TVET institutions. You mentioned that labor unions in Japan also have their own training institutes. I wanted to know whether that is set up by the company or by the labor union itself, because in Thailand, the role of labor union is quite passive on training. Thank you very much.

**A-5:**

Well, the first question – well, I am sorry the first proposal that I made, to provide the research and development team, well, I would like to propose that that is why do we not have a research group for the TVET providers. I do not know how to make this, not within the APEC maybe some – I think we need to do research immediately within the APEC nations. So

not just by each country but within APEC, we should be doing research and surveys on TVET providers.

I do not know what format that is going to take, but I would like to make a proposal, how do we start doing it, and in what areas should we research it? So all the small details I would like to discuss and I would like to make some statements on that, that is what my proposal actually means.

The second question, as for the relationship with the labor unions, of course, the labor union is quite important. Unfortunately, I am not really good at dealing with the labor unions, and there is a labor union federation in Japan, probably the largest labor union, and they are making proposals to the government, and also within companies or together with companies the labor union is setting up employee training. However, I am sorry, but I do not know about the problem in detail or the behaviors or activities that they are engaged in, sorry.

**Mr. Tatehito Shimoda (Japan):**

The last one is Mr. Kimura's proposal. So unfortunately, here we do not have Dr. Ginsburg, so maybe we are going to include a proposal in our final product. Maybe Ariya-san is going to be a co-member for Pablo or Mr. Tanaka-san, yeah. We have some co-members of APEC HRD group, so maybe you can talk with Dr. Ginsburg.

I find that suggestion quite interesting. Perhaps it could be worked on by the Japanese delegate, and perhaps we can translate that into a concrete proposal for the next meeting in Chicago, a very useful suggestion.

**Q-6:**

There is one thing. Thank you very much for your presentation. The very thing that I am interested is the job analysis data; you present 79 different industries. As a private sector worker, when I am overseas we have to hire someone locally. They are all different. When it comes to job responsibilities like piping work or plumbers, the job responsibilities that we ask of plumbers, we have to define, but it really is different from company to company. If you have a clear definition of the job responsibilities, areas by job areas, if that is available for the private sector, I would like to see it.

When we are doing a project, this will be very good



useful information, like the LLG planning salaries, 9,000 people were involved with this huge project. What we needed beforehand was a common job description; otherwise we cannot really gather the people who are meeting our demands. So we are not piling good or the people that are meeting the qualifications, so I just wanted to ask you about this.

**Q-7:**

So I am not sure what is really going on in the real world, but I think we are disclosing this information on the Internet, I think. But the most current data is coming from the polytechnical colleges, that there is this ability development center. I am not too sure about the names, but the chief's name might be Tanaka-san or something, maybe you can get detailed information there. I thought that your question was very valuable. So I am thinking that we can actually utilize this database, even for some companies in China, we have brought this database there. So can we really implement this right in those countries, in foreign countries, because things will be a little different in each region. So we would probably need to localize some of the details wherever you go I think.

**Comments:**

It is also a tough question, that of job description standards or skill standards, this problem is very sensitive, because the United States has job description standards, and we have job description standards, so who can arrange these standards? So it is very hallway to set international skill standards, or international job description standards. I guess it is very difficult, what do you think about that?

**A-6, 7:**

Yes, I agree, it is difficult across economies to find even agreement and understanding of common definition around words. For example, one of the things I would share with you Mr. Ikita and I really appreciated your – Mr. Kimura I really appreciate your presentation, is that in the United States if you would go back to your slide where you show the supply and demand, I think that was slide 49.

**Comments:**

– I agree with your slide and how you present that. We only take a little different approach to this, but here is an example of the common definition and use of language. We generally see the employer as creating the demand for the skill requirements, the employer

says I need these kinds of skills, and that is creating a demand. The supply then becomes the workers. Some of the workers have the skills, others need the skills. So they are the supply. And then we see the trainer or the provider of training, whether it would be public or private being the intermediary, the body in the middle trying to help bridge the supply with the demand.

So just a little different, but again, just how we use words, I think the same idea, same concept, but just illustrating how it can be difficult to get to similar understanding around the definition of the words. But I did appreciate this chart, and I agree with the approach. Thank you.

**Mr. Yoichi Kimura (Japan):**

I think this chart is just only – how do I say – the example from the market survey. Then we temporarily decide which item is better for our survey. Actually, we know about some weaknesses in this chart, but I showed you this slide to discuss this idea of the market and how we survey the providers' activity or users' demand.

**Ms. Patricia Anne Colgate (New Zealand):**

Hi, I am Patricia Colgate from New Zealand. I have a question about your statistics about the utilization and actual work, which was 70% of the employers use the skills, is that right, the TVET training and the actual work? That seems that it is very, very high. And I just wondered how you actually got the data? Yeah, that is the one. The utilized and actual work, the bottom part, 70% of the training was utilized in the actual work, I mean 70% of employers utilize the training, right, and actual work? Is that what they meant?

**Mr. Yoichi Kimura (Japan):**

Yes, I do understand your question. This is the result of a survey, so the people who attended those training courses, we asked them questions, how do you evaluate those courses, are you utilizing those. And then we also asked the same question to employers as well. So in that sense we did not really measure precisely but this is basically the impression that they got.

**Mr. Tatehito Shimoda (Japan):**

Thank you very much. So it is okay. Okay. So once again I appreciate Mr. Kimura, thank you very much.



## The Role of Technical/Vocational Education and Training Providers in Training Employees in Saskatchewan



Ministry of Advanced Education,  
Employment and Labour Government of Saskatchewan  
**Ms. Tammy Bloor-Cavers**

### Introduction

This paper was prepared for the Asia-Pacific Economic Cooperation's Forum on Human Resources Development 2008 on the topic of the role of Technical/Vocational Education and Training (TVET) providers in training for employees. The paper focuses primarily on Saskatchewan's economy, post-secondary education system and providing examples of how our technical and vocational institutions meet the training needs of Saskatchewan employers and employees.

### Canada's Economy

The country of Canada is made up of 10 provinces and 3 territories. The provincial/territorial governments work in partnership with the Government of Canada to ensure that all Canadians can participate in the programs and services they need to be successful in their pursuit of post-secondary education and training and participation in the labour market.

Canada is an industrialized, trading nation and its economy is dominated by the resources extraction and service industries. The Canadian service industry employs about three quarters of Canadians<sup>i</sup>. The service sector includes storage services, truck drivers, rail carriers, legal and financial services, as well as nearly every aspect of government activity from health care to national defense. Canada also relies heavily on resource extraction as well as manufacturing, agriculture, and construction<sup>ii</sup>.

The Canadian economy is impacted by globalization and technological changes, as many other countries are. Canada must increase the knowledge and skills of Canadian workers and increase the skills and abilities of Canadians who are not currently

participating in the labour market. The Government of Canada focuses its attention on the skills development (including essential skills needed for sustained employment) of Canadians, while the provinces focus on the education systems that range from pre-Kindergarten to Grade 12 through to adult upgrading, and the full array of post-secondary education and training.

In Canada, the provincial/territorial governments have exclusive responsibility for all levels of education. The federal government provides indirect support through fiscal transfers to the provinces/territories and by funding university research and student assistance. To increase the collaboration and consistency throughout the country, each province and territory has a Minister in charge of education and/or post-secondary education who participates in the Council of Ministers of Education, Canada (CMEC). The CMEC provides a forum to discuss matters of common concern, explore ways to cooperate, share information, and coordinate education activities internationally. It is important to note that CMEC consists only of provincial and territorial representatives. No one representing the Government of Canada sits at the CMEC table, although the federal government does provide funding to CMEC for specific projects.

Conversely, the Forum of Labour Market Ministers (FLMM) is composed of provincial/territorial and federal ministers who are responsible for the labour market. The FLMM was created to promote discussion and cooperation on labour market matters, including skills training.

Saskatchewan is located in the western part of Canada. It has a population of 1,010,146<sup>iii</sup>. The

population of Saskatchewan had been on a downward trend over the past decade but is now increasing due to current strong economic growth, which is expected to continue. Fewer children, more elderly people, and earlier retirement are reducing the labour force growth in both Canada and Saskatchewan. For Saskatchewan, these trends in the population will be felt earlier than the rest of Canada due to its current age distribution.

### Saskatchewan Economy and Labour Market Needs

Saskatchewan's current economic strength is driven by natural resources. Commodity prices, which have been high, are key to driving and sustaining the province's overall economic well-being. A significant proportion of the grains, oilseeds, potash, uranium, and oil and gas produced each year are

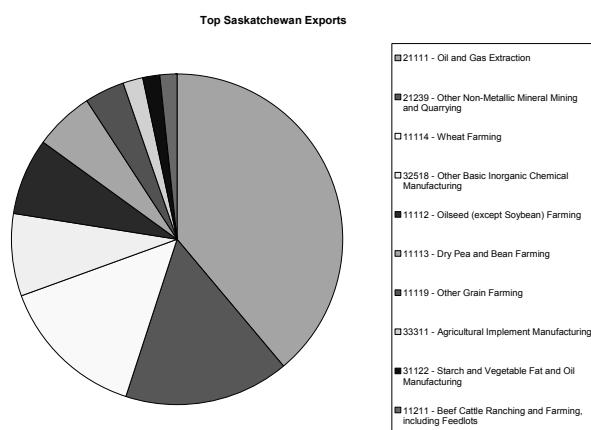
exported to other Canadian markets or offshore. In 2007, grain exports rose 39.8%, potash (used in fertilizer) exports increased by 38.4%, and the value of crude oil exports edged higher. A smaller percentage (compared to the primary products mentioned above) of manufactured goods produced in the province are also exported to other markets.<sup>iv</sup>

<sup>i</sup> Economy of Canada, Wikipedia ([http://en.wikipedia.org/wiki/Economy\\_of\\_Canada](http://en.wikipedia.org/wiki/Economy_of_Canada))

<sup>ii</sup> Government of Canada Economy Overview (<http://canadianeconomy.gc.ca/english/economy/overview.html>)

<sup>iii</sup> Statistics Canada, Demography Division, 2008.

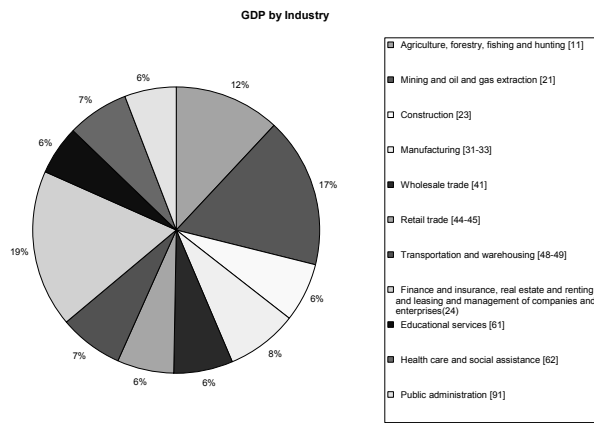
<sup>iv</sup> Saskatchewan, Economic Review 2007, p. 3



Source Statistics Canada

Trade and access to North American and off-shore markets is vital to Saskatchewan. More than 90% of the grains and oilseeds produced in the province are sold to other Canadian markets or off-shore; the majority of the potash and uranium mined in Saskatchewan is shipped out; over 80% of the oil pumped is exported, and 30% of the goods produced in provincial manufacturing are exported. In 2006, Saskatchewan's international exports increased by 10.2%. This increase, which was the second largest in Canada, was driven by growth in the agriculture and energy sectors.<sup>v</sup>

<sup>v</sup> Province of Saskatchewan 2008/09 Budget



Source Statistics Canada

Saskatchewan's economy has also diversified from an agriculture and resource base to one with a strong service component. While remaining important components of the provincial economy, agricultural and non-renewable resource industries have matured and elements of their business operations have become outsourced.

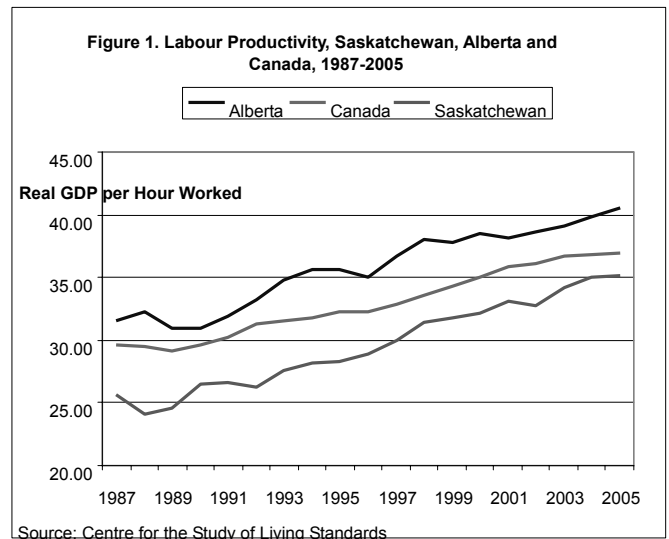
Saskatchewan's unprecedented growth is a result of high commodity prices and buoyant consumer spending. Oil, natural gas and other mining sectors have played a role in Saskatchewan's economic growth along with other sectors, notably manufacturing, retail, trade and construction. Despite the economic downturns of the fall of 2008, Saskatchewan remains poised to lead Canada in growth over the coming year.

### Productivity and Competitiveness

Improving productivity is about finding ways for the labour force to work smarter, thereby increasing the standard of living and helping to address the shortage of workers. Productivity improvement usually happens through three mechanisms that interact and create a stronger impact as a group than when taken separately. The three include increasing human capital; encouraging innovation (of products and processes); and investing in physical capital (including infrastructure and information and communications technology). The Organization for Economic Cooperation and Development (OECD) notes that human capital is essential to advancing innovation and to using information and communications technology (ICT) effectively<sup>vi</sup>.

Saskatchewan has steadily improved its labour productivity for more than a decade. This has contributed to economic growth out-pacing employment growth. Gains in labour productivity have occurred

largely due to improvements in technology (figure 1). Saskatchewan's more rapid growth in the area of productivity growth has helped reduce the productivity gap relative to the national average.



By 2015, all net labour force growth in Canada will come from immigration, although domestic sources of labour will still be dominant. Immigration will account for about 17% of the annual new entrants into the labour force (about 12,000), while school leavers will account for the remaining 83% (about 610,000)<sup>vii</sup>.

The province of Saskatchewan has been in the midst of an intensifying "Perfect Labour Market Storm" for at least the past two years. Conditions contributing to the "perfect storm" include:

- A strong provincial economy;
- A declining pool of labour market participants due to:
  - An aging population and rising numbers of retirements;
  - Declining total provincial birth rates; and
  - A ten year trend of out-migration of skilled, education workers (especially youth) who have left to assume employment in the booming economies of the west<sup>viii</sup>.
- The fastest growing segment of the population – people who are from the First Nations and Métis – are also the segment of the provincial population that traditionally has the lowest levels of educational attainment and the lowest employment rates;
- Increased global and national competition for skilled workers;

- Decreased population leading to decreases in the number of traditional post-secondary education participants; and
- A small, albeit growing number of immigrants from outside Canada and in-migrants from other provinces.

### **Increased Global and National Competition for Skilled Workers**

An estimated 91% of future job openings will require at least a high school diploma and 64% will require post-secondary credentials or management skills over the next few years.<sup>ix</sup>

Skills are a vital element of a knowledge-based economy that encompasses technical and scientific competencies and a broad set of Essential Skills, which, the Government of Canada defines as reading text, document use, numeracy, writing, oral communication, working with others, thinking skills, computer use and continuous learning. These Essential Skills are also referred to as employability or ‘soft’ skills as opposed to content-specific, technical or ‘hard’ skills. They are required in almost every occupation, underpinning all other skills and serving as the foundation for other training, while being transferable from job to job or work to home. Essential Skills support advancement within jobs as well as the ability to adapt to workplace change. Youth need to start acquiring these essential skills early in their lives and make the connection between these skills and their use in the workplace.

Increasingly, employers are expressing concern about the availability of skilled labour. Member surveys regularly undertaken by the Canadian Federation of Independent Business (CFIB) cite employer unease about shortages of qualified labour that have been escalating in Western Canada over the past number of years. During the period July-December 2006, at least 64% of surveyed employers in every western province identified shortage of qualified labour as a concern.

Saskatchewan’s occupational demand/skill shortages are similar to Canada’s and the western provinces, with the greatest difficulty filling positions occurring in health care, skilled trades and labourers and transportation. There is also competing labour demand with Alberta, a neighbouring province, in the oil and gas industry.

### **First Nations and Métis (Aboriginal) Population:**

Although First Nations and Métis (Aboriginal) people are actively participating in the Saskatchewan labour market, they have lower participation and employment rates than the non-Aboriginal population. They also have higher unemployment rates.

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<sup>vi</sup> OECD, “Micro-policies for Growth and Productivity: Summary of Key Findings.” February 2007, p. 10.

<sup>vii</sup> Government of Canada, *Knowledge Matters*, 2002

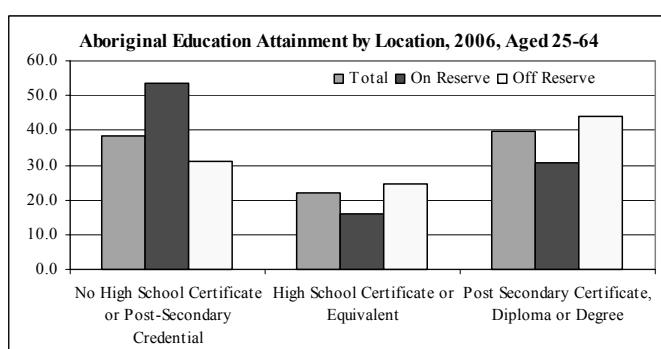
<sup>viii</sup> Government has introduces programs and services to stem the out-flow, and early successes are seen in the province’s increasing population, with in-migration from other Canadian and international jurisdictions now occurring.

<sup>ix</sup> 2008-09 Environmental Scan, Department of Advanced Education and Employment

| Labour Force Activity,<br>Aboriginal and Non-Aboriginal Population,<br>Ages 15+ |            |                |       |
|---|------------|----------------|-------|
|   | Aboriginal | Non-Aboriginal | Total |
| Participation Rate  | 56.4%      | 70.1%          | 68.4  |
| Employment Rate   | 46.4%      | 67.1%          | %     |
| Unemployment Rate   | 18.2%      | 4.2%           | 64.6  |
|   |            |                | %     |
|   |            |                | 5.6%  |

Source: Statistics Canada 2006 Census

The educational attainment levels of First Nations and Métis (Aboriginal) people are increasing but remain below the attainment levels of non-Aboriginal people. According to the Canadian Census (2006), the proportion of individuals with a post-secondary certificate, diploma or degree among the First Nations and Métis population aged 25-64 was 39.7% compared to 55.9% in the non-Aboriginal population. There are also differences among Aboriginal people in the levels of educational attainment. The First Nations population living on-reserve has lower levels of educational attainment than its off-reserve peers. In 2006, 30.5% of the on-reserve population had a post-secondary certificate, diploma or degree, compared to 43.9% of those living off-reserve.



Source: Statistics Canada, 2006

Recent literature<sup>x</sup> indicates First Nations and Métis people face both financial and non-financial barriers to post-secondary education and training. Non-financial barriers include social barriers (community and family expectations; mistrust of education; family responsibilities; discrimination; distance from institution; alienation in post-secondary education; and cultural insensitivity) and educational barriers (incomplete secondary school). Financial barriers include tuition costs; living costs; perceived 'payback'; loan burden; and grant availability.

Off-reserve First Nations people are more likely to complete schooling later in life<sup>xi</sup>. Despite these barriers, according to the 2003 High School Leaver Survey, the majority of First Nations and Métis people surveyed (75%) indicated a strong interest in or consideration of some form of post-secondary education.

While significant progress has been made, major impediments to the participation and success of First Nations and Métis people in post-secondary education and training and in employment still exist. Challenges at the institutional, individual, and workplace levels need to be addressed. Recognizing these issues, the Ministry of Advanced Education Employment and Labour has worked with the First Nations and Métis controlled institutions (the Saskatchewan Indian Institute of Technologies [SIIT] and the Dumont Technical Institute [DTI]), as well as the regional colleges to provide provincial funding and encourage direct engagement with Saskatchewan Indian Institute of Technology and First Nations organizations at the regional level through integrated planning, joint program/course delivery in partnership with regional colleges and in employer relations to address the challenges.

Saskatchewan's historic legacy combined with our continued worker shortage provides a rare opportunity to make progress in education, participation and employment levels for and with First Nations and Métis people.

### Declining Labour Market Pool

Saskatchewan is experiencing a tightening of the labour market due to both demographics and a strong economy. The province faces the potential of a labour shortage along with the rest of Canada. While changing demographics is beginning to have an impact on the size of the labour market, the strong provincial economy is currently putting pressure on the labour market and leading to shortages of skilled and qualified labour in several occupational areas. The skilled trades-related occupations are experiencing shortages due to strong demand and an aging workforce. There is also evidence of critical shortages in the health sector that are being exacerbated by increasing demand related to the size of the aging population.

The *Saskatchewan Employment Forecast 2006* projects 87,600 job opportunities between 2005 and 2010, at an annual growth rate of 0.8%. Almost 77%

of these opportunities are expected to be as a result of attrition (i.e., replacement of workers that permanently leave the labour force due to retirement or death) and the remaining 23% are as a result of economic activity.

Demographic trends have raised concerns of an exodus of “baby boomers” into retirement. These retirees will not be fully replaceable, and as a result, there may be labour and skill shortages, a dampened economy, and a lower quality-of-life. It is anticipated that the impacts of large numbers of workers exiting the work force will include: expansion of the number of available opportunities for those remaining in the labour force; a labour force with higher levels of educational attainment (youth are increasingly more educated than older workers); increased wage levels for individuals with marketable skills; and a drive to enhance the productivity of those remaining in the workforce.

Other efforts underway to counter demographic trends include the attraction of more immigrants and temporary foreign workers to Saskatchewan. Between 1995 and 2005, the number of immigrants to Saskatchewan increased only slightly, from 1,946 to 2,106. As of December 1, 2004, there were 1,762 temporary foreign workers in the province, an increase of 530 since 1994. Saskatchewan has a target of 2,800 nominations for the Saskatchewan Immigrant Nominee Program during the 2008-09 fiscal year. Including nominees, spouses and families, this represents over 7,500 newcomers to our province<sup>xii</sup>.

### Enrollment in Post-Secondary Education

The decline in birthrate in Saskatchewan has resulted in fewer young entrants to the labour market. This decline also has an impact on the traditional users of the post-secondary education system. Youth exiting high school have formed the bulk of the post-secondary education system’s clientele. To ensure their viability, post-secondary institutions are faced with the need to attract international learners; develop and deliver programs that lend themselves to part-time or work-study combinations, and even to move to greater distance delivery using technology.

### Saskatchewan’s Post-Secondary Education System

Saskatchewan’s post-secondary system is broadly defined to include formal, non-formal and informal learning. Formal learning is structured and intentional, and can be achieved through credit-based programs and/or courses. The non-formal learning is

intentional and gained through non-credit courses and workplace training. The informal learning is gained through life experience and is experiential.

The Ministry of Advanced Education, Employment and Labour works in three main areas to ensure that Saskatchewan is able to sustain its current economic growth. These areas are:

1. **Support and Train:** Saskatchewan’s post secondary education, training, employment services and immigration systems must ensure the province has the skilled labour it needs to support economic growth. In particular, the Ministry works to provide supports to unemployed and underemployed people in order to help them engage more fully in the new economy.
2. **Collaborate and Build:** The Ministry works to foster partnerships between the private sector and the publicly funded post-secondary education, training, career services and immigration systems. This collaboration is critical to identifying and addressing key areas of need in the Saskatchewan labour market.
3. **Innovate and Grow:** The knowledge and innovation generated by Saskatchewan’s universities help fuel the province’s economy. The Ministry will continue to support science and innovation that creates commercially viable projects that contribute to a stronger, more productive and diverse economy.

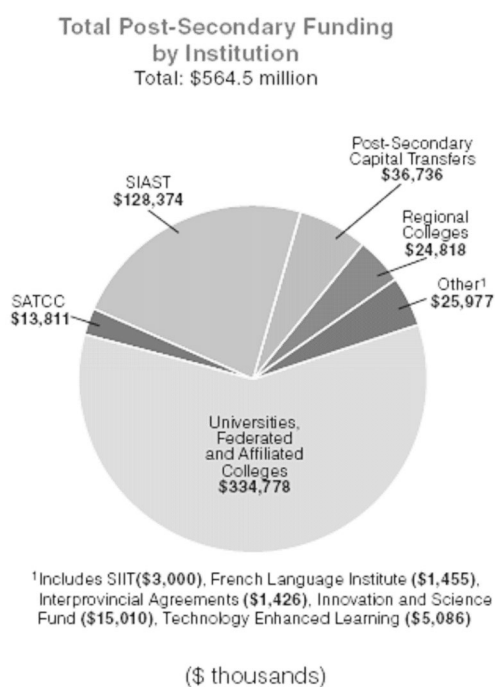
The investment in the post-secondary education sector is at an all time high. In 2008-09, the Government of Saskatchewan invested \$564.5 million into Saskatchewan’s post-secondary institutions to ensure they have the capacity to meet the needs of Saskatchewan learners.

<sup>x</sup> Mendelson, M. *Aboriginal Peoples and Postsecondary Education in Canada*. Caledon Institute of Social Policy. July 2006.

<sup>xi</sup> Aboriginal Peoples Survey 2001, Statistics Canada

<sup>xii</sup> Government of Saskatchewan. *Norris Advocates Increased Collaboration on Immigration Issues Heading into Meeting*. News Release September 4, 2008.





The Government of Saskatchewan provides funding to institutions, researchers and students. It manages the post-secondary sector through a variety of Acts and regulations. The provincial government also works in partnership with the federal government to provide a variety of programs through bilateral agreements that target specific actions and groups. These include the Canada-Saskatchewan Labour Market Development Agreement and the Canada-Saskatchewan Labour Market Agreement.

All of the public institutions receive support from government as a key part of their operational funding but are also supported in areas such as research and scholarly activity. The Private Vocational Schools receive no direct government funding for operations, but receive indirect funding through student financial assistance.

The following describes the variety of post-secondary options available in Saskatchewan:

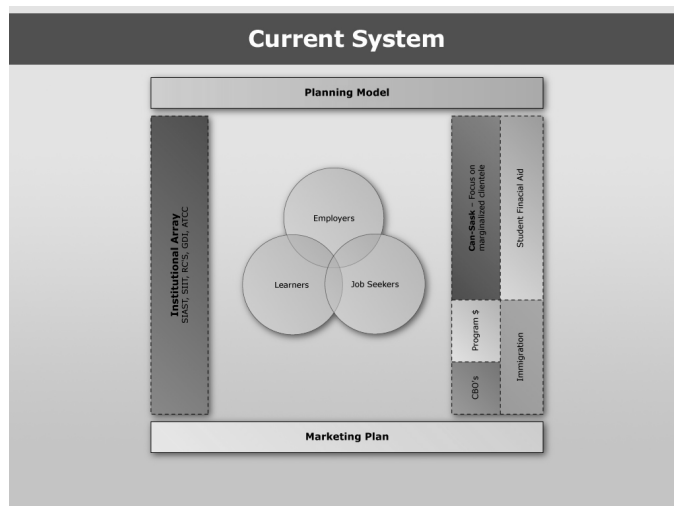
1. Public Institutions – are post-secondary institutions that are funded through the Government of Saskatchewan. These include two universities (and their federated and affiliated colleges), the Saskatchewan Institute of Applied Science and Technology (SIAST), eight regional colleges, and the Apprenticeship and Trades Certification Commission. These institutions provide a

variety of programs that lead to degrees, certificates, diplomas, and journey person credentials in about fifty trades through the publicly funded institutions. Learners requiring additional upgrading of their fundamental skills can access Adult Basic Education to increase their literacy level or complete Grade 12. Learners attending SIAST can obtain certification in business and agriculture, applied and visual arts, community services, construction, electronics, environments, equipment operation, health sciences, hospitality, information systems, engineering technologies, laboratory technology, manufacturing and mechanical servicing. In addition to on-site offerings, programs provided through the publicly funded institutions are accessible through distance education, and work-study through co-operative learning programs.

2. First Nations and Métis Controlled Institutions – In Saskatchewan there are three main institutions that are First Nations and/or Métis controlled. All receive their funding through both the federal and Saskatchewan governments. The first is the First Nations University of Canada, which is considered a federated college of the University of Regina but is administratively and financially autonomous. The second is the Saskatchewan Indian Institute of Technologies (SIIT) which is governed by the Federation of Saskatchewan Indian Nations and provides training programs in a variety of trades and technical fields that reflect the needs of First Nations adult learners. The third is the Gabriel Dumont Institute of Native Studies and Applied Research (GDI) which was created and is operated by the Métis Nation of Saskatchewan. GDI was created in 1981 and is unique within Canada as the only fully accredited Métis post-secondary, adult basic upgrading and skills training institute in Canada. The Dumont Technical Institute (DTI), an affiliate of GDI, delivers adult basic education and skills training on an “as needed” basis in Métis communities.
3. Private Vocational Schools – provide vocational training and are regulated by Saskatchewan Advanced Education, Employment and Labour. There are

currently 33 Category 1 (those that train fee-paying students) private vocational schools registered in the province. Private Vocational Schools in Saskatchewan offer more than 300 employment-oriented programs in a wide range of occupations including business/computer, cosmetology/esthetics, medical administrative assistance, massage therapy, graphic arts/animation, broadcasting, police/criminal, religious, fashion design, pet grooming, heavy equipment operation, hospitality and musical instrument construction. The highest enrollment numbers are in the business/computer and cosmetology/esthetic programs.

4. Community Based Organizations (CBOs) – the Government of Saskatchewan funds CBOs that focus on employment preparation for those adults who do not have strong labour market attachments, including persons with disabilities and new immigrants. CBOs are also funded to provide settlement services to immigrants. For the most part, these organizations are funded through contract agreements.
5. Research -- Synchrotron – The Canadian Light Source is one of the largest scientific projects in Canada, and one of the most advanced synchrotron facilities in the world. Its performance and scientific programs are globally competitive and are directly relevant to the research areas of greatest significance to Canadian science and the Canadian economy. Funded by federal, provincial, municipal, industrial and academic sources in an unprecedented partnership to advance Canadian science and technology capacity, the Canadian Light Source is an essential tool for the advancement of Canadian science.



Saskatchewan’s post-secondary education and training system is essential to the province’s labour force development. It provides Saskatchewan residents with the skill sets required to meet labour market demands and to obtain and retain sustainable employment. Importantly, Saskatchewan’s advanced education network – especially drawing on centres of excellence at the University of Saskatchewan and the University of Regina – serves as a vital platform for preeminent research and development, a robust innovation agenda, and related science and technology initiatives (in areas including bio-science, the environment and energy).<sup>xiii</sup>

**Mobile Laboratories**

Mobile Training Laboratories resulted from of a cooperative public and private partnership that came together to meet an identified and emerging training need. The labs provide fully accredited off-campus training to learners. The mobile training labs enable training in electrical, industrial mechanics, machining, pipe-fitting/steam-fitting, plumbing and welding.

**Campus Saskatchewan**

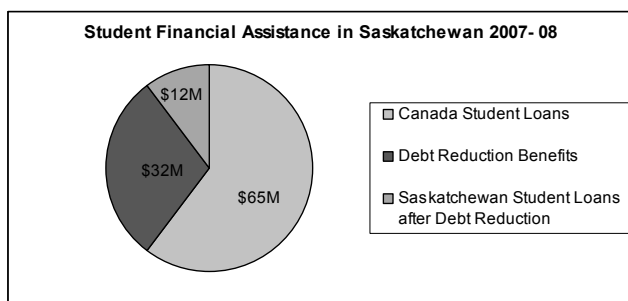
Campus Saskatchewan is a unique partnership of provincial post-secondary institutions and the government. It is designed to use technology-based learning to increase access to post-secondary studies in the province. Saskatchewan’s population of just over 1 million people is widely dispersed, making it difficult for many adults to leave their home communities, and the families and jobs, to come to centres where institutions are located. The Campus Saskatchewan partnership helps institutions to develop new programming in response to student demand and provincial needs while coordinating support for faculty

and students delivering and taking technology-enhanced courses.

**Student Financial Assistance**

The Saskatchewan Student Financial Assistance program is designed to encourage and assist academically qualified students in financial need, including low income families and disadvantaged groups, in accessing post-secondary education and training. One of the ways we do this is through the Canada-Saskatchewan Student Loans Program, which is a needs-based income support initiative with the goal of providing repayable and non-repayable financial assistance to Saskatchewan students. The Government of Canada and the Province of Saskatchewan work closely to enable residents of Saskatchewan to access post-secondary education, while students acquire the knowledge to succeed in an increasingly well-educated, adaptable and skilled workforce. In the 2007-08 fiscal year, Saskatchewan and Canada provided over 12,000 student loans totaling \$107 million to Saskatchewan residents. Approximately \$65 million of this amount was in Canada student loans and \$42 million was in Saskatchewan student loans.

The Saskatchewan Student Loan program also provides debt reduction benefits to ensure that student debt is manageable. The maximum debt level for Saskatchewan students is \$210 per week of study or approximately \$7,100 for an academic year. In 2007-08, \$31 million in bursaries and grants was applied to reduce Saskatchewan student loan debt.



**Provincial Training Allowance**

The Provincial Training Allowance (PTA) provides income-support for low-income people while they are participating in adult basic education, workforce development initiatives and short skills courses to help

them move into employment, post-secondary education and training. In 2007-08, approximately 5,000 individuals received assistance through PTA.

**Programs to Address the Labour Market Needs**

The Government of Saskatchewan, the Government of Canada and the post-secondary education sector in Saskatchewan work together to meet the needs of employers, employees, learners and the challenges of the Saskatchewan labour market. This section identifies the programs and services aimed at providing learning opportunities.

**Regional Needs Assessment**

The public institutions in Saskatchewan conduct Regional Needs Assessments in order to identify and make plans to meet the adult training and education needs of the regions they serve. A Regional Needs Assessment is based on consultations with employers and industry on their current and future needs. The institution then reviews its programming to ensure that the programs offered are needed in the region.

**Skills Shortage**

The following programs are intended to address the area of skills shortage in Saskatchewan:

**JobStart/Future Skills (JS/FS)**

A program that creates partnerships among businesses, individuals, industry associations and public training institutions to train Saskatchewan residents with the skills they need to fill jobs. The program has two components: Workbased Training for the Unemployed and Institutional Quick Response Training (IQRT). Workbased Training for the Unemployed assists employers financially to provide on-the-job training to individuals who are unemployed. The training must be recognized by industry, public institutions or the government and unemployed individuals must be employed by the business in order to qualify. Institutional Quick Response Training funds public training institutions to deliver accredited, institution-based training in response to the immediate and medium term needs of employers for skilled workers.

**Apprenticeship**

The Saskatchewan Apprenticeship and Trade Certification is led by industry in Saskatchewan. Its mandate is to provide a relevant, accessible and responsive apprenticeship training and certification system that meets the needs of employers and

employees.

Apprenticeship is a formal agreement between an employee who wants to learn a skill and an employer who needs a skilled worker. The formal apprenticeship agreement, registered with the Saskatchewan Apprenticeship and Trade Certification Commission (SATCC), sets responsibilities and obligations of the employer and the apprentice and the period of training. The apprentice spends about 85% of his/her time working and learning from a certified journeyman and 15% of his/her time in school learning about the trade while earning a wage.

The demand for apprenticeship training in Saskatchewan has reached unprecedented levels with 8,130 apprentices registered as of June 30, 2008. The SATCC is also looking at various options to address the increased demand for apprentices, including expanding partnerships with regional colleges and a review of the existing apprentice to journeyman ratios.

#### *Canada-Saskatchewan Career and Employment Services*

Canada-Saskatchewan Career and Employment Services (CSCES) provides employment assistance to individuals experiencing barriers to finding or maintaining employment. It does this through a flexible array of programs, services and supports, including appropriate and customized assessments, counseling services, referrals to service providers, income support, skills development and supported employment interventions that will enhance an individual's employability. Both individuals and employers have access to career and employment information, programs and services through 20 offices located across Saskatchewan.

The unprecedented demand for labour in Saskatchewan represents a significant opportunity to engage individuals who traditionally have not participated in the labour market to prepare for employment. Job seekers engage in strength-based, solution focused services intended to assist transition to employment and maximum self-sufficiency. Services target individuals receiving Employment Insurance (EI), which is a social program managed through the Government of Canada; social assistance or the Transitional Employment Allowance, both of which are provincially-managed income support programs. The programs and services offered through CSCES provide work readiness training, life skills, employment supports and work experience through partnerships

with community-based organizations, municipalities and employers.

#### *SaskJobs*

SaskJobs supports Saskatchewan employers within western Canada's competitive labour market. It provides a mechanism for employers with unfilled positions in Saskatchewan to post their jobs. Job seekers can view these opportunities and post their resumes on the site. With an average of 300,000 monthly visits to the website and approximately 8,000 opportunities posted at any one time, SaskJobs is an extensive and effective job-search and recruitment tool. Since its launch in 1999, SaskJobs has hosted almost 43,000 employers and over 400,000 vacancies. Employer feedback and participation in SaskJobs continues to be positive. SaskJobs is connected to the Canadian national job bank.

#### *Trades and Skills Centres*

The Trades and Skills Centres are innovative partnerships that involve industry, the post-secondary and PreK-12 educational systems, Aboriginal training institutions and local communities in an effort to provide training that helps youth and young adults move directly from high school into employment or on to post-secondary education. These projects are helping to address the labour shortage in Regina and Saskatoon by working with industry to identify areas of significant shortage and providing short skills course to youth and young adults who can seek immediate entry-level employment. The Trades and Skills Centres have offered programs in steel studding, drywall, acoustic ceiling, painting/decorating, and food and beverage worker/line cook.

Each Trades and Skills Centre has a unique approach that meets the needs of its community. The Saskatoon Trades and Skills Centre, is located in the inner city where there is a high population of First Nations and Métis learners. The Centre is part of a shared facility with the high school and is intended to introduce high school students to the trades and assist in the transition from high school to post-secondary education and on to work.

The Regina Trades and Skills Centre has partnered with Habitat for Humanity Regina, a volunteer-based organization that builds houses for very low income families. The high school students attending the Centre receive classroom training as well as hands-on experience building a house. The

post-secondary students attending the Regina Trades and Skills Centre receive classroom training and are able to apply the skills acquired to the hands-on reality of providing service to the house being built through the Habitat for Humanity project.

#### *Workplace Essential Skills in Saskatchewan Initiative*

The Workplace Essential Skills in Saskatchewan (WESS) initiative is a pilot project that will support business and industry to successfully prepare low-skilled job seekers and existing low-skilled employees to gain the essential skills needed for sustainable long-term employment and/or advancement.

Workplace Essential Skills (WES) refers to a cluster of skills needed for work, learning, and life. They are foundational to learning all other skills and enable individuals to perform tasks associated with a particular occupation, job or other aspect of daily living. The higher the level of WES individuals has, the better able they are to adapt to change. Human Resources and Social Development Canada defines WES as reading text, document use, numeracy, writing, oral communication, working with others, computer use, thinking skills and continuous learning.

#### **Targeted Initiatives**

The following are targeted programs that support Saskatchewan's First Nations and Métis people:

#### *On Reserve Adult Basic Education*

For the first time in history, Saskatchewan is providing funds for Adult Basic Education (ABE) to be delivered on-reserve. Funding for education and social programming for First Nations is a federal responsibility in Canada, and First Nations people living on-reserve receive services through federal funding transfers to their First Nations government structures. Expanding provincial funding to include on-reserve delivery of ABE will help to address some of the capacity/demand issues that delivery institutions are experiencing. Interim reports from the 2007-08 year show that delivering programs on reserves increases accessibility and also improves retention and success of learners. In part, this is due to the fact that barriers such as childcare and transportation, which are known to have an impact on an adult's ability to consistently attend and succeed at learning, become less of an issue.

ABE includes credit and non-credit courses that  
40

adults may take to help them get a job; finish formal schooling, enter post-secondary education or training, improve their literacy skills, live on their own, and/or contribute to their families and their communities. Adult Basic Education consists of four components: ABE Level 1 & 2 (Literacy), ABE Level 3 (Adult 10), ABE Level 4 (Adult 12), and General Educational Development (GED). ABE Levels 1 & 2 is designed to help learners develop their literacy skills. The Adult 10 program is designed for people who want to build on their knowledge and skills. It consists of five subjects: Communications, Mathematics, Science, Social Sciences, and Life/Work Studies. Learners who complete Level 3 (Adult 10) successfully go on to further education, training or employment opportunities. ABE Level 4 (Adult 12) is designed to give adult learners who complete it the same Grade 12 standing as those who graduate from Saskatchewan high schools. The General Educational Development (GED) tests offer adults who have not completed high school the opportunity to obtain the equivalent of a Grade 12 standing. Grade 12 Equivalency is a recognized credential that can lead to employment opportunities, career advancement and further education.

#### *Northern Career Quest*

Northern Career Quest, a four-year Aboriginal Skills and Employment Partnership project, is a joint venture in which the Ministry of Advanced Education, Employment and Labour, the Federal Government and Industry partners provide funding and support to enable greater participation for Aboriginal people in employment at all skill levels in the current resource sector boom in Northern Saskatchewan. Businesses in the resource sector are playing a key role in the partnership by, among other things, participation on the Board and the Board's subcommittees, identification of industry skill needs, planning training, and commitment to employment.

In this project, participants will move through a continuum of services at different rates and enter and exit at multiple points. The participants begin with career counselling and assessment and, depending on the individual's readiness, move to employment or to a diverse array of skills training which will lead into employment supports and finally full-time employment. This project will address the under-representation of First Nations and Métis (Aboriginal) people in trades, technologies and entry-level management positions. It will help Saskatchewan's northern resource sector

address a shortage of labour while developing a young, under-utilized workforce.

#### *Older Workers*

The Targeted Initiative for Older Workers (TIOW) is a federal/provincial initiative that provides funding to institutions to assist people aged 55 years and older to gain the skills needed to enter/re-enter the workforce. It benefits employers by giving them access to workers who might otherwise not be in the labour force. In Saskatchewan, there were eight older worker projects in the 2007-08 fiscal year; it is expected there will be 11 projects in the 2008-09 fiscal year. The total participants enrolled for this two year initiative is expected to be about 220. For the first time, the Ministry of Advanced Education, Employment and Labour is also opening up delivery of these projects to Private Vocational Schools.

#### *Employability Assistance for People with Disabilities*

Employability Assistance for People with Disabilities (EAPD) is a program that provides funding to assist adults with disabilities to prepare for, secure and maintain employment. Various supports are offered, including training-on-the-job, vocational and work assessments, job coaching, support for employers and disability-related costs in a wide variety of post-secondary education and training programs.

#### **Conclusion**

The Government of Saskatchewan is committed to ensuring that all of Saskatchewan citizens benefit from the strong economy. The Ministry of Advanced

Education, Employment and Labour will continue to work with the post-secondary sector, Saskatchewan industries and employers, and the Government of Canada to develop and deliver innovative programs to respond to labour supply and demand. To accomplish this, the Ministry will continue its efforts to:

- Increase the number of people in Saskatchewan to build more dynamic communities and pave the way for future economic growth; and
- Increase the number of people with literacy and basic skills training, sector-specific skills and advanced education to help ensure that individuals meet their full potential.

The Saskatchewan government is committed to building a high quality post-secondary system that meets the needs of learners and employers alike, and gives our citizens a strong foundation to engage in and benefit from our growing economy.

For further information on programs and services provided by the Saskatchewan Ministry of Advanced Education, Employment and Labour visit our website at [www.aeel.gov.sk.ca](http://www.aeel.gov.sk.ca).

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<sup>xiii</sup> Ministry of Advanced Education, Employment and Labour 2007-08 Annual Report

## **Saskatchewan's Technical and Vocational Education and Training**

Case Study for APEC Forum on Human Resources  
Development  
November 19-21, 2008  
Ministry of Advanced Education, Employment and Labour

### **Overview**

- Overview of Canada
- Canada's economy
- Saskatchewan's economy
- Saskatchewan's post-secondary education system
- Examples of programs

## **Canada and the Canadian Economy**

### **Overview of Canada**



- 10 provinces and 3 territories
- Industrialized trading nation

### **The Canadian Economy**

- Dominated by the service industry – includes storage services, rail carriers, financial services, as well as government services



### **The Canadian Economy**

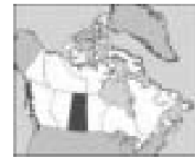
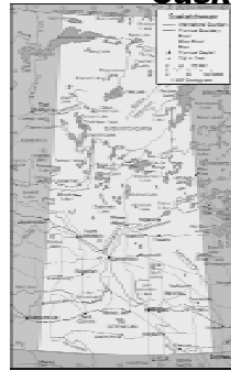
Other industries that Canada relies on include:

- Manufacturing
- Agriculture
- Mining
- Forestry
- Construction



## Saskatchewan Economy and Labour Market Needs

## Overview of Saskatchewan



- Located in Western Canada
- Population of 1,010,146
- Dispersed population - 651,036 square kilometres (251,366 square miles) of land
- Strong economic growth

## Saskatchewan Economy

- Driven by natural resources
  - Grains;
  - Oilseeds;
  - Potash;
  - Uranium;
  - Oil and gas.
- Trade and access to North America and off-shore markets is vital



Source: PotashCorp Sustainability Report 2002

## Saskatchewan Economy

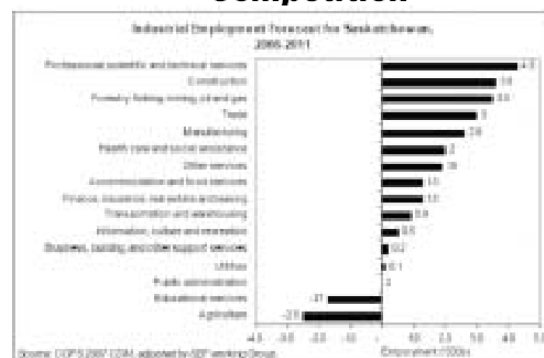
- Other important sectors to Saskatchewan's economy include:
- Manufactured goods
- Agriculture; and
- Service industries.



## Saskatchewan Labour Market Trends

- “Perfect Labour Market Storm”
- Strong provincial economy
  - Declining labour market pool
  - Increasing Aboriginal population
  - Increased global & national competition
  - Decreasing population in PSE
  - Small number of immigrants & in-migrants

## Global and National Competition





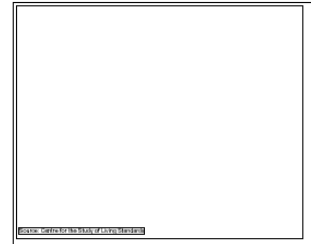
### Global and National Competition

- Canadian Federation of Independent Business cite shortage of qualified labour as an escalating concern for employers in Western Canada.
- Estimated 91% of future job opening require at least high school diploma
- 64% will require post-secondary credentials or management skills

|                           | Businesses with long-term vacancy (%) | Business concern (%) |
|---------------------------|---------------------------------------|----------------------|
| British Columbia          | 43.4                                  | 68.8                 |
| Alberta                   | 40.2                                  | 72.5                 |
| Saskatchewan              | 38.3                                  | 65.1                 |
| Manitoba                  | 33.8                                  | 65.1                 |
| Ontario                   | 29.0                                  | 52.5                 |
| Quebec                    | 25.9                                  | 55.4                 |
| New Brunswick             | 29.5                                  | 46.3                 |
| Nova Scotia               | 28.9                                  | 48.2                 |
| Prince Edward Island      | 27.2                                  | 54.0                 |
| Newfoundland and Labrador | 29.3                                  | 60.4                 |
| Canada                    | 32.5                                  | 57.4                 |

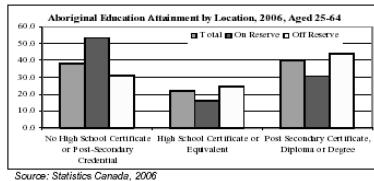
### Global and National Competition

- Productivity in Saskatchewan has been steadily improving largely due to improvements in technology



### Aboriginal Population

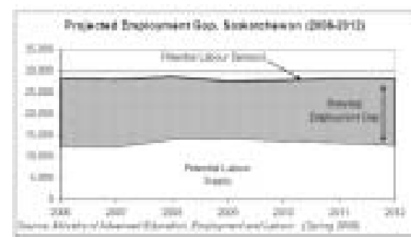
- Fastest growing segment of the population



- Population with the lowest levels of educational attainment and the lowest employment rates

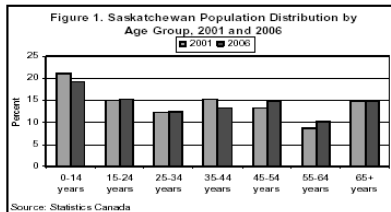
### Labour Market Pool

- Saskatchewan is experiencing skill shortages in health care, skilled trades and labourers, and transportation.
- Saskatchewan is also competing with Alberta in the oil and gas industry.



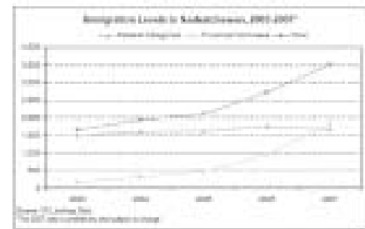
### Labour Market Pool

- Aging population
- Exodus of "baby boomers"
- Older workers returning to the labour market

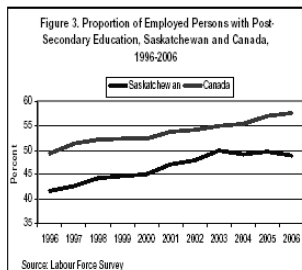


### Labour Market Pool

- Saskatchewan has an aggressive immigration strategy that includes nominating 2,800 foreign nationals each under the Saskatchewan Immigrant Nominee Program)



### Post-Secondary Education Enrollments



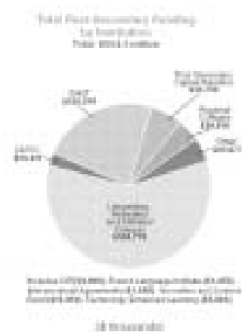
- Declining birthrates
- New trends in post-secondary students

### Saskatchewan Post-Secondary Education and Training System

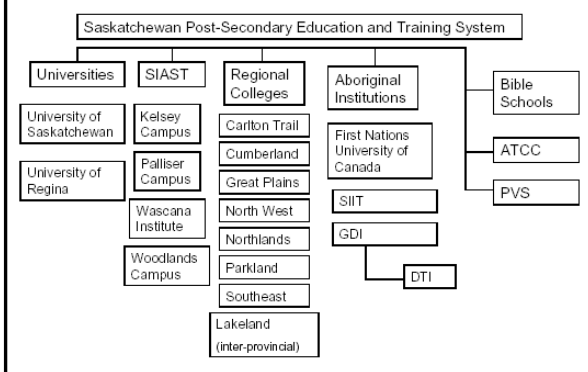
### Saskatchewan Post-Secondary Education

- Ministry of Advanced Education, Employment and Labour focuses its activities in three areas:
  - Support and Train
  - Collaborate and Build
  - Innovate and Grow

### Saskatchewan Post-Secondary Education



### Saskatchewan Post-Secondary Education and Training



### Saskatchewan Post-Secondary Education and Training

- Canadian Light Source – Synchrotron
- Only one in Canada; most advanced in the world



- Partnership between federal, provincial, municipal governments, as well as industry and academic sources

### **Mobile Training Labs**



### **Mobile Training Labs**

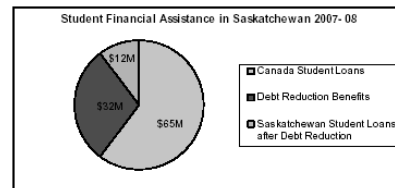


### **Mobile Training Labs**



### **Student Financial Assistance**

- Needs based income support
- Partnership between Canada and Saskatchewan
- Committed to debt reduction



### **Saskatchewan Programs to Address Labour Market Needs**

### **JobStart/Future Skills**

- Creates partnerships among businesses, individuals, industry associations and public training institutions to train individuals with the necessary skills they need to fill job positions.

### JobStart/Future Skills

- Brown's Leisure World created a position for a mechanic helper for young person with Cerebral Palsy.
- The duties for this position included doing the prep work for mechanics and further develop his workplace essential skills.



### JobStart/Future Skills

- Cote First Nations trained 12 people as Construction Labourers. They needed a crew to build and maintain homes and buildings on the reserve.



### JobStart/Future Skills

- Terra Grains Fuels Inc. trained 30 individuals as Construction Labourers.
- The staff was needed to allow the company to become a major producer of ethanol.



### Apprenticeship

- From July 1, 2007 – June 30, 2008, there were 8,130 apprentices registered. Of these, 2,853 were new apprentices.
- Commission Board is a public and private sector partnership that is industry-led.
- Provincial and national industry sets the standard for training and certification.
- There are 50 designated trades.

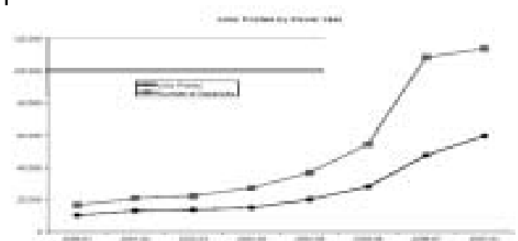


### Career and Employment Services

- Canada Saskatchewan Career and Employment Services offer assistance in:
  - Planning a career;
  - Upgrading education and learning in-demand job-related skills; and
  - Finding a job.

### Career and Employment Services

- Sask Jobs website helps employers to fill their vacancies – 10,000 jobs were recently posted



### **Trades and Skills Centres**

- Innovative partnership between industry, businesses, the pre-K to 12 and post-secondary education systems to deliver short courses to meet the needs of students and the labour market
- Courses being offered in 2008-09 are:
  1. Culinary Arts
  2. Commercial Construction
  3. Road Construction – Junior Technician
  4. Plumber's Assistant
  5. Masonry/Bricklayer



### **Regina Trades and Skills Centre**

- Focused on partnerships with community organizations, such as Habitat for Humanity, to provide hands-on experience.



### **Saskatoon Trades and Skills Centre**

- Partnership between Saskatoon public schools, SIAST, SIIT and DTI to develop an integrated training facility
- Focus is on inner city youth



### **Workplace Essential Skills Saskatchewan**

- Partnership between industry, post-secondary institutions, and provincial government
- Ensures that Saskatchewan workers are getting the training in essential skills that they need to advance in their opportunities and learn new skills

### **Adult Basic Education**

- Credit and non-credit courses
- Four levels:
  1. ABE Level 1 & 2 (literacy)
  2. ABE Level 3 (Adult 10)
  3. ABE Level 4 (Adult 12)
  4. General Educational Development

### **On-Reserve Adult Basic Education**

- First time in history
- Addresses the following barriers:
  1. Capacity issues
  2. Childcare
  3. Transportation
- Interim report for 2007-08 shows that accessibility increases and an improvement in retention and success

### **Northern Career Quest**

- Four year Aboriginal Skills and Employment Partnership project
- Program to fund and support greater participation for Aboriginal people in employment at all skill levels in Northern Saskatchewan.
- Participants move through a continuum of services at different rates and enter and exit at multiple points.

### **Targeted Initiative for Older Workers**

- Cost shared initiative between the Governments of Canada and Saskatchewan
- Ends March 31, 2009
- Projects deliver training to people between the ages of 55-64 to assist in developing skills to enter/re-enter the workforce

### **Targeted Initiative for Older Workers**

- All projects had common elements: resume and cover letter writing, computers, portfolios, and personal development training.
- In 2007-08, there were 8 projects with about 105 participants.



### **Targeted Initiative for Older Workers**

- In 2008-09, there will be about 11 projects.
- For the first time, private vocational schools will be participating.



### **Employability Assistance for People with Disabilities**

- Assist adults with disabilities to prepare for, secure and maintain employment.
- Fund various supports (training-on-the-job, vocational and work assessments, job coaching, etc.)

## **Questions**

## ◆ Q & A Session

### Comments :

Thank you very much, Ms. Bloor-Cavers – very interesting presentation. One of the areas I found particularly intriguing – and we can talk more beyond the initial question I have – is this student financial assistance – the debt reduction program. And the only question I have now – we can get more specifics later, but is this a partnership between the province and the national government?

### Ms. Tammy Bloor-Cavers (Canada):

Yes.

### Ms. Tammy Bloor-Cavers (Canada):

Do you want me to talk more about? We are actually going through – not to take too much time – we are actually going through a fairly huge policy shift, as it relates to student loans, of which our provincial cabinet is just in the midst of considering. The Canada student loan program is recognizing a couple of things – high debt levels over the past number of years and number of really debt aversion by a number of students. We have seen a real drop in the number of people applying for student loans. So it is the constant worry of people entering the labor market too quickly. And it is the worry that the debt averse and the sticker shock of tuition are driving those people away. So, yeah.

### Q-1:

Tammy, in terms of – two questions – one is very quick. What is the legal retirement age in your country?

### A-1: Ms. Tammy Bloor-Cavers (Canada):

Well, it had been – interestingly enough, it had been 65, until a couple of years ago, and that was lifted. And there is not – now I should probably check that.

### Q-2:

65?

### A-2: Ms. Tammy Bloor Cavers (Canada):

It was 65, and that has been lifted. Now, I would have to check to see if there is a new age, but I think it was just lifted, just gone. Yeah, okay. My New Zealand friend tells me it is gone.

### Q-3:

So there is no legal limit? You can work at 80 years, at 85 years?

### A-3: Ms. Tammy Bloor-Cavers (Canada)::

There is no – there is no limit – there is no difference.

### Q-4:

No limit?

### A-4: Ms. Tammy Bloor-Cavers (Canada):

And there is no difference in terms of how it is applied to males or females.

### Q-5:

But tell me, for instance, I am 65 years old. And I am...

### A-5: Ms. Tammy Bloor-Cavers (Canada):

You can work.

### Q-6:

Okay, but – no but I want to be retired and to receive money from the pension funds...

### A-6: Ms. Tammy Bloor-Cavers (Canada):

Yes.

### Q-7:

That is also an alternative, right? It is possible, right? That...

### A-7: Ms. Tammy Bloor-Cavers (Canada):

Although, I should parenthesize by saying in Saskatchewan, so each of those laws differ in each jurisdiction...

### Ms. Tammy Bloor-Cavers (Canada):

So at 65, from the federal government, you will get your old age security pension from the federal government. So just to be clear – that would continue to flow. But it would be up to you to make the decision whether you continue to work or not.

### Comments:

Yeah, okay. This first quick question is related to the second question, based on the initiative for older workers. And I am thinking in terms of cost-effective programs. I do not know how much money is allocated

or budget is allocated for these programs, for development skills for older people in terms of enter or re-enter workforce or to build a capacity for entrepreneurship. Perhaps for the state or for the country, perhaps a more cost-effective alternative or instrument is to help these people – I mean to get the pension funds.

**Ms. Tammy Bloor-Cavers (Canada):**

Well, and again it is partially due to the nature of our labor market as well. So, it is not to suggest that individuals who have reached traditional retirement age can certainly make that choice to do so. But as far as we are concerned, if you are healthy and able and willing, your age should not preclude you from participating in the labor market. So if you have an interest to remain – it does not mean that you stay in your same job. You may choose to – for example, the service industry, you will see and although this might – I do not know whether this is a trend or not, but at McDonald's, drive-through at McDonald's, you will see more and more people with grey hair than somebody with a pierced nose, with an earring.

As an example, it is just the nature of the service industry, and some you will see the shift, and it is largely – some of which is flexible work hours. They do not necessarily work full-time or work like they did before. They are transitioning in a different way, so that to stay – you know quite honestly, my father is retired, and he will not ever stop working. He is engaged in all sorts of different things, and as far as he is concerned that is a way of remaining vibrant and healthy. So – sure.

**Mr. Jeremy William Baker (New Zealand) :**

Thank you for your informative presentation. My question to the immigrant workers means that those who are not Canadian citizens but move to work in Canada. You said that you have some training for them, upgrading skill or pre-employment training basic skills. Do they have to pay for the training or the cost of training responsible by the employer? Thank you.

**Ms. Tammy Bloor-Cavers (Canada):**

There are a couple of different initiatives. Really what I was talking about here is the foreign immigrant nominee program. So through that specific process, you are determined to be a skilled worker in coming to Canada, or coming to Saskatchewan specifically. So, more of the support is around English as a second

language. So, language supports, community settlement, and a number of initiatives to help with the transition for family members as well. So, it is often workplace language-related training, a number of those kinds of things. Less so, on the technical training side, unless once the individual gets there and there is a need for some upgrading or some kind of deficiency in order to work within that specific environment. But apart from that, it is primarily focused on language.

**Mr. Jeremy William Baker (New Zealand) :**

So, means that once skilled workers who move into work in Canada, you allow them to bring along their families?

**Ms. Tammy Bloor-Cavers (Canada):**

Yes.

**Q-8 :**

Two questions. One is about migration. If you have thought of this issue of the migration in order to have some working people coming for a short period and coming back to their countries, one thing. And the other thing, you mentioned that Canada-Saskatchewan Career and Employment Services offer services to find a job. The question is that how does this work with the federal services – is it a joint program?

**Ms. Tammy Bloor-Cavers (Canada):**

That is actually a good question.

**Q-9 :**

They are two different services.

**Ms. Tammy Bloor-Cavers (Canada):**

Actually, that particular – the federal government devolved a number of its services 10 years ago, and it was an offer to the provincial government – I almost said offloading but it was not offloading -- it was an arrangement with the province to provide employment-related services. So, they transferred a number of employees to the province as well as funding to be able to provide more of a coordinated approach to the service delivery, essentially is what it is about.

**Q-10 :**

So, I am very interested in your introduction concerning the JobStart or Future Skills program. So my question is you just provide this program for the unemployed person or the graduated students from



junior or senior high schools who will be employed?

**Ms. Tammy Bloor-Cavers (Canada):**

Yeah. When the program was introduced, and the reason why I say when it was introduced versus we are doing a bit of a review of the program now. When it was introduced, it was really at a time when our labor market was quite different. So, more than 10 years ago – 10 to 15 years ago, we had more people than jobs, and much of which why people left the province or went to other areas of the country where the employment was. And that program was designed at the time, to find ways of better engaging those that were unemployed that lived in the province. And in many respects, it was people who had low literary levels, low skill levels. And we found ways, the program was designed to target as well, so people with disabilities, aboriginal people, women in non-traditional trades, was originally -- was one criteria early on.

So as the labor market shifted over the years, so too did the programming's targeting. So it still tends to focus on aboriginal people and people with disabilities are sort of two – not the only areas, but two of the main segments of our population that still experienced barriers to attaching to the labor market. I hope I answered your question.

**Q-11 :**

The second question, just now you have mentioned mobile training laboratories, I think is a good way to solve employment and teach coach skills with flexibility. My question is how long will you provide training, maybe short-term or...?

**Ms. Tammy Bloor-Cavers (Canada):**

Yeah, that is exactly it. The labs are really designed and I have to admit, many of the institutions, when we first introduced the idea, were not real keen. And it is primarily because of the fact that we were not building up capital or infrastructure within the institution, we were much about trying to quite the opposite -- take away, or not necessarily take away, but move or support the delivery of training in remote areas. And the only way that you can do that in many respects is either on the work site and we have done lots of that as well. So employers that are interested in customized training plans on their worksite or through the use of mobile if they do not have adequate equipment. So this is their primarily courses of less than 20 weeks, or in and around that range. There is

classroom activity in addition to the mobile laboratories. So it usually needs to be situated at least somewhere where they can go to a classroom space -- I will not talk faster – so that they can provide the classroom portion as well. So the labs have been, as I say, really quite successful to date, and certainly are a good solution, particularly in real remote areas.

**Mr. Tatehito Shimoda (Japan) :**

Thank you, Tammy for your presentation. I just want to ask – because you mentioned several times the kind of partnership that you are doing with regard to the industry and the government in the implementation of the project. I just want to know if all the programs that you have cited are government. And if you say, if it is in partnership with the other institutions and the private sector, how do you go about the partnership? Like is the funding coming from the government or are there some portions coming from the private sectors? Thank you.

**Ms. Tammy Bloor-Cavers (Canada):**

Much of our history in terms of the partnerships that we have had with private industry has been about government bringing the funds. And that is a fairly easy partnership when you have money on the table. What becomes more difficult, which is – this is – I think a new territory for us, is trying to engage public-private partnerships in a different way and trying to engage private industry differently. The trades and skill centers, the Regina and Saskatoon centers that I highlighted here, is really trying to shift us more into more private industry investment. And as I say, we have had a long history of being the funding providers, so it is taking us a little bit of time to get industry thinking differently.

We have perpetuated this relationship of handing the funds out and being the service providers in many different ways. So we are trying to approach the engagement of our partnership a little bit differently and those partnerships take a little bit of time when you are – you know, quite honestly, being more equal partners of the table versus perhaps more directive in some cases.



## Japan

### APEC Forum 2008

### Summary of Japanese Economy Report



Ministry of Health, Labour and Welfare. Japanese Government  
Overseas Cooperation Division, Human Resources Development Bureau  
Director Mr. Masaharu Tanaka

#### 1. Outline of Technical Vocational Education and Training

Our TVET provider is mainly classified into two groups: the public sector provided by State, prefectures, and the Employment and HRD Organization of Japan (EHDO) and the private sector. The private TVET provider is mainly classified into the private enterprises, employer's associations, public-interest corporations, vocational training associations, special training schools/various other schools and universities. It estimates that the total number of institutions is 15,105, and of this, the employer's associations account for 34.4%, followed by private enterprises (28.8%), public-interest corporations (14.9%) and special training schools/various other schools (14.2%).

#### 2. Private TVET provider

According to an estimate, the market size of the private TVET provider is approximately 1,300.8 billion JPY. The total number of trainees receiving lectures/seminars and correspondence courses is 21.470-million people/ year. Of this, private enterprises account for 40.8%, followed by public-interest corporations (34.4%), and employer's associations (10.6%)

For amounts, private enterprises account for 72.6% (943.8 billion JPY) of the private TVET provider markets, however, the number of organization only accounts for 28.8%. The public-interest corporations account for 10.8% (139.9 billion JPY) of the market and the ratio of the number of trainees is just below private enterprises (34.4%). Thus, this is also one of the major TVET providers.

#### 3. Role of TVET provider

For the number of trainees, the private enterprises account for 30.2% of the total, followed by public-interest corporations (24.9%). The private enterprises acquire the higher share in general, and the public-interest corporations that are another major TVET provider, the medical care, nursing and welfare,

the quality/ safety, and the human resource management courses mainly attract trainees.

We asked trainees to evaluate providers in 9 steps on how useful the training course is in their current business, resulting in 6.8 score in average. The private enterprises, which are the largest TVET providers, get higher score in management, business/ sales and language courses than other TVET providers. The public-interest corporations get higher score in the accounting/ finance course. The public TVET get the highest score for technique/ skills and quality/ safety courses.

For the employment/ work form, the regular employees tend to value public-interest corporations and public TVET providers, freelance and self-employed workers value private enterprises, special training schools/various other schools and public TVET providers. On the other hand, the non-regular employees tend to evaluate strictly the public-interest corporations, special training schools/various other schools and universities/ graduate schools.

Seen from the viewpoint of the work class, the higher class tends to value the private enterprises. In further points, the public-interest corporations get the stable evaluations among any work class.

#### 4. TVET provider support measures

In Japan, except for the public TVET providers, the government almost never supports directly the running cost of the TVET providers, which gives only indirect supports of their activities by subsidies mainly for a course fee.

Specifically, there is a scheme including legal systems, accredited vocational trainings, education and training grant system, Job card system, Education and training grant system. These supporting measures accompanying public expenditures are covered by the special account of the employment insurance.

## ◆ Q & A Session

### **Ms. Patricia Anne Colgate (New Zealand):**

Your slide number seven, please. My question is that number eight, support measure to subsidy means that the one-third of the slide number seven. In that case, the last one, you said one-third of expenditure is subsidized from both the state and prefecture, a two-thirds total subsidy. Meaning that in this case the employer pay nothing, right, one-third from the state and two-thirds from the prefecture? So employer pays nothing, is that right? That is my first question.

### **Mr. Masaharu Tanaka (Japan):**

Actually, the government pays one-third and then prefectures pay one-third, and then the remaining one-third is paid by the employer. So they do pay one-third.

### **Ms. Patricia Anne Colgate (New Zealand):**

Another question, you see, please clarify regular and non-regular employee.

### **Mr. Masaharu Tanaka (Japan):**

It is actually difficult to tell you the clear definition of regular and non-regular employees. But for example, people who are part-timers or temp workers -- that is what we call non-regular employees. But I need to give you official definitions later on.

### **Mr. Thomas M. Dowd (USA):**

I do have one question on slide -- I guess that is the support measures one. The Japanese government encourages the employers to provide the vocational training, but it says the state and the prefecture shall provide necessary aid. And does the employer request the payment from the government, based upon the number of people they train? How does that work? How do they get paid for providing that training?

### **Mr. Masaharu Tanaka (Japan):**

Not really how many people but as an example in number seven, certification programs, they imagine -- they decide how many people they should be providing this training to. Then if the employers give such training, then they are given support by the government, or if they provide programs that are encouraged by the government, then they are supported by the government financially -- that is what happens. Did I answer your question?

### **Mr. Thomas M. Dowd (USA):**

It is very unusual. In the United States, we never give the employer any money. We strongly encourage them to do the training or we actually give the money to the worker to go get the training but never to the employers. So I just want to make sure I understood that correctly. Thank you.

### **Mr. Recardo Perez Luyo (Peru):**

I have a question. In your slide number six, you mentioned that the training cost is around 36 hours. Is there any evaluation about the training -- is it, I mean is there a profit in training?

### **Mr. Masaharu Tanaka (Japan):**

In some sense, is it really appropriate? I do not know that -- it is doubtful. But when people leave a job and then go through another training session to achieve another position, so this is the -- maybe the upper limit of hours workers can have and also employers can give.

### **Ms. Areeya Rojvithee (Thailand):**

Although your presentation was short, I got a lot of useful and valuable information. So my question is, just now you mentioned Job Card, is that a training program? If training program, when was it started? Thank you.

### **Mr. Masaharu Tanaka (Japan):**

Job Card is a comprehensive system including training, but Job Card is actually the paperwork, and in order to fill out this form called Job Card, we need to go through these training systems. So in the comprehensive term, including everything, the paperwork training course and everything, we call this system Job Card. What I want to say is that there is paperwork, and in addition to that we have a program -- training program. So this is like a one set of paperwork and training courses, so that by going through this system, we can try to improve the workers' abilities. Did I answer your question?

### **Mr. Jeremy William Baker (New Zealand):**

I want to know more about steps -- the mechanisms, the procedures regarding support measure two, for regular in SMEs. 50% of the expenditure is financed by the government. And my question is, I mean, there must be some kind of screening evaluation of the enterprise, you know, in

order to decide if okay, I will allocate this public resources for this enterprise or not. Because perhaps I am allocating budget to an SME that is not competitive or so on.

**Mr. Masaharu Tanaka (Japan):**

Yes, you are so right. Yes, we do not just give out any public money to any SME. We need to determine if that company has a solid curriculum to try to provide high-quality training courses and such. Yes, we do go through that screening process.

**Mr. Jeremy William Baker (New Zealand):**

Slide number five -- there seems to be some niching when it comes to the type of training programs being provided by the public versus the private debate. Based on the evaluation of employees, for example, it is stated here that private enterprises are known for their training courses on management, sales and language, while, for example, the freelance and self-employed workers value the special schools and public TVET providers. My question is, was there a deliberate effort for the differentiation, either through government policies or laws, or is this phenomenon market-driven or dictated by the market because of the known effectiveness or efficiencies and specializations of the providers. Thank you.

Based on the evaluation of the trainees, there seems to be some niching when it comes to the specializations of the TVET providers, because you are saying here that private enterprises are valued for their training courses for management, sales and language, while public interest corporations are valued for the training courses for accounting courses. Regular employees on the other hand, value public interest corporations and public TVET providers.

**Mr. Masaharu Tanaka (Japan):**

I think you are talking about public providers? In Japanese, we call them public interest corporations. This is actually in the private sector. So it is actually in the private sector and not in the public sector but we call these types of entities public interest corporations. It is hard to explain, but...

**Ms. Areeya Rojvithee (Thailand):**

Because it says here that the public – for example, the public TVET providers are being regarded as regular. Because there seems to be some niching when it comes to what training courses are being

provided by the private sector versus the training courses being provided by the public sector. Was there any law or any agreement between the public and the private sector providers when it comes to the kind of training programs that they will provide based on the result of the evaluation?

**Mr. Masaharu Tanaka (Japan):**

Yes, no one decides that private sectors provide such courses and public ones provide such, but there is a government institution, EHDO and also prefectural entities. They provide courses especially in the manufacturing industry. On the other hand, private providers, they tend to provide courses in the servicing industries, including language classes and things. So maybe, it depends on the public cost for the expenses and things -- maybe for the private sector, it is easier for them to provide such courses as opposed to training in manufacturing, for example. This is what I am thinking.

## Chinese Taipei

### The Role of Technical and Vocational Education and Training Providers in Training for Employees in Chinese Taipei



Council for Economic Planning and Development, Chinese Taipei Mr. Heng-Yuh Chang

#### Executive Summary

Chinese Taipei's economic development has entered into the stage of innovation drive economy. In the knowledge economy era, the human resource investment, accumulation and sustainable career development are among the most important issues for economic development. While, as one of economies with affluent tertiary education capacities, Chinese Taipei's demand and supply of human resources shows a trend of the higher the education attainment the higher the unemployment rate.

There were 43.7% businesses conducting training either by themselves or others in 2006. The share of trainees of public vocational training institutions increased to its record high of 7.5% in 1990 then dropped to the lowest level of 1.6% in 2006; while that of private enterprises mounted significantly. There are issues about TVET providers such as the quality uncertainty of TVET providers, the low incentives of stimulation the use of TVET providers especially for small and medium sized enterprises; the gap of supply and demand between TVET providers and enterprises.

In the era of knowledge economy, the Bureau of Vocational Training and Employment dedicates to support enterprises invest their employees. The Bureau of Vocational Training and Employment

initiates the Taiwan Training Qualification System (TTQS) to make certain the quality of training. The idea of TTQS is brought from International Organization for Standardization's the Quality management-Guidelines for training, ISO 10015. The courses are designed under six categories of core competences such as career development, communication, new technology usage, innovation & research, professional skills, and Management.

Major National Plans for the acceleration of the use of TVET Providers are such as the Project of Increasing Master-level Industrial R&D Manpower, the Industry-Education Hand in Hand Cooperating Plan, the Individual Type Project of Assisting Enterprises to Upgrading Human Resources, and the Collective Type Project of Assisting Enterprises to Upgrading Human Resources.

There are four good practice examples of users and providers of TVET illustrated such as Taiwan Semiconductor Manufacturing Company, China Motor Training Center, Digital Education Institute, and the Central Taiwan University of Science and Technology varying from their models of implementation.

## ◆ Q & A Session

### **Ms. Tammy Bloor-Cavers (Canada):**

Thank you for your presentation. I have two questions. The first one is on slide number eight. It states here that there is significant shift in the structure of training provision from public-led in 1975 to 2006 to private-led. What are the factors or the conditions that caused the shift? And on slide number five?

### **Ms. Tammy Bloor-Cavers (Canada):**

Next. It is stated here that there is a significant shift in the structure of training provision from public-led from 1975 to 2006 to private-led from – is it correct, is it correct? Yeah, my question is what are the factors or the conditions that caused the shift?

### **Mr. CHANG, Heng-Yuh (Chinese Taipei):**

Thank you. Thank you for your question. Actually, you can see, the number of public institutions declined a little bit and actually the budget for government is limited. So the private or the private sector is the driving force. They have the resources, so you can see. And I have mentioned the need for vocational training is emerging. However, the government has limited budget. So you can see then the Chinese –for private enterprises is increasing in this table. Thank you.

### **Ms. Maria Criselda Rebulde la SY (Philippines):**

Question is on slide number five. It says here that there is a trend of the higher the education attainment, the higher the unemployment rate. This implies that a significant proportion of your educated workers are unemployed.

### **Mr. CHANG, Heng-Yuh (Chinese Taipei):**

In this table 4.61 – I mean by the educational attainment, the total employment rate is 3.93, right. Then by the educational attainment, it is higher in the tertiary graduates. So their unemployment rate is 4.61.

### **Ms. Maria Criselda Rebulde la SY (Philippines) :**

And to this condition.

### **Mr. CHANG, Heng-Yuh (Chinese Taipei):**

Because of the large influence from school, I have showed you in the previous slide, there is almost a 10% average increase in rate. However, you see the

employment, the rate of employment increase about 2% to 3% only. So, the unemployment rate will be higher in that group.

### **Ms. Areeya Rojvithee (Thailand):**

Thank you very much for your presentation. First of all, first the phenomenon in Chinese Taipei is similar to Thailand. You know why -- the people prefer to continue to their higher education to receive higher degree and then when they graduate, there is no job for them.

Thus the high rate of people in higher education in economic terms, you know, costs a lot of money since the government has to subsidize them for higher education. After they graduate they have no job to do, to work, and then if they want to work, it means that they work underemployment – this is a serious problem that has caused a mismatch of the demand and the supply of the labor market.

So this is one problem that we are facing in the labor market. We now work – try many efforts to solve this problem, cooperate with the Chamber of Industry and Commerce, try to convince people not to go on to higher education, try to show them, provide guidance that if you go to work, go to taking the training courses or vocational school and then you go to work and after that you can continue your higher education as a concept of lifelong learning for employability that will be a good strategy and solve the shortage of skilled work force.

Thank you for bringing this issue up in this forum because I tried to study that, how can you solve the problem. So you solve the problem by bringing those graduates, whether engineers or whatever we can call them, to retrain them specific to the job that they have to work, but in the meantime, they are underemployed because the government invests lot of money in them with higher education. Thank you.

### **Mr. CHANG, Heng-Yuh (Chinese Taipei):**

Thank you for your comment. I see – you can see I agree with you that the graduate – the tertiary education of graduates will have higher opportunity cost, so they will not easily take a low pay job – they will wait and they will use more time to find a better job, so the employment rate will be higher and so we have several programs to cooperate with enterprises and students and together, to have work and schooling

together.

**Ms. Patricia Anne Colgate (New Zealand):**

In my presentation tomorrow, I have this kind of example for you how to solve the attitude and value of the family, to try to push students to go to higher education and finally no job.

**Ms. Patricia Anne Colgate (New Zealand):**

Yes thank you talk about that tomorrow, but one of the things that happens if you know you school people up and they are on jobs is that they migrate overseas or at least that is the case in New Zealand – there is plenty of demand for skilled New Zealand workers, so unless we use them in the country they will go. So, I am just wondering if they had some for your country with those unemployed, highly skilled people migrate to other countries.

**Mr. CHANG, Heng-Yuh (Chinese Taipei):**

Well it is not easy for Taiwanese to migrate to another country – is that what you mean? You know Taiwan is an island, is an ocean island, and secondly it is a problem for Taiwan to cooperate with other countries. So, it is not very – it is not easy to migrate these higher educational graduates to other countries, you know.

**Mr. Tian Feng (China):**

Thank you very much. I just wanted to ask about an issue concerning the Department of TVET – did your government develop national quality standards or not?

**Mr. CHANG, Heng-Yuh (Chinese Taipei):**

Actually, I discussed the standards for TVET, we have a Taiwan Training for Vocational System in the Bureau of Vocational Training Commission, the Federation of Industry to score the training provider and the score is useful, or the score will be a proportion of their allowance in getting a subsidy, you know. They will have a score for the providers – the score was by the Federation of Industry and this federation is commissioned by the government. Did I answer your question?

**Comment:**

So, well the uncertainty is still your problem.

**Mr. CHANG, Heng-Yuh (Chinese Taipei):**

I mean that is why we try to resolve the issue of quality and certainty. We commissioned the Federation of Industry too to help the provider to rank their quality and we can choose the better provider or the government can, you know, give the subsidy to the qualified provider – that is the major thing we did.



## Singapore

### “Economy Paper”



**Singapore Workforce Development Agency  
Principal Manager  
Mr. Seow Cheng Seng**

## Executive Summary

**Singapore Workforce Development Agency** Formed on 1 Sep 2003 as a statutory body under the Ministry of Manpower. Its **Vision** is to build a Competitive Workforce, with workers Learning for Life, and Advancing with Skills while its **Mission** is to enhance the employability and competitiveness of employees and job seekers, thereby building a workforce that meets the changing needs of Singapore's economy.

### WDA's role in ensuring a skilled workforce to support

WDA's approach to support industry growth and competitiveness is through:

- developing and investing in building better adult training centres for Continuous Education & Training (CET) infrastructure to provide a rigorous national skills upgrading system – the Singapore Workforce Skills Qualifications (WSQ), which was launched in 2005.

- establishing a clear hierarchy of quality CET providers. At the base are the Approved Training Organisations, which include in-house providers training their own employees, and third party training providers serving specific clients. Above them are the CET Centres, which are industry training centres of proven track record, performing a full range of services from promotion of CET to industries, to training delivery and placement. At the pinnacle are the National CET Institutes – a status conferred on CET Centres with a strong track record in the delivery of quality programmes, establishing themselves as authoritative, innovative flagship training providers for the industries they serve and providing training assessment services for the industry

### Support Measures

- First is the strengthening of interaction between WDA and industry players including major CET Centres and industry associations. Second is to take a

strategic view of CET and continue to prioritise its resources to focus on growth areas and sectors. Third is to invest more resources and marrying commercial demands with better market responsiveness to strengthen CET Centres and encourage competition and innovation.

- The **Lifelong Learning Endowment Fund Advisory Council (LLEFAC)** also recommends that WDA collaborates with private and training providers on setting up and developing CET Centres. To support the nation-wide program, the Government will pump \$800 million into the Lifelong Learning Endowment Fund to fund training programmes; the top-up will bring the fund to \$3 billion.

### Situation and issues concerning TVET

Some of the salient issues encountered are highlighter below. The ability to provide the followings:

- One stop placement services & Career & training advisory
- Open' access- no academic or industry experience prerequisites, public runs, bite size modules leading to full qualification, part-time courses, online course info.
- A variety of training delivery modes eg TnP, CGM STPT, AOP/IAP, customised training
- At least one full qualification & upgrading pathway tied to career progression
- Active employer servicing, business development and marketing capabilities & tracking outcomes & success stories

## ◆ Q & A Session

### Q-1:

According to the development strategy of your country, what are the major courses that are demanded by the workforce in your country? What are the major courses that are demanded by the workforce or the enterprises? What are the principles, the major courses that are demanded by the employees or the enterprises?

### Mr. Seow Cheng Seng (Singapore):

Oh that the courses – which area the most. As I mentioned, we are relatively new, young. We have – just now I did not show you actually I rushed. We have only to date 12 sectors which is 12 sectors mostly in services site. Manufacturing – we just started with aerospace being one of the Singapore is fast becoming an aerospace hub.

We have a very massive development detail – I will not know, but it is picking up. These are the sectors and also the precision engineering, yeah and we have as I mentioned, we have benchmarking exercises with even Siemens from Germany. Just imagine, big company want to benchmark in mutual recognition, although it is not our aim to benchmark, but is a bonus when we do this framework, yeah please.

### Q-2:

We have been following this experience of Singapore's quite closely and your history of success is impressive. I have a question -- you mentioned that there is a council for skill and I was wondering if you could explain more about that.

### Mr. Seow Cheng Seng (Singapore):

Okay very good question. This is a very frequently asked question. As I mentioned, when we built our industry competency first, we consult all the big boys, big players for the most current path, current skills required. Let us say precision engineering for example – we will get even from Japan Makino, you heard about Makino, they are the leaders. We get them to sit.

So, it could be up to about 20 members from precision engineering all of them these are ISTC, Industry Skill Training Counter – they are the ones who endorse the framework which is very important

because these are the people that can push the program. You saw how very holistic we move, we make sure that it works. In Singapore, everything works by this way.

### Q-3:

Really I have two questions. The first one is and I – please forgive my ignorance but what is the population of Singapore?

### Mr. Seow Cheng Seng (Singapore):

4 million. Foreign workers, 1 million.

### Q-4:

The reason why I ask is because in the one slide you show the endowment fund growing to \$5 billion and I must say that is an impressive investment for 4 million people and I think the ratio there says something about the kind of investment that is necessary to have the kind of success that you appear to be having in Singapore. Unfortunately, in the United States, our investment relative to the population is very, very small. So I thank you for telling me – that is a quite substantial investment.

### Mr. Seow Cheng Seng (Singapore):

Yes we do invest a lot because our only resources are human resources. We have, as I mentioned, up to 5 billion and we fund to. The people who are going for training, we pay them money.

### Q-5:

Yeah I guess my only comment is that it takes in my opinion, substantial public investment if you are going to have the kind of success that you currently are having and again I applaud you or at least your Singapore Government for making that kind of investment. It gives us all an opportunity to observe this type of experiment to help inform the things that we maybe need to do as well.

### Mr. Seow Cheng Seng (Singapore):

I think what you are going to see what Singapore is going to do especially during this time of economic turmoil. We greatly down training. We have a lot of plans in place. Very soon if you follow Singapore, you will find a lot of new stages being implemented which is very interesting. I cannot reveal now because it is still top secret. Any more questions -- yes.

### Q-6:

Just a couple of questions and perhaps maybe it is just clarification, so further to the Lifelong Learning

· Economy Report (Singapore)·

Endowment Fund so that so any resident would be eligible for that fund and there is not any assessment or needs determination whether that individual has enough to be able to support themselves through training -- so that is eligible for anyone then is that correct?

**Mr. Seow Cheng Seng (Singapore):**

If anyone including those unemployed, those walk-in we cater for only. Initially, we do not cater for walk-ins because basically government money needs accountability. So – but today we also open to employing anybody except foreigners because they are public funds. Yeah but lately we have another new fund coming up for foreigners.

**Q-7:**

Okay my second question is related to, you mentioned recognition of prior learning and is much of what your models are very reminiscent of what we do in Canada. So I am just – I am interested in your assessment tools. Is that – are there some specific mechanisms that you are using or how are you, how are you...?

**Mr. Seow Cheng Seng (Singapore):**

I get this IP rights. Yes, it is IP right. I must take it back whether we can the policy whether they can give it to you the whole mechanism or not, I would not know, but this, what we call assessment only possibly is more on certification. We use that because many a time people who claim that they are competent and they come to try to get a job, they find that they are actually not competent. They may have the paper or they are – so we have to put them through of course relevant tasks and that is why our strategy to competency-based, not skill-based. Competence, we make sure that you perform – it is outcome based, so we are moving towards competency base training, yes. That is the reason we make sure people who are trained can find a job.

# China

## The Role of Providers in Training for Employees in China



Department of Vocational Capacity Building, Ministry of Human Resource and Social Security Mr. TIAN Feng

### I. OVERVIEW AND SITUATION OF TRAINING PROVIDERS IN CHINA

In the light of ownership, the training providers can be classified into public providers and private providers.

#### 1. Overview and role-sharing of public skilled training providers

The public of TVET providers mainly include skilled workers' schools, job training centers and enterprises-sponsored training centers and Chinese-Foreign cooperative vocational training schools.

#### 2. Overview and role-sharing of private skilled training providers

The private skilled training providers mainly cover non-governmental vocational training schools. And a few of skilled workers' schools, Chinese-Foreign cooperative vocational training schools are private.

#### 3. Diversification of training at various levels

The China's vocational training incorporates pre-job training, job transfer training, apprentice training and on-the-job training. According to the vocational skill standards, the levels of training are categorized into low, medium and senior levels vocational training, technician and senior technician training and other flexibility training.

### II. CHINESE VOCATIONAL SYSTEM

The vocational training system in China is composed of the following key elements:

- Occupational classification and vocational skill standards;
- Occupational skill testing and qualifications;
- Skill competition and awards.

### III. CHINESE VOCATIONAL TRAINING POLICIES AND

### PROGRAM

During the year of 2006 to 2010, Specific schemes have been implemented as follows:

1. "THE PROMOTION PLAN OF TRAINING NEW TECHNICIANS"
2. "THE REEMPLOYMENT PLAN FOR THE LAID-OFFS AND UNEMPLOYED THROUGH SKILLS"
3. "THE PROMOTION PLAN OF STARTING BUSINESS BY COMPETENCE"
4. "THE EMPLOYMENT PLAN OF RURAL LABORERS THROUGH SKILLS"
5. "SKILL GUIDANCE PLAN THROUGH NATIONAL OCCUPATIONAL QUALIFICATION CERTIFICATE"
6. "LINKING-UP ACTION BETWEEN SKILLS AND JOBS"

### IV. SOME EXAMPLES

The Law of the People's Republic of China on Promotion of Privately-run Schools was been promulgated on December 28, 2002 and went into effect as of September 1, 2003. In this law, there are lots of beneficial articles to promote access to TVET providers.

## ◆ Q & A Session

### Q-1:

Very short – what is the budget allocated for implementing all these targets?

The budget allocated for in this 5 years' plan to get these results.

### Mr. Tian Feng (China):

Yeah, yeah, yeah 5.1 and 5 plus 1 action plan – you mean the budget. The budget will be provided by the government.

### Q-2:

How much?

### Mr. Tian Feng (China):

I think that just different provinces have different budgets. The budget will be from the local provincial government. So, it is just according to local government's GDP, yeah. We just give the policy, but the funds will be provided by the local government, not the private providers – it is the local government. Here such as Beijing and Shanghai, the funds or the budget will be here I think.

### Comment:

Yes thank you.

### Q-3:

Very impressive, your experience and especially when you talk about numbers 60 million – 10 million.

Of course that is great. My question is that we have a crisis, economic crisis, and we have not yet seen the clear consequences in the real economy, and what is happening is that some companies are closing due to bankruptcy and so on, and we follow especially what happens in China because you are very good clients of our corporations, for instance, like Peru and what happens in your country is having consequences immediately in other countries.

So, I think this question about how to deal with the crisis has consequences directly in this policy of how to relocate people when there is somebody who loses his job, and we have been seeing that you have also people who are coming again to the rural areas – coming back so do you have a design, have you seen the consequences of this crisis in the issue of training?

### Mr. Tian Feng (China):

Yeah, I think this is good question – connect with current situation in the globalization. First of all, I think the consequence is obviously especially in Guangdong Province because many small or medium enterprises in Guangdong are just import or export oriented companies.

So with the global crisis some have closed, some will be closed or will stay open – for now they are not closed. For closed small and medium is not large in China. You know, in China there are more than 30 and big cities or provinces – just Guangdong province is obviously. When small or medium enterprises close, some employees from rural areas will come back and this is bringing a problem – how to make these people employed again.

You know in China, the employees from rural areas have land in their hometown. Some go to their hometown to do some farming, some just participate in training in their own hometowns. We have established a system of starting up businesses and including them to be self employed and encourage them to run a small restaurant, and also some people will do some small businesses and to be reemployment.

I think, but other provinces are not obviously, such as the interior of China, interior provinces of China or western or north regions of China, the enterprises are also okay. It is just Guangdong province, yes.

## Malaysia



**Ministry of Human Resources, Planning,  
Research and Development Division, Department of Skills Development  
Mr. Mohamad Bin Sulaiman**

### **The Development of K-workers through the Implementation of National Dual Training System (NDTS) in Malaysia**

The global changes in technology have necessitated the Malaysian labour force to continuously upgrade its skill and knowledge in order to compete more effectively in today's highly-competitive market. Given Malaysia's rapid growth, the country needs knowledge-worker (k-worker) to develop a knowledge-based economy (k-economy). It has been proven that a country develops and progresses if it has a knowledgeable and highly-skilled workforce. All enterprises, including small and medium-sized ones, need the resourceful and innovative thinking of knowledge workers who constitute their intellectual assets. They realize that employing knowledge workers is crucial in order to compete in an increasingly open and dynamic market. The creation of quality human resources is important in a k-economy. These individuals will form the backbone of the k-economy. They are flexible and have a high tolerance for ambiguity. For Malaysia to produce a pool of k-leaders and k-workers, the educational system needs to be revamped and restructured. The focus should be directed to making the existing curriculum more innovative to help students to invent and develop a critical and analytical mode of thinking and ultimately create a sufficient pool of well-educated, highly skilled and strongly motivated workers.

As a result, the government had taken a vital step towards producing such workforce when it decided to implement the National Dual Training System (NDTS). In the National Dual Training System (NDTS), the industry plays an important role to ensure 70% of the training is carried out at the workplace. The rest 30 % of the training will be carried out at the training institution premises. This approach requires commitment from all parties, especially the industrial

sector, to ensure its success. It is expected to bring benefits to industry and apprentices alike. It can meet the industrial demand for manpower, while exposing trainees to the real working world. Hence, this initiative will be catalyst for Malaysia's economic growth, as well as indirectly enhancing a better standard of living amongst the skilled workers. The successful of NDTS is more likely to depend on involvement of training institutions and participation from industries in providing complete training facilities.

## ◆Q & A Session

### Q-1:

Thank you sir, I appreciate your presentation. Under the National Skills Development Act 2006, who conducts the enforcement of the act and how often do they do this monitoring?

### Mr. Mohamad Bin Sulaiman (Malaysia):

Under this law, the Department of Skill Development – department will carry out the enforcement, we can appoint any government officer to be the inspector or the enforcer for this training.

### Q-2:

I am sorry and how often do they do this monitoring?

### Mr. Mohamad Bin Sulaiman (Malaysia):

So far we have carried it out twice a year. So when we have this full then we can manage four times a year.

### Q-3:

You mentioned the Human Resources Development Fund was funded by an employer levy – can you describe for us how large that levy is and is it attached to wages or how is it calculated?

### Mr. Mohamad Bin Sulaiman (Malaysia):

For the levy they charge 1% from the employee salary every month. So the company, for the manufacturing company – for those who have 50 workers and above, this is compulsory. They have to register and contribute to this fund, and companies who have 10 to 50 are encouraged to register; but for the services sector they have to contribute to register if they have 10 or more employees

## 2<sup>nd</sup> Day

Case Study: New Zealand

Presentation by economies: Peru  
Chile  
Thailand

Study Tour (Advanced Polytechnic Center & JAL Academy)





(Joint Presentation)

APEC Forum on Human Resources Development,  
Chiba



**New Zealand Department of Labour Ms. Patricia Anne Colgate**  
**Industry Training Federation of New Zealand Mr. Jeremy William Baker**

**The Role of TVET Providers in Training for Employees:  
New Zealand paper**

- New Zealand needs to raise labour productivity if it is to move from an economy largely based on commodities to one based on innovation. TVET will play a major role in achieving this economic development goal.
- Increasing literacy and numeracy levels in the workforce and progress towards more advanced trade, technical and professional qualifications are two of the Government's priorities for tertiary education.
- Government is the major funder of TVET in New Zealand.
- The bodies with primary responsibility for TVET are Industry Training Organisations (ITOs), which are established by particular industries or industry groups.
- ITOs do not provide training directly, but arrange for training to take place through training agreements between a worker, their employer, and the ITO.
- ITOs set national skill standards for their industry, develop appropriate training arrangements that lead to nationally-recognised qualifications, moderate the assessment of training, monitor training quality, provide leadership to industry on skill training needs and provide information and advice to employees and their employers.
- Modern Apprenticeships are an employment-based education initiative aimed at encouraging participation in industry training by young people aged between 16 and 21.
- There has been a substantial increase in learners in industry training in recent years - the proportion of workers in industry training has increased from 3.5 percent in 2002 to 8.3 percent in 2007 - and 67 percent of employers and 72 percent of employees are covered by an ITO.
- There are a number of initiatives in place to raise TVET for workers with no or low qualifications. These include a Literacy, Language and Numeracy Action Plan, foundation education, youth training, Training Opportunities, Skill Enhancement and a Māori Land Training Strategy.
- A challenge for the future is not only encouraging more employers and employees to participate in TVET, but improving the quality and relevance of the education and training they receive. A further challenge is ensuring that the higher skills and capability of workers resulting from TVET are fully utilised in the workplaces.

## The Role of TVET Providers in Training for Employees:

### New Zealand paper

#### Background

New Zealand can be characterised as a small, open economy that is far from most of the world's markets. Along with other industrialised countries, New Zealand has a high share of its economy based in services and manufacturing. In contrast, New Zealand also has a relatively large agricultural sector and a significant proportion of exports are based on primary production. A relatively small share of exports comes from high-technology sectors such as ICT and pharmaceuticals.

New Zealand's small size and dependence on foreign investment and trade, particularly in commodity markets where we are largely a price taker, mean the economy is very vulnerable to developments in the global economy. The New Zealand Government is supporting the economy to change from one that is largely based on commodities to one that is based on innovation and productivity by investing in globally competitive firms, infrastructure, environmental sustainability, and innovative and productive workplaces.

New Zealand faces a number of challenges associated with small size and remoteness including limited domestic competition and scale economies (97 percent of businesses have fewer than 20 employees<sup>1</sup>), higher costs of international trade, and difficulties accessing ideas, knowledge and technology and developing and maintaining international networks.

Furthermore, in recent years New Zealand's economic growth has been based more on higher levels of labour utilisation than higher labour productivity. As a result, New Zealand has a tight labour market, low unemployment rates and low levels of labour productivity. This labour market structure does not match the country's aspirations to become a knowledge economy, and is not sustainable given New Zealand's small population, small natural population increase and low net migration. Under these circumstances, the only way New Zealand can achieve its economic development goals is by improving labour productivity.

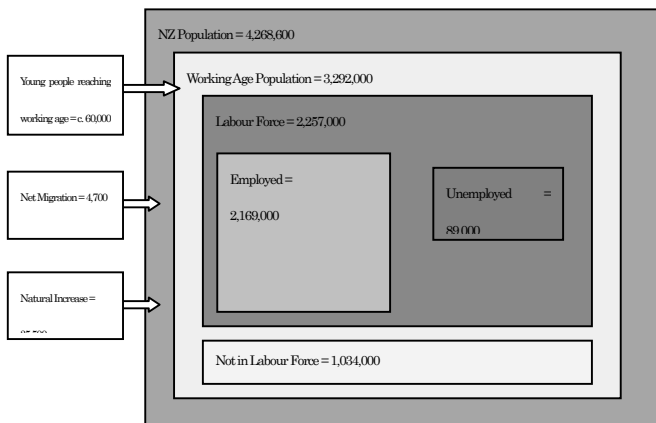
Figure 1 below shows some of the stocks and flows

in the New Zealand labour market. The small populations involved mean that New Zealand will need to make the most of people both entering the labour market in the future and those who are currently in the labour market in order to achieve its economic development goals.

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<sup>1</sup> It should be noted, however, that these businesses account for less than one-third of employment.

**Figure 1: Stocks and Flows in the New Zealand labour market, June 2008.**



Labour productivity is the outcome of a range of complex interactions, but raising the skills and capabilities of the workforce, and better utilisation of those skills in the workplace, will be a key to success. This highlights the importance of TVET in New Zealand's future as, although overall educational achievement is relatively high by international standards, there is a long tail of under-achievers, low levels of literacy, language and numeracy, and a shortage of people management and leadership skills.

Further, addressing skill shortages will require looking beyond just increasing the number of people in formal education, and include a greater focus on teaching skills that are relevant to employers, promoting the more effective use of skills in the workplace, developing “soft” skills that are vital to effective workplaces, encouraging lifelong learning, tailoring actions for excluded populations, and an emphasis on early childhood education.

A focus on raising participation in tertiary education also needs to be matched with a stronger emphasis on learning that contributes to national and local economic and social goals, more New Zealanders achieving at higher levels, and ensuring high standards in the provision of tertiary education.

### **Tertiary Education in New Zealand**

Tertiary education in New Zealand includes all post compulsory school education and encompasses: adult and community education, foundation education, certificates and diplomas, undergraduate degrees, postgraduate qualifications and nationally recognised workplace training. The system is categorised into 10 levels that range from certificates that prepare learners for employment or further education, through non-degree qualifications such as diplomas and graduate certificates, to degrees and graduate diplomas and post-graduate degrees, diplomas, certificates and doctorates. This structure is set out in Figure 2 below.

**Figure 2: New Zealand’s Tertiary Qualification Structure**

| LEVEL | NAMING SEQUENCE   |
|-------|---|
| 10    | Doctorates  |
| 9     | Masters Degrees   |
| 8     | Postgraduate Diplomas and Certificates,<br>Bachelors Degrees with Honours |
| 7     | Bachelors,<br>Graduate Diplomas   |
| 6     | Graduate Certificates   |
| 5     | Diplomas  |
| 4     | Certificates  |
| 3     |   |
| 2     |   |
| 1     |   |

Source: New Zealand Qualifications Authority.  
The New Zealand Register of Quality Assured Qualifications,  
Te Āhurutanga.

With a few exceptions, the organisations that are responsible for tertiary education and training are partly or mostly funded by the government.

The Government has outlined its tertiary education and training goals in the Tertiary Education Strategy 2007-2012. The goals of the Strategy are:

1. increasing educational success for young New Zealanders;
2. increasing literacy and numeracy levels for the workforce;
3. increasing the achievement of advanced trade, technical and professional qualifications to meet regional and industry needs; and
4. improving research connections and linkages to create economic opportunities.

The Government has begun the process of achieving these goals by making changes to the way tertiary institutions are funded so the sector is incentivised to give more attention to quality teaching and to learning that is relevant to the needs of students, the economy and society.

**TVET in New Zealand**

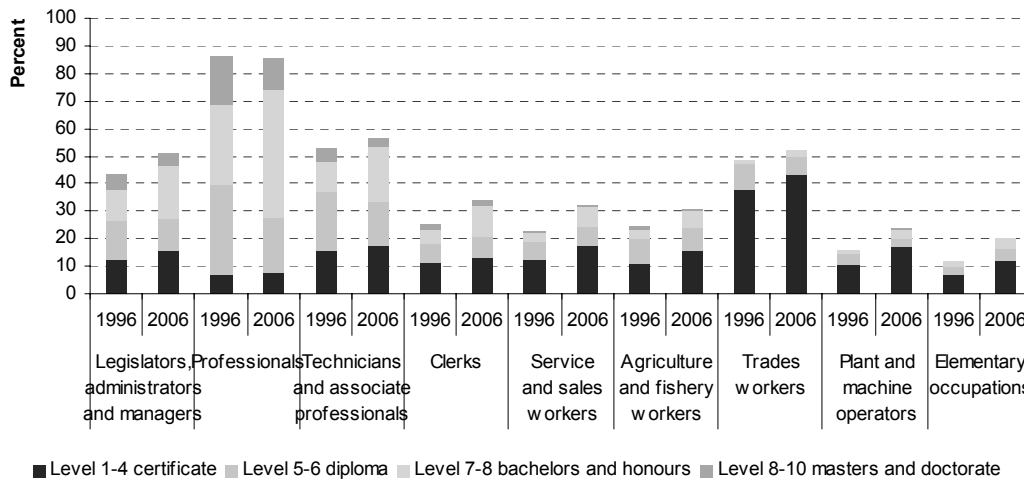
TVET in New Zealand has traditionally focused on Levels 1 to 4 of New Zealand’s Register of Quality Assured Qualifications. However, as noted above, the

Tertiary Education Strategy 2007-2012 has a goal of increasing trade and professional qualifications at higher levels. There is also increasing demand from industry for such higher-level qualifications.

The definition of “advanced trade, technical and professional” qualifications varies across occupational groups, and range from Level 4 certificates for many trades, to degrees and above for professionals. Areas with high unmet demand for these skills include information technology, engineering, building and health. Graduate shortages in these areas are compounded by a shortage of technology, science and mathematics teachers in secondary schools. Other qualifications in high demand include early childhood education, architecture, accounting, financial and business management services, psychology, social work, and food and hospitality.

Figure 3 shows the prevalence of tertiary qualifications by occupation in New Zealand, the composition of these qualifications by NCEA level (see Figure 2 above), and the change over time. This figure shows the rise in Level 1-4 qualifications amongst trade workers over the ten years period.

Figure 3: Proportion of employed population with tertiary qualifications by occupation



Source: Statistics New Zealand, Census of Population and Dwellings

In 2007, 64 percent of industry trainees were enrolled in courses at Levels 3, 4 or above, with 32 percent enrolled at Level 4. Over 29,000 national certificates were awarded to industry training learners in 2007. However, as a proportion of the total, achievement at Levels 1 and 2 rose while Levels 3 and 4 fell. Level 5 achievement remained stable.

The bodies with primary responsibility for TVET in New Zealand are Industry Training Organisations.

**Industry Training Organisations**

Industry Training Organisations were established in 1992 with the aim of raising workforce skill levels and increasing New Zealand’s economic responsiveness and growth. ITOs are established by particular industries or industry groups and, at the time of writing, there are approximately 40 ITOs covering industries from the traditional trades to local and central government, the non-regulated health sector, and service sectors. ITOs do not provide training directly, but arrange for training to take place through training agreements between a worker, their employer, and the ITO. Critically, ITOs can arrange training only for those already employed by a business.

Industry training can occur either within the workplace, with progress and the attainment of qualifications being assessed by ITO-registered assessors (“on-job” training) or through courses delivered by tertiary institutions – mainly Institutes of Technology and Polytechnics and private training establishments (“off-job” training). Most ITO programmes involve a mix of on-job and off-job components, although a significant number involve only on-job training. On-job training can be self-paced, but often involves supervisions or mentoring from other

experienced staff members.

ITOs facilitate industry training by:

- setting national skill standards for their industry;
- developing appropriate training arrangements for their industry that will lead to nationally-recognised qualifications;
- moderating the assessment of training within their industry against the established national standards;
- monitoring training quality;
- providing leadership to industry on skill training needs; and
- providing information and advice to employees and their employers.

Industry training is jointly funded by government and industry: in 2007, government invested NZ\$190.2 million and industry NZ\$65.5 million in industry training. In addition, the New Zealand Government has provided initial funding of NZ\$4.5 million per year, rising to NZ\$7 million from 2009, to support the strategic skills leadership role of ITOs. This role includes working with industry groups, employers, and tertiary education institutions (such as universities) to identify and address industry skill needs across the entire tertiary education system.

The Government is currently working with ITOs to develop Investment Plans that reflect a commitment to meeting the key skill-related shifts required for their sector. For example, the Agriculture ITO has undertaken research on the value of training provided to trainees, safety and productivity, staff retention, improving adoption of new technologies and processes,

and farmer, trainee and industry perceptions, what the training is doing for the wider sector and where the ITO wants to put further effort and expertise into improving the quality of training.

A further example of the new directions currently being progressed by ITOs is the development of Career Mapping by the aviation, tourism, travel, museum and hospitality industries under the auspices of the Aviation, Travel and Tourism Training Organisation (ATTTO) and the Hospitality Standards Institute (HSI).

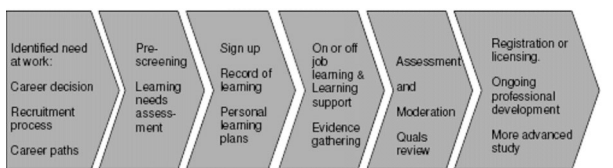
The tourism and hospitality sectors currently employ close to 200,000 New Zealand workers and foreign exchange earnings from these sectors are in excess of 10% of GDP. The sectors are experiencing skill shortages due to high churn in front-line positions, world-wide skill shortages, aging population, seasonality, low wage rates and poor perceptions of career paths in the industries. Existing skill shortages are compounded by the lack of a comprehensive view of education and training options, insufficient alignment, a fragmented education sector,

accessibility to information and the absence of clear investment policies.

The ATTTO and HSI, with government funding, have set up the Career Maps and Pathways project. When completed, this project will provide a mechanism to show people where to start on a career in these industries. The information to be provided goes beyond what might be found in existing qualification or career information. The project will describe what jobs are available, link these jobs into career pathways, and map how these career pathways move across the different sectors, making it easier for learners and job seekers to understand the transferability of their skills. It will also show what skills and training are needed to progress career prospects in current jobs.

The Career Map exercise is stage one of the strategic learning value chain process ATTTO is using to develop sector-specific skills strategies, and is outlined in Figure 4 below.

Figure 4: ATTTO Learning Value Chain



**Modern Apprenticeships**

Modern Apprenticeships are an employment-based education initiative aimed at encouraging participation in industry training by young people aged between 16 and 21. The initiative combines the mentoring aspect of the apprenticeship tradition with formal industry training that leads to recognised qualifications.

A fund of \$50 million fund has been made available by Government to support the Modern Apprenticeships scheme. The fund is used to contract the services of Modern Apprenticeships coordinators to promote the programme, set up training agreements with employers, and act as mentors to the learners and their employers. The coordinators develop an individual training programme for each learner that specifies the qualification(s) and generic skills they will gain, and maps out how this learning will take place.

Although modern apprentices are required to be studying for ITO-developed qualifications, coordinators are not required to be ITOs. Around half of all ITOs are modern apprenticeship coordinators, and ITOs

make up just under 40 percent of all coordinators.

At 30 June 2008, there were 12,344 Modern Apprentices in training, with up to 14,000 enrolments expected by December 2008. A total of 13,838 Apprentices had either completed their course or were actively engaged in gaining their apprenticeship at June 2007.

**Participation in Industry Training**

There has been a substantial increase in learners in industry training in recent years.

- The number of people participating in industry training (including Modern Apprenticeships) has increased by 128.2 percent since 2000.
- The proportion of workers in industry training has increased from 3.5 percent in 2002 to 8.3 percent in 2007.
- 67 percent of employers and 72 percent of employees are covered by an ITO.
- Young people aged 21 or under made up 19 percent of total trainees in 2007.

- In 2007, 30 percent of trainees were women, 18 percent were Māori and 7 percent were Pacific people.<sup>2</sup>
- The number of trainees with no previous qualifications or low qualifications is decreasing. In 2007, 26 percent of trainees had no previous qualifications, but approximately 33 percent of both Maori and Pacific learners had no previous qualifications. Seven percent of trainees had a degree.
- The majority of Modern Apprentices are European males aged 17 or 18 years in level 4 training programmes. Overall, 67 percent of Apprentices are in level 3 training or above. Women make up a small proportion of Modern Apprentices although their numbers are growing (up by 28 percent in 2007).

### ***Provider-Based Vocational qualifications***

In addition for the industry training system, several tertiary education institutions provide trade qualifications. These are not always registered as nationally recognised qualifications in the same way as industry training programmes, and are intended as pre-employment training. In 2007, there were 134,000 students enrolled in provider-based vocational qualifications (down 3.8 percent on 2006), with 103,000 enrolled in Polytechnics, 20,000 in Private Training Establishments and 7,700 in Wananga.

### **TVET for Groups with Low or No Qualifications**

New Zealand's low levels of literacy, language and numeracy have been identified as contributors to our relatively low productivity performance. Research undertaken in 2006<sup>3</sup> found that approximately 43 percent of the working age population have literacy skills below those needed to participate fully in a knowledge society and 51 percent of adults have numeracy skills lower than those needed to meet the complex demands of everyday life and work. These are skills that not only support people to cope with rapidly changing workplace demands but enable the workforce to develop higher level technical skills and undertake further study. New Zealand has a number of initiatives in place to assist workers.

### ***Literacy, Language and Numeracy Action Plan***

Raising literacy and numeracy skills in New Zealand is a priority action in the Tertiary Education Strategy 2007-12. The Literacy, Language and Numeracy Action Plan is a government response to improving literacy and numeracy skills of those already in the workforce or 'near' work in order to provide an essential base for building a competitive, highly skilled and productive workforce. Research shows that workforce literacy, language and numeracy learning works best if undertaken in a context that is relevant to the learner, and a workforce focus means that the literacy and numeracy skills taught are pertinent to both employers and individuals.

The Literacy, Language and Numeracy Action Plan will progressively develop and increase the supply of learning opportunities available to workplaces, as well as in tertiary institutions and communities. The Action Plan recognises that a variety of approaches to teaching literacy and numeracy can be successful and that there is no preferred way.

Literacy and numeracy learning will be available through the following streams:

- Workplace literacy fund
- Industry training embedded literacy and numeracy projects
- One-on-one employee provision
- Literacy and numeracy in certificate level provision
- Community provision, such as the Foundation Learning Pool
- Training Opportunities and Youth Training
- Adult and Community Education (ACE)

A particular area of focus will be the further development of the Industry Training Embedded Literacy and Numeracy Projects. This action area will result in an expansion of the number of participating Industry Training Organisations over the next three years and an increase in the number of industry trainees (including Modern Apprentices) who will strengthen their literacy and numeracy skills as they complete their qualifications.

Over the next four years the Government has allocated an additional NZ\$168 million for the development and implementation of a range of initiatives to progressively increase the number of adults who have the literacy and numeracy skills required to meet the changing demands of modern society and workplaces.

<sup>2</sup> Maori are the indigenous people of Aotearoa New Zealand who make up 9.5% of the workforce. Pacific people make up 4% of the workforce. Women make up 46% of the workforce.

<sup>3</sup> The 2006 Adult Literacy and Life Skills (ALL) Survey.



### **Foundation education**

Foundation education qualifications include those in mixed field programmes (with a focus on foundation skills), English Language, English as a second or other language, and Maori language (te reo). In 2007, there were 36,800 students enrolled in foundation education, which is a significant decrease since 2004.

### **Youth Training**

The number of trainees in Youth Training continued to decrease in 2007, largely as a result of the tightening up of early leaving exemptions from school. In 2007, there were 10,000 learners in Youth Training (down 8.0 percent on 2006). Maori made up 46 percent of total learners. Within two months of finishing their course, 51 percent of learners went into employment (up from 50 percent in 2006) and 25 percent went into further education or training (same as 2006).

### **Training Opportunities**

Training opportunities is a labour market programme for people aged 18 and over who are considered disadvantaged in terms of employment and educational achievement. The programmes funded by Training Opportunities provide foundation and vocational skills training at relatively low levels and are designed to get disadvantaged people into the workforce and provide lifelong learning opportunities. In 2007, there were 16,600 trainees (down 2.9 percent on 2006) of which 51 percent were women and 41 percent were Maori. Within two months of finishing their course, 54 percent were employed (up from 53 percent in 2006) and 17 percent entered further education or training (down from 18 percent in 2006).

### **Skill Enhancement**

Skill enhancement is a vocational training programme for young Maori and Pacific people. The programmes funded by Skill Enhancement provide a wide range of pathways that lead to mid-level skill qualifications. After a review in 2005, government has refocused the programme to target young people with significant labour market disadvantage.

### **Maori Land Training Strategy**

Overall Maori are well represented in TVET, but there are initiatives that specifically target Maori skill needs including one that focuses on Maori economic development. Maori own around 1.6 million hectares of land, farm 10-15% of New Zealand's sheep and cattle, have a substantial financial holding in New Zealand's dairy industry and many Maori trusts and

incorporations are in the top half of companies listed on the New Zealand Stock Exchange. However, Maori sheep and beef farms operate at around 70% of the national average in terms of productivity. Raising that figure would make a large difference to returns and it is in this context that the Maori Land Training Strategy was developed.

The Strategy takes a co-ordinated approach to providing training relevant to Maori land development. The objective of the strategy is to have a supply of well trained people that meet the needs of the enterprises and the industry. The Strategy aims to:

- achieve a rapid lift in governance skills;
- enhance management skills;
- lift the skills of all employees in areas relevant to the business; and
- increase the number of Maori working on the land, including Maori land.

The Strategy advocates a minimum five year programme to implement, and promotes a career focus to working on the land within Maori enterprises that includes staffing, managing and governing Maori enterprises. The Strategy is about providing effective training at each level (pre-employment, employment, management and governance) to encourage lifelong learning and the development of successful careers in agriculture.

The Strategy will need to build on a number of other initiatives to achieve success, including connecting career opportunities with existing vocational training, getting youth into farming pre-employment schemes and making pre-employment schemes work more effectively for Maori to ensure trainees progress into employment on the land.

### **Summary**

The goal of the New Zealand Government's economic development strategy is to raise labour productivity. Achieving this goal is complex, but TVET will play a key role. There are a range of initiatives already in place and the Government has announced additional investment will be put into this area, including for those workers with no or low qualifications.

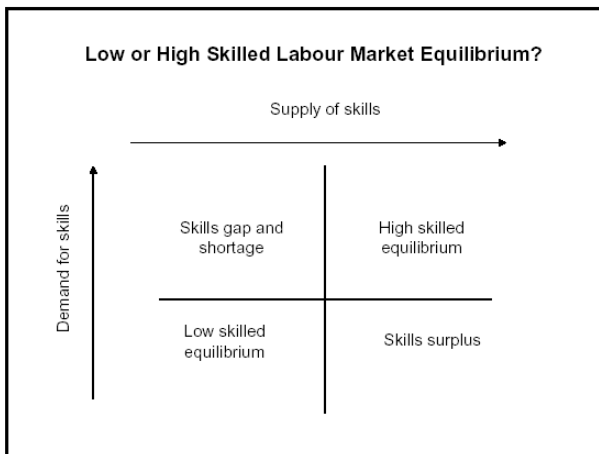
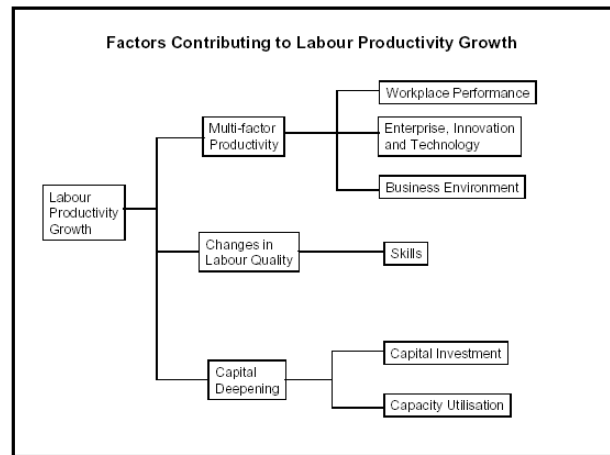
A challenge for the future is not only getting employers and employees to participate in TVET, but improving the quality and relevance of the education and training they receive. A further challenge is ensuring that the higher skills and capability of workers from TVET is fully utilised in the workplaces if the investment is to translate into higher labour productivity.

**APEC Forum on Human Resources Development**  
19-21 November 2008, Chiba, Japan

## New Zealand Case Study on Role of TVET Providers in Training for Employees

Pat Colgate  
Principal Advisor  
Department of Labour

Jeremy Baker  
Chief Executive  
Industry Training Federation



### Utilisation of TVET in the Workplace

- TVET is an input and must be transformed into higher levels of productivity to add value
- Research (and anecdotal evidence) suggests that TVET in New Zealand is not being utilised as well as it could be

### Workplace Practices Matter ....

1. Capital and skills need to be integrated and utilised if returns on investments are to be fully utilised.
2. Workplaces that change their practices more successfully adapt to changing competitive conditions.
3. The quality and nature of employer-employee relationship is fundamental to successful adoption of change.

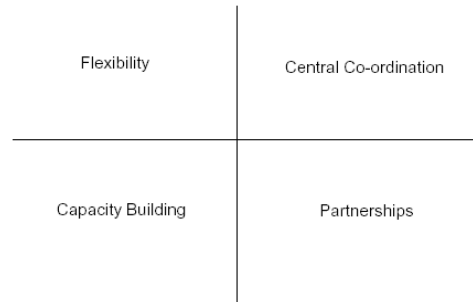
### ... and their impact is expected to grow

- success in world markets increasingly depends on innovative, flexible and agile staff
- high performance workplace practices help retain skilled employees
- most innovations originate in the workplace

## New Zealand Response

- Beginning in 2004 with the establishment of a Workplace Productivity Agenda
  - Awareness raising
  - Diagnostic Tool
  - Case Studies
  - Research
- Despite enthusiasm from firms, evaluation showed very little changed as a result

## Implications for Central Government



## Joint Productivity Projects (1)

- Action research about what works and what doesn't when working with small and medium-sized firms
- Small scale
- Experimental
- To explore new ways of working with private sector
- To explore possible roles for government
- Indicators of success to be determined individually by each project

## Join Productivity Projects (2)

- Work alongside industry and/or regional organisations
- With trusted partners
- As part of a broader and established industry or regional strategy
- Steering group made up of industry, workers, government, other key stakeholders

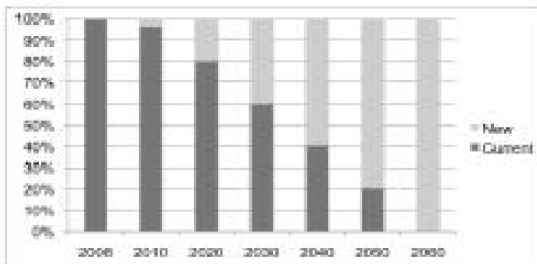
## Joint Productivity Projects (3)

- Project with the Industry Training Federation aims to identify how ITOs can better assist workplaces raise their productivity
- Stage 1 is working with enterprises to make changes that improve productivity
- Stage 2 will identify what ITOs need to do to develop their leadership role

## NZ Skills Challenges

- 67% of NZers aged 15+ in workforce
- High-end number of hours worked
- Labour productivity gap
- Literacy and numeracy challenges
- Management and leadership challenges
- 53% of workforce had no post-school qualification

### NZ Workforce Composition



### Shifting focus

- labour force participation -> labour productivity
- tertiary and vocational educational participation -> relevance, quality, application
- skill development -> skill utilisation

### Development of TVET in NZ

- Historical apprenticeship and vocational education systems
- Introduction of Industry Training Organisations (ITOs) in 1992
- “Industry-Led”
- Workplace, “in-work” focus

### Roles of ITOs

- set skill standards and qualifications for industry
- develop arrangements for industry training
- provide leadership within industry on matters relating to skill and training needs

### Setting Standards and Qualifications

- Industry rather than ‘firm-specific’ standards and qualifications
- Publicly available, part of National Qualifications Framework
- Accreditation and quality assurance of providers who use national standards and qualifications

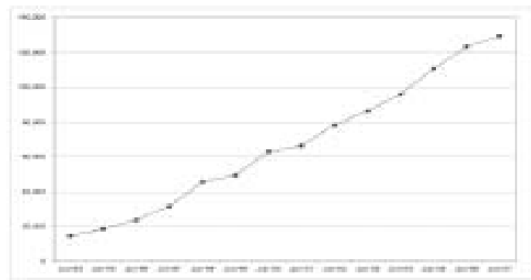
### Arranging Training

- Establish training agreements with employers and workers
- Broker training and/or provide support to employers own training activities
- ITOs do not ‘provide’ training
- Work with 37,000 business, 180,000 workers each year
- Range of training options is broad

### Industry skills leadership

- identify current and future skill needs
- promoting skill development and utilisation
- understanding skills-related challenges and opportunities in industries
- advising Government, training providers, and industry on priorities and options

### Industry training in NZ



### Demography of trainees

- Broad age-range – not just young workers
- Responsive to disadvantaged groups:
  - Maori are 18% of trainees
  - Pacific workers are 7% of trainees
- Good growth in female participation – 28% in 2007

### Benefits of industry skill development

- provides a learning pathway for many with no school qualifications
- 35,000 individuals gained a qualification through industry training in 2007
- increasing evidence of direct linkages to improvements in productivity
- high levels of employer satisfaction

### Resourcing

- Dual-funding model – Government and industry share costs
- Relatively controlled investment & low subsidy levels
- Variably levels of investment in different industries
- Growing recognition of broader role of ITOs

### Emerging Priorities

- Industry Skills Leadership
- Workplace Productivity / Skill Utilisation

### Industry Skills Leadership

- Shift to focus on “whole of industry” / “whole of enterprise” rather than individual qualifications or training programmes
- Understanding skill, industry and workforce dynamics
- Providing leadership within and on behalf of industry on evolving skill and technology issues

### Workplace Productivity

- Increasing focus on **direct** impact of skills on productivity; a deliberate, pro-active approach
- Identification of excessive focus on “training” over relevance of, and effective utilisation of, skills.

### Factors preventing skill from adding value

| Problem                                      | Preparation | Training | Application / follow-up |
|--|-------------|----------|-------------------------|
| Estimate of impact on failure to add value   | ~40%        | 10-15%   | ~40%                    |
| Estimate of where effort is currently placed | 5-10%       | ~90%     | 5-10%                   |
| Potential to add value                       | 25%         | 25%      | 50%                     |

### Productivity Project

- focus on utilisation, direction impact on productivity
- identify appropriate approaches for different enterprises
- identify appropriate role of ITOs
- identify capabilities required of ITOs

### Outputs of Project

- The Skills-Productivity Nexus
- Seven case studies
- Overall report on role of ITOs, and capabilities required
- Evaluation of project
- Tools to support work of ITOs

### Conclusions

- Industry-led strategy is key to engagement of industry, business, workers
- System has lifted participation of both workers and employers
- Shift is now towards a focus on relevance of skill development, and application of skill into the future

## ◆ Q & A Session

### Q-1:

Thanks very much for the presentation, I was just saying to Pat, it's somewhat frightening how close our two countries are in terms of approach, so I'm quite curious to read up on your skills productivity Nexus report, so I'm anxious to see that. Just a couple of points of clarification: I think I need to understand. Pat, you had mentioned consultants – I presume that these are staff of government. Can you just clarify in terms of what the consultants' role is and what exactly they do – it's probably... maybe I'll just let you, is it a matter of assessing what the employer's needs are?

### Ms. Patricia Anne Colgate (New Zealand):

OK. Well these – we take a cue from our trusted partners as to what consultants – these are private business consultants, by the way. So we don't have the ability or capability and I don't think we necessarily should either to go and work with firms to assess what they need to change in order to be more productive, so we use people who are actually in that field and in this particular project, we have, as the project leader, a hugely experienced person who has attracted a lot of skilled people around human resources and processes and things as Jeremy said, so...

### Mr. Jeremy William Baker (New Zealand):

We have – the training system has been doing some of this work by itself. There are two groups that have done this sort of work. One of our ITOs, the apparel and textile ITO, has been, for a number of years, hiring industrial process engineers to go into firms and help them diagnose how they can improve their business and every single process they've done has identified a training need as well, which is why they do it. We have another group of ITOs called the 'competitive manufacturing initiative', which are our manufacturing ITOs and they have been working with groups of consultants to do similar kinds of diagnostic activity with manufacturing firms to understand what are the kind of business process improvements that could happen in the firm that always again, tends to lead to the need to do some training, both at the technical and managerial level. So it's from that experience that we drew our approach and what we're trying to do is apply it to the whole forte of our members, rather than just a small group, so that more people can apply this approach of linking skill development with productivity improvement.

### Mr. Jeremy William Baker (New Zealand):

In this particular project, what the consultants are doing is going slightly beyond just identifying the needs, they are

actually working with the companies and so they make regular visits, for example, they jointly develop what success would look like if they were to change and what they need to do, so they have an action plan that's developed for an individual firm. Then the consultant keeps going back and actually, interestingly, one of the things that's coming out of our initial evaluation is that this is really important – that the firms themselves feel that yes, they want the action plan and they still think success is how they described it, but the ordinary everyday running of their business, they probably wouldn't have done anything. But then they look and say 'Oh my God, the consultant's coming in a week's time, I haven't done anything, I'd better go and – you know –' and so those firms have really appreciated having someone check up on them and, you know, they can change their plans as they go along as well.

### Q-2:

Thank you for your informative presentation, My question concerns the factors preventing skill from adding value – could you please clarify more, because I think it's interesting. Thank you.

### Mr. Jeremy William Baker (New Zealand):

Yeah. Both the research internationally and in New Zealand suggests that the major problems are that people are training in the wrong things but even more, it appears that it's a capability issue on the part of supervisors and managers and the culture of the firm that actually says, 'well you learnt something over there, that's really nice, but this is how we do things here, we don't change.' So you actually have to have a commitment from the management to actually change on the basis that somebody has learnt something new, and if you don't have that commitment, you're probably wasting a lot of time and money doing training in the first place and I think that's what we're beginning to learn – that you've got to have the firm – the employer – at a certain point of readiness and willingness to change and adapt before you invest, whereas I think historically, I think we've all assumed that if you train, there will be change and I think what we're beginning to realise is that it's not a valid assumption.

### Ms. Areeya Rojvithee (Thailand):

In that case, it means that for each company, each employee should have his/her own career path? [ Yes. ] In that company, the training should match the career path of each employee in that company, is that right?

### Mr. Jeremy William Baker (New Zealand):

I think there's a slight hitch with that in New Zealand. Most employees don't stay with a company for very long, so the career path is probably not with a company, it's a career

path in that industry. So increasingly, we have ITOs trying to develop qualification structures that create career paths for people within an industry, and having a better understanding of what are the kinds of career paths that people and industries are actually following these days – and they're quite varied – is helping people to design the right kind of qualifications, so that people have career options.

**Ms. Patricia Anne Colgate (New Zealand):**

Actually, in the papers that you received, one of the ITOs is the one around tourism and transport, and they've got a program in place that is industry-wide.

**Mr. Jeremy William Baker (New Zealand):**

Two of my members, the hospitality food service and hotel ITO and the tourism ITO have combined to produce a career map for the tourism and hospitality industry and then they're going to map – this is why I mentioned this, it is very like some of the work that was mentioned. They are going to map and make sure that the qualifications that they do have actually map the career structures that people have and that the skill sets in them prepare people appropriately for where they might be heading, so that's a really exciting development, I think, that we're not just assuming that we're just training somebody for today's job, that we are actually trying to prepare a workforce.

**Q-3:**

Thank you Pat and Jeremy. Questions that are related with all these issues. First question, do you have some kind of industrial development planning? I mean have you identified some strategic industries where you are going to apply specific subsidies in terms of technology, in terms of acquiring machinery – first question and the second, how does the layerlow work, in terms of how are the measures set? Aligned with the free market? State firms, employers? How does it work?

**Mr. Jeremy William Baker (New Zealand):**

No, until a free market. Pretty much. New Zealand has a very – even though we've just had 9 years of a labour government – we have a very free market in the labour market. We used to have awards and all those kinds of structures, but in the 1980s and 90s, all of those were done away with and we have basically enterprise bargaining only and so in terms of industry policy – virtually nothing. All the subsidies were removed in the 1980s, we used to have a lot of subsidies on agriculture, but they were all taken away. We have almost no tariffs, so we are a very free market economy, so in some ways, ITOs are one of the few organizations left that actually have an industry-leadership function. Many of those kinds of functions don't exist in the New Zealand economy. And in terms of our labour laws, apart from the minimum wage, there's really no bottom line in terms of

wages.

**Ms. Patricia Anne Colgate (New Zealand):**

Actually, I will just sort of also agree with that point – we have absolutely no industry policy, but as part of an economic development strategy, the government has tried to select certain strategic industries and play a facilitative role of getting people together. So for example, we've had an ICT taskforce, we've had a design taskforce, we've got a food and beverage taskforce – we've had ... what else have we had? That's about it...

**Mr. Jeremy William Baker (New Zealand):**

Absolutely. We've had those but they're all about talking.

**Ms. Patricia Anne Colgate (New Zealand):**

That's right. There's something – they're supposed to go somewhere, but they've ended up being talking.

**Q-4:**

Thank you for your presentations; they were very wonderful. You mentioned earlier that most of the clients of the productivity intervention are medium or small-sized establishments and that the role of the ITOs as consultants is to continuously visit the firms that undergo those productivity interventions. My question is, how long do the ITOs hold the hands of the firms? Are there agreed areas that are being followed? To say that it's the right time to leave them on their own and they were successfully able to implement or apply the skills they have learned.

**Mr. Jeremy William Baker (New Zealand):**

OK, there isn't the time at this stage because of the funding and the processes and – you know – because it's experimental. The projects were given 12 months – it's really clear it's too short a time. So we need to think about building on where we've got to in 12 months' time. I mean it's obviously a really good question. We don't have an answer right now, but hopefully we will do, you know, once we... say by the middle of next year, so I'll take your card if you like and I can send you an evaluation.

**Q-5:**

The reason why I asked that question, we're also providing productivity assistance to small- and medium-sized enterprises and I would actually like to get some input from you on how to go about these things in terms of the length of the provision of technical assistance to these things, thank you.

**Mr. Jeremy William Baker (New Zealand):**

Actually, that would be great because there aren't all that many of these projects in place around the world, so the more we can get together, the better I think, yeah,



**Q-6:**

Thank you both very much. Yesterday, Tammy spoke a little bit about the immigrant nominee program in Canada and of course, in the United States, we're continuing to struggle with the whole immigration issue. Reading your case study, I didn't read anything about immigration to New Zealand. You talk about folks who leave and go to Australia and other places, so what is the policy in New Zealand, I'm just curious?

**Ms. Patricia Anne Colgate (New Zealand):**

Hmm, right. Immigration. It's quite a complex situation with such a mobile population. In the past, our immigration system has tended to focus on keeping people out, I would have to say, so there have been lots of rules. People come and they were left by themselves essentially – you sink or swim – that's how it was in the past. And probably the last 10 or so years – I mean, this is in complete contrast to Australia, which has had a very supportive migrant settlement project. In the last 10 or 15 years, immigration has been much more integrated into economic development, and it's been really clear that we need a migrant strategy that is a settlement program, and so the industry training that we have here is open to migrants if they are employed, then they can access this training and that's essentially how... I mean it might be adapted slightly, but that's how, basically, you know it's everybody who's got access to it. But we're also looking at providing more in the way of language. Up until now, we have a migrant levy and that pays for language instruction, but there are obviously people apart from the principal migrant who need to speak the language and that's been largely done on a voluntary basis in New Zealand. And I think – I don't know whether this makes it easier or more difficult – but we also have had a policy where if you are a migrant, you haven't been allowed to stay with your own group, and in the past, you were forcibly sent out into the country to make sure you were assimilated into the general population and you know that's very hard. I don't know whether you could say that has been successful or not, but that doesn't happen now. Also, we've got much larger groups of people who are connected and they are also having a groundswell, so that they are able to express what they need and that's – and I mean there is a micro business cluster, which, through our trade and enterprise system, has been trying to support the micro business cluster.

**Q-7:**

The reason I ask is because I think all of our economies experience migration and to some degree, because of a global economy, at least in the United States and probably to some degree in Canada, we have legal immigration programs, some of which are permanent and others temporary, but then, of course, you have a fair amount of people who aren't

otherwise documented, so I appreciate the answer very much, thank you.

**Ms. Patricia Anne Colgate (New Zealand):**

Actually, that is interesting, that short term coming over for short term work – that is increasingly being used in New Zealand and the blurring between people who come in as residents – which is long term and permanent migration – versus short term – I'm not talking about tourism here, I mean people who come in as temporary workers. That has blurred amazingly and I think it's something like 80% of our permanent residents apply from within New Zealand, So they've come in as temporary workers, they've found work, they enjoy living in New Zealand and they apply to become permanent residents from within the country.

**Mr. Jeremy William Baker (New Zealand):**

Yeah, migrants are an incredibly important part of the New Zealand workforce. As Pat mentioned earlier, I think about 1 in 5 of the New Zealand workforce were born overseas, and so, technically, therefore are immigrants, because we're an island. And about 120 000 people in any one year are temporary workers in the New Zealand economy and in a workforce of two million, so by international standards, pretty big component of migrants to our economy.

**Q-8:**

Yes, thank you Jeremy and Pat. And thank you for this question also from the United States, because as we were discussing this morning, the issue of migration – particularly the issue of temporary workers – is an APEC subject for this leaders' meeting in Lima, Peru so it's quite important to discuss and to have more exchanges on this issue and probably, for the next year, it will be a huge issue to discuss, perhaps in our group. But I have one question – Jeremy, you mentioned in the conclusions that there were some kind of participation in unions in the system, and I wonder how – if you could explain more – what could be the role there?

**Mr. Jeremy William Baker (New Zealand):**

Sure. Part of the legislation that establishes industry training organisations requires us to have systems in place for the participation of the collective representation of employees. It's worded that way and doesn't mention trade unions, because when it was passed, the government of the time wasn't particularly interested in working with trade unions and also because there are some sectors of the economy where there are not trade unions, so you have to find another way of getting the involvement of workers, but it is a statutory legal requirement to include workers in the governing bodies of industrial training organisations, so where there is a union, then they are usually represented on the government's body of the ITO. I think we have strong cooperation with the trade union movement on the industry

training system. In New Zealand, they are strong advocates of learning in the workplace, there are a number of programs they run themselves – the learning champions project or learning representatives program, where they encourage people to engage in industry training. They are participants in a kind of advisory body to the government on skills with the National Employers' Association and with ourselves as the middle party between employers and workers, so yes, I think it does work.

**Q-9:**

OK Jeremy. What sort of collaboration do you have between the ITOs and the statutory education providers and the other question that I noted from your paper. It is quite interesting to see that there are still teacher shortages with respect to some subjects, for example, health. So what sort of mechanisms do you put in place, because I consider these very important subjects for tertiary education, in order to have good input for industries. OK.

**Mr. Jeremy William Baker (New Zealand):**

The relationship is variable. Sometimes it is very good, sometimes there is excellent cooperation between ITOs and polytechnics and also private education providers, sometimes it's not so good and one of the problems we have, as I mentioned, is the fact that the funding levels are quite different and sometimes, the public tertiary providers are not interested in working with the ITO, because the amount of money we can pay them is not anywhere near enough for what they are used to getting from the government. So that is a bit of a problem, which we want to work on with the New Zealand government, because it creates a barrier to collaboration. In terms of working to address the issue of the number of teachers, both in the school system and the tertiary system, it is a major issue and we have raised it with the government in terms of the need to invest more into tertiary teaching, particularly in the trades area, and the incoming New Zealand government has indicated it's going to invest some more resources to ensure that there are sufficient numbers of technical trades teachers in the school system. Because if we don't have that, there won't be young people coming through – they won't be interested and they'll be doing something else like law.

**Q-10:**

Thank you for your marvellous presentation, you set a good example for cooperation. We have learnt a lot of information, more than the number of sheep in New Zealand! I just have one question to ask you. Just now, you mentioned a national qualification framework – does it mean another regional framework or an industry framework? Thank you.

**Mr. Jeremy William Baker (New Zealand):**

The simple answer is the national qualifications

framework is the industry framework and is also linked to the school qualification system. The national school qualification is linked to the part of the national qualifications framework, but there are other qualifications – university qualifications and some – not all – some polytechnic qualifications are owned by the institutions themselves and are not national qualifications. But, from our perspective, there is good integration between the school system and the industry system and the example that you discussed in Canada, where you have those trade centers, whereby people are doing programs but not getting certification or not getting credit... in New Zealand, they could get credit, because the credits that you get from the national industry qualifications can – mostly – be included in the school qualification as well and vice versa, so we have a nice fit between the school system and the industry system. Not quite so good between the school system and the polytechnic system, so there is more work to do in that area. I hope that answers your question.

**Q-11:**

Thank you for the presentation. My question is what is the role of workmen? This means the department of labour, to set up policies and qualifications for industry?

**Mr. Jeremy William Baker (New Zealand):**

The department of labour is not involved – it is the education system, but the actual qualifications are developed by the organisations that I work for – the ITOs – the industry training organisations. They write the standards, they write the qualifications, they are then recognised on the national system and then anybody can use them, so public, private, everybody. So it's an interesting system. The private sector is developing the national qualifications.

**Q-12:**

A question. Is there any relationship between the qualification to a license and your work?

**Mr. Jeremy William Baker (New Zealand):**

Sometimes. In some sectors, there is a close relationship – very good – the licensing body has agreed to accept the qualification from the ITO as the recognition mark. Sometimes, you have to have a separate exam. It really is – it is different with different industries. We would, of course, like it to be simple, but unfortunately there is politics in every industry.

## Peru

### The Role of Providers in Training for Employees



University of St. Ignacio De Loyola Professor Mr. Ricardo Perez Layo

#### Executive Summary:

This paper presentation tries to provide an overview of the role of providers (public and private) in training for employees in the Peruvian case in the framework of a Technical and Vocational Education and Training (TVET) system.

This paper is divided into seven main sections:

1. Introduction
2. Some figures about the Peruvian labor market and its relationship with the business structure (size)
3. Competitiveness and business environment: current issues
4. Overview of the status of the use of TVET providers in career development support
5. Situation and issues concerning TVET providers (private and public)
6. Overview of the acceleration of the use of TVET providers
7. Current status of career development for under-employed workers and those in the informal sector

There is a Legal HRD System requiring the participation of public institutions and private enterprises and promotional funds (like FONDOEMPLEO - National Fund for Labor Capacity Building and Employment Promotion). Currently, there are some normative initiatives such as the National Guidelines for Professional Proficiency (NGPP), and the Learning Schemes for Employability Law that encompasses several types of labor contracts.

In the framework of the Peruvian Technical and Vocational Education & Training (TVET) we can observe a wide range of public – private institutions offering training programs in several productive sectors, such as: industry, agribusiness, fishing, construction, tourism, telecommunication, business management, and technical innovation.

The mayor challenges for the designing of a cost – effective TVET System in the Peruvian case must deal basically with:

1. Reduction of the productivity gap issue among firm – size profiles
2. Reduction of high levels of labor informality and productivity
3. Increase the proportion of “opportunity – oriented entrepreneurship” levels.
4. Increase the backward and forward linkages between small and large firms (basically in export subcontracting)
5. Fostering “talent” in order to build an adequate workforce – platform capable to participate in the “catch up & take over” process for economic development (business spillovers and economic take off dynamics).

In conclusion, due to the new challenges driven by an increasingly global economy, it is necessary to develop a strong skilled workforce, increase labor productivity indicators, and promote employability and entrepreneurship (opportunity oriented) and to reduce the labor market fragmentation within economic sectors and informality. In this orientation the Ministry of Labor and Employment Promotion, The Ministry of Education and the Ministry of Production – among others - are leading the TVET System through a legislation fostering a skilled workforce formation, employability and designing programmes trying to build linkages between SME and large firms

## ◆ Q & A Session

### Q-1:

I just would like a little bit of clarification on the terminology. What is 'informal employment'?

#### Mr. Ricardo Perez Layo (Peru):

Very good question, very, very good question! Because there are many, many pictures of informality. We have informality – for example, you don't get a license from the municipal government or you do not get a tax registration for income tax collection, or you don't have employees, you know, legally and so on and in these terms, when I put 'formality of firms', I mean regarding 'tax formalities', i.e. they are not registered in the tax institutions.

#### Ms. Patricia Anne Colgate (New Zealand):

So can I just ask you, I think your informal economy is actually what we call a black economy. But actually, we don't measure ours and you seem to measure yours. Can you just talk about that? We have a black economy as well, but we don't measure that, so when we have GDP, we just have the formal economy, right, measured in GDP, so how do you measure your informal economy and your GDP?

#### Mr. Ricardo Perez Layo (Peru):

Good, good, good. Well, we show that the contribution of small and micro enterprises to GDP is around 40%. But we're talking about formal. There is research carried out by the Central Bank that tells us that if we incorporate the informal sector, perhaps our GDP will increase by 10 or 15%, a little more, right?

#### Ms. Areeya Rojvithee (Thailand):

Thank you for your presentation. Thailand is also trying to formalize the informal sector. My question is, do you have a social security scheme in your country or not? You have, right? So you see, in Thailand, the informal sector means those who are working and excluded from the labor protection law and also have no access to social security schemes. That is why we try to extend coverage, to cover them.

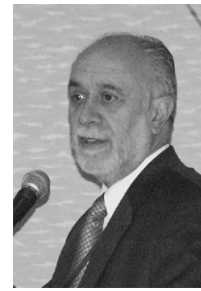
#### Mr. Ricardo Perez Layo (Peru):

Good. Almost one month ago, so today, the Peruvian government issued a law trying to incorporate workers or employees, basically migrant, to social security and pension funds and the contribution of the government is FIFTY percent – FIFTY percent – so, if you are an employee, and you wish to register your employees, you put one dollar. I am the

government, so I put one dollar. It is a great effort of the Peruvian government to improve our labor statutes. Basically, because we are signing free trade agreements and so we have to fulfil many requirements.

## Chile

# The Role of TVET Providers in Training Chilean Vision and Experience



**Ministry of Foreign Affairs Mr. Pablo Lazo**

## Executive Report

Since 1990, after recovering its democratic system, Chile has experienced an impressive transformation process of stable and lasting economic growth, working on three pillars: democracy, growth and equity. Chile entered into the process of globalization with a strong will and, along with supporting WTO negotiations, has negotiated free trade agreements (FTAS) with its most important trade partners. In this context the need of professional training has become crucially strategic.

Training is financed in Chile basically by public funds through a tax exemption system which allows Chilean workers to acquire new knowledge and skills for the development of their career, to improve their salaries, to prepare to face unemployment or to look after new job opportunities. This exemption system has also allowed companies to improve labour competences of their workers, updating them to fit the changing requirements of globalisation and technological innovations, especially those resulting of the aggressive openness of the Chilean economy and the increasing mutation of the country resulting of those processes. This has as a consequence increases in productivity of workers and companies in general. The guiding principles of this system are: subsidy to demand of vocational training from companies; decentralization of

decisions; subsidiary role of State; private offer of services; competition between VT direct executors; and participation.

Resulting from this tax exemption system, and financed with public funds, a market for training has been created in Chile, with mainly two types of private organizations taking part: the OTIC, Intermediate Technical Organisms for Training and the OTEC, Technical Organisms of Execution of the Training. Both are private juridical persons or corporations without profitable aims whose main target is to grant technical support to the companies requiring VT using the tax exemption.

Due to the regressive character of the tax exemption system, a VT policy based on an individual bonus for workers has been proposed by the latest Final Report of the “Meller Commission”, a mayor Presidential Advisory Council created in 2007 on Labor, Salaries, Competitiveness and Social Equity integrating representative leaders, experts and social actors from the Chilean Society.

## ◆ Q & A Session

### Q-1:

Thank you so much for the presentation. Just a quick question – you alluded to the notion of developing a voucher system?

#### Mr. Pablo Lazo (Chile):

We are thinking, just right now, of putting more emphasis on individuals instead of just the decisions of companies and so to pay people to choose their own training system instead of going just through the companies' decisions. However, it is not a decision now, it is coming. Sure. The issue here is that companies' decisions are only in the interests of the companies. The company, not the sector companies. And instead, we are thinking that given that people are going more and more on a temporary basis, and not for a long-life system, like in Japan, we need to provide protection for the workers and the protection – the main protection we can give them is skills.

### Q-2:

...then just claimed the tax credit and they would have been doing the training anyway, so it is interesting to hear that that is indeed your experience. And, like Tammy, I'd be really interested to know how your voucher system works or how you develop it and is that on a website or is there some way of getting hold of that information?

#### Mr. Ricardo Perez Layo (Peru):

Yes, of course, we actually worked very, very closely together with you and Singapore and Brunei before the agreement on labor, so we actually met once a year in Geneva for discussions about this and other issues and so, of course, we are going to give you whatever information you want and the same for Canada. We have all these cooperation agreements with Canada to share best experiences and all information available.

### Q-3:

I just want to clarify, does the 1% tax exemption apply to total revenue or to taxable revenue?

#### Mr. Pablo Lazo (Chile):

OK. The company has a payroll. The payroll – you can deduct 1% of the total earning of the payroll. Up to 1% of the total payroll. of people with salaries. And then deduct that from taxes they must pay once a year.

### Q-4:

Thank you for your question. Through my literature study, Chile has already succeeded in implementing a dual training system and Malaysia is just about to – we are just implementing this system. So how is the status of this system?

#### Mr. Pablo Lazo (Chile):

Well, we have a good performance in terms of numbers of people training through this system. The issue is that we must improve the system and we must improve it, especially for those who have no special qualifications, because it's a question of equity. People with high qualifications – of course they must also continue to improve their skills, but for the state, we must focus on the poorest of the scale. not only on the high level, so that is our issue by now; but in terms of the number of people training, it is a good performance.

### Q-5:

Congratulations on your marvellous presentation! You make a presentation just like a spokesman of foreign affairs, with good manners and behavior. Just now, you mentioned the innovation fund. My question is does your country spend the innovation fund on occasional training?

#### Mr. Pablo Lazo (Chile):

We – yes – this is for many projects defined by the Innovation Council and it could be going to those initiatives but especially on those innovations, related to innovation and not just to training, because if it was just through training, it would be just through the occasional provider. Just innovation, starting a business... it should be on the issue of innovation. I mean, if it is an innovation project, then it might be possible to make a link with training, but it must be based on innovation – indirect, not direct.

## Thailand

### Economy Paper



Ministry of Labour, Department of Skill Development Deputy Director Ms. Areeya Rojvithee

### Executive Summary

The Thai government gives the importance to the human resources development especially on the workplace training which cooperates with the TVET providers. In this paper the TVET providers which are widely used cover the training institutes and centers, vocational schools and universities both public and private and also include the training institutes of the professional associations. The acceptance of TVET providers by the companies and workers depends on the reputation and the quality of services, the contents of the training courses that are most relevant to the demand of the industries, the quality of the instructors, the training machines and other facilities. However the Thai TVET providers are facing some problems which are obsolete training machines and training curriculums, a small number of instructors in advanced technology courses that make TVET providers have to adapt their roles and services to cope with the demand of the labour market.

To be recognized and accepted by establishments, the TVET providers should have strategies on management of training by effective dialogue and cooperation between training providers, employers, worker representatives and the various government ministries, working closely with establishments for gaining information of the demand of industries, sharing training resources, upgrading skills of instructors in the establishments. The cooperation also includes training for career development specific for each establishment.

The government by DSD plays the key role on accelerating the use of the TVET providers on HRD by issuing the Skill Development Promotion Act 2002 to be incentive and compulsory measures for companies and establishments to develop their workforces. The costs of training that establishments paid to TVET providers

can be deducted from the annual tax payment 200 percent of the cost of training of each establishment. With this strategy, the establishments use the services of TVET providers to train their people. According to our statistic in the fiscal year of 2008 (October 2007 – September 2008) the number of workers trained by establishments in the cooperation with TVET providers were 3,883,275 persons.

Besides the Skill Development Promotion Act 2002, Department of Skill Development which is a training provider also issued the mechanism for coordination and cooperation with stakeholders on training by setting up the National Vocational Training Coordination Committee (NVTCC), the Provincial Vocational Training Coordination Committee (PVTCC) and the Advisory Board of Skill Development. The detail of mentioned mechanism appears in this paper.

To achieve the knowledge based economy, Thailand issued the policy on Life Long Learning for Employability and also believed in self-development. On this connection TVET providers can play the important role as the on-line training center for people in various specialized field.

Some best practices on the role of the TVET providers are presented in this paper.

## ◆ Q & A Session

### Q-1:

Thank you for your excellent presentation. I just wondered, in your table showing the output of development activities, there always seems to be a gap between the planned activity compared to the output, and the gap is widened. What is the reason?

#### Ms. Areeya Rojvithee (Thailand):

Excuse me, which one? Output of skill development activities right? You see we plan. We plan up to our budget that – you mean this table, right? We plan up to our budget received each year and the output is greater, meaning we received considerable cooperation from the private sector. Such as training for increasing job opportunities. India 2006, we planned for 47 000 people. But the output came out at 65 – why? Because we gained support from the private sector. This is the result of the advisory board. They donate training machines and training materials, which is why we can train more people than the budget that the government allocated, and if you notice, you will see that each year, there are more. This is thanks to working closely between public/private for the success of this policy. And especially, skills development promotion, you see, we can do it step by step because we just issued a law in 2002 to more. Thank you for your question.

### Q-2:

Yes also, in this chart, your labor force is around 38 million, right? Could you put up the first chart, please? 2008. Training for increased job opportunities – 53,000. I mean if you divide 53,000 by 38 million, it's 0.00000%? You know? This is my first observation. And the second is what about indicators? Planned for the year 2008, you have 53, 000. Output 73,000. OK how many of these 74,000 really get a new job?

#### Ms. Areeya Rojvithee (Thailand):

Thank you for your question. In fact, you see, these figures are only the results of the training of the Department of Skills Development. But, as I told you, we have many training providers and the information that I show here is just the result of the Department of Skills Development and the workforce is 38 million people, but under the social security scheme, working for industry is only 9 million. Only 9 million people at the moment, but that's why we try to extend the scope of coverage to the informal sector and yes, we try to extend the coverage, because we were forced by the FTA to provide decent work. This is what we are facing and the plan for 2008 – 53,000 because we got that amount of

budget from the government. Luckily, however, with the public/private partnership, this allows us to train up to this figure, although this is pre-employment for those that have no skills. They have to train to have basic skills. For upgrading – number four – this one – you see. We plan for 118,000 but we can train more, 162,000 people in the industry.

### Q-3:

Congratulations on your excellent presentation. Your presentation is as excellent as a night in Bangkok. Your presentation is as excellent as a night in Bangkok. Just now, you mentioned the master plan of labor, so I just wondered, what is the 'master' part? Maybe that is skilled worker or technical? Master plan of labor. Master means technical or skilled workers? What is the meaning of master here?

#### Ms. Areeya Rojvithee (Thailand):

Thank you for your question. The master plan of labor – this is the master plan of the ministry of labor, which covers the workforce in the labor market, under the responsibility of my ministry. It's a national plan.

### Q-4:

Another question – I found an English question on skills development promotion in 2002 on the Internet. Just now you mentioned the Skills Development Promotion Act 2002. I found the English version on the Internet.

#### Ms. Areeya Rojvithee (Thailand):

The Skills Development Promotion Act – you can access our website, I forgot to put it here – I will give you my name card, OK. You want the English version, right? We can provide you with it – unfortunately I didn't bring it along, but we have an English version. Maybe you see, on Sunday I am going to Beijing to Lifelong Learning. If you come to meet me at the meeting, I can give one to you.

#### Mr. Jeremy William Baker (New Zealand):

Excuse me, thank you very much for your presentation. I have a question about ... can you describe for us in slightly more detail what skill development promotion activities on number 6 – I'm not sure – it's the slide with the table. It's number 6, the last 2 there. What is that activity? What does that involve?

#### Ms. Areeya Rojvithee (Thailand):

It involves the private sector. They provide training by themselves, by using any training providers. But we consider only the curriculum that they submit to us that is up to the standard and relevant to the demand of that industry, so they



can employ any training providers. We only control the quality, so now, as I mentioned earlier, the Federation of Industry of Thailand is trying to be the core organization because they have companies under their membership. So they try to set up a curriculum that can boost or increase the productivity of all the members, you see? So we can just consider the curriculum. That this is relevant, that this will increase the productivity and remain relevant to their demands.

**Mr. Jeremy William Baker (New Zealand):**

So these are programs that, if the firm undertakes that they are exempt from some of the penalties?

**Ms. Areeya Rojvithee (Thailand):**

Yes, 400 have exemptions, you see so the training providers can benefit from this, we don't have to fill in.

**Mr. Jeremy William Baker (New Zealand):**

And this is funded by the firms themselves?

**Ms. Areeya Rojvithee (Thailand):**

Yes, the firm pays first and are then exempt from tax. When they declare their annual tax payment.

**Q-5:**

Yes, thank you for this presentation. I have – going back to the master plan and the national plan on economic and social development – 8. Can you confirm, how you work on this national plan? Who is in this national plan? And the difference between the national economic and social development and the master plan of labor, are they related? How do those plans work?

**Ms. Areeya Rojvithee (Thailand):**

Thank you very much for your question. The international economic and social development plan issued by the national economic and social development board, which is the main master plan for the whole country, covers a range of ministries to ensure that policy is implemented. But the second policy of the current government, each government, when they come up to be the government and are elected, they should issue the policy to parliament, and this is what we have to take them for implementation and also the master plan of labor. Each ministry should have their own master plan and this master plan should link with the national economic and social development plan and also the policy of the current government. You know why! Each party that will issue their own policy in running for the election – they will also bring the policy of the national plan and also the policy of each ministry.

**Q-6:**

How does it work, the consultation process with this?

**Ms. Areeya Rojvithee (Thailand):**

How does it work? If we, you know, when we have just known from the prime minister right? And they present their policy to the parliament. After it is approved by the parliament, that can be the policy of the government and then we have to match it with the national economic and social development and the master plan of labor in order to try and match and make the project for implementation and in the meantime, the key is the budget. If we make a project that does not respond to the master plan of the ministry, the policy of our ministers, and the master plan, we cannot get budget, because the budget bureau will consider that the national economic and social development plan – that is the master plan of the nation – and then the policy of the government and the master plan. The day before I left Thailand, we were facing an economic and financial crisis. The big companies try to close down, so I have to defend a special budget. This is not covered in this plan, because we don't expect it. I have to defend it – what kind of ability to solve the problem to help the labor and people in the labor market – what kind of strategy to help them to survive. So I got the budget – 375 million baht – for the training of people. I defended people – this is just a special one – not included, so you see in this national plan, the policy of the government and the master plan. It will be a template for the budget growth allocating. Whether you get it or not depends on these variables, the project, that you draft and respond to.



## Report on Study Tour

### APEC Forum of Human Resources Development

|  |   |                             |  |
|--|---|-----------------------------|--|
| <b>Company name</b>  | Employment and Human Resources Development Organization of Japan<br>Advanced Polytechnic Center<br>3-1-2 Wakaba, Mihama-ku, Chiba-shi, Chiba TEL 043-296-2580                                     |                             |  |
| <b>charge</b>  | Guidance Division Chief<br>Mr. Hiroyuki Suda  |                             |  |
| <b>Route</b>   | Five minutes bus ride from OVTA to Advanced Polytechnic Center  |                             |  |
| <b>Date</b>  | November 20, 2008 (Thu) 13:20 – 14:35   |                             |  |
| <b>Participants</b>  | 21 Participants<br>(Participants & Resouce person included)<br>1 Coordinator (Professor Shimoda)<br>1 Interpreter<br>2 OVTA staffs<br>(Mr. Masafumi Nomiya, Ms Hiromi Watarai)<br>Total 25 people | <b>Person<br/>in handle</b> | Director<br>Mr. Shouji Kusaka<br>Project Division Chief<br>Mr. Akifumi Fujioka<br>Guidance Division Chief<br>Mr. Hiroyuki Suda |
| <b>Schedule</b>  |   |                             |  |
| <p style="margin-left: 40px;">13 : 20 - 13 : 30 Company Profile</p> <p style="margin-left: 40px;">13 : 30 - 14 : 10 Company Tour</p> <p style="margin-left: 40px;">14 : 10 - 14 : 35 Q&amp;A</p>   |   |                             |  |
| <b>Outline of the Company</b>  |   |                             |  |
| <p>The Advanced Polytechnic Center was established as the only public technical training facility that offers comprehensive high-tech education, which has played a leading role in Polytechnic Centers in Japan. Its management area covers throughout Japan. With rapid technical innovations in recent years, the Advanced Polytechnic Center has mainly aimed at conducting more advanced technical seminars for engineers who are active on the front line. In addition, it provides various information and survey researches in terms of human resource development, improvement and vocational trainings for those who stay on the job.</p>  |   |                             |  |
| <b>Q&amp;A</b>   |   |                             |  |
| <p>Q. What is the ratio between knowledge and practice given in lectures.<br/>A. Knowledge 50%. Practice 50%.</p> <p>Q. Who has developed curriculums.<br/>A. Counselors and technical experts hold conferences to discuss the matter.</p> <p>Q. How do you select the applicants in case the course is already full?<br/>A. We set up additional courses.</p> <p>Q. What is the company size of the employees who take training courses?<br/>A. Large company 50%、middle-size company 50%。</p> <p>Q. Do you offer only daytime training courses?<br/>A. Yes we do. We do not offer any course at night.</p> <p>Q. If someone gets injured during the course, what to do with this?<br/>A. We will contact our head offie and handle this matter from organizational standpoint.</p> |   |                             |  |
| <b>Comments</b>  |   |                             |  |
| <p>Because of clear and polite explanations, participants could understand more about advanced technical trainings for workers, which are held by public organization. The enhanced facilities and equipments in Advanced Polytechnic Center impressed participants a lot. During Q&amp;A session, participants asked many questions about curriculums and course contents in this center.</p>   |   |                             |  |



## Report on Study Tour

### APEC Forum of Human Resources Development

|  |   |                  |  |
|--|---|------------------|--|
| Company name   | JAL ACADEMY Co., Ltd.<br>JAL academy building, 3-15-7 Sendagaya, Shibuya-ku, Tokyo, Japan, 151-0051<br>TEL : 03-5412-2672   |                  |  |
| Person in charge   | Operation Department Manager<br>Ms Itsko Hayashi  |                  |  |
| Route  | One hour bus ride from Advanced Polytechnic Center to JAL ACADEMY Co., Ltd.   |                  |  |
| Date   | November 20, 2008 (Thu) 15:45-17:30   |                  |  |
| Participants   | 21 Participants<br>(Participants & Resouce person included)<br>1 Coordinator (Professor Shimoda)<br>1 Interpreter<br>2 OVTA staffs<br>(Mr. Masafumi Nomiya, Ms Hiromi Watarai)<br>Total 25 people | Person in handle | Operation Department Manager<br>Ms Itsko Hayashi |
| <p>Schedule</p> <p>15 : 45 - 16 : 15 Company Profile</p> <p>16 : 15 - 16 : 30 Company Tour</p> <p>16 : 30 - 17 : 30 Trial Lesson</p>   |   |                  |  |
| <p>Outline of the Company</p> <p>JAL ACADEMY Co., Ltd. has offered various educational programs which are necessary for business enterprises and individuals to expand their potentials through high-quality knowledge, experiences and techniques extracted from JAL's long history.</p>                                      |   |                  |  |
| <p>Q&amp;A</p> <p>Q. Have you ever conducted any training course in foreign countries?</p> <p>A. We have already conducted manner training courses in different countries. Besides, we have offered Japanese language lessons for foreigners in Japan</p>  |   |                  |  |
| <p>Comments</p> <p>Participants highly appreciated the trial lesson which they experienced how to exchange business cards and greet with others. In addition, most participants were impressed by the vocational training provider which focuses on improving employees' know-how and experience such as business manners.</p> |   |                  |  |





## 3<sup>rd</sup> Day

Case Study: United States of America

Presentation by economy: Philippines  
Indonesia  
Vietnam  
Brunei

Wrap up of the forum





# Incumbent Worker Training in the United States



Office of Policy Development and Research  
US Department of Labor/ETA  
Mr. Thomas M. Dowd

## Introduction: The Need to Train Incumbent Workers

In the 21st Century global economy, businesses and industries in the United States must continually transform and innovate in order to remain competitive. Doing so requires a workforce that can constantly learn and adapt to new skill requirements in order to both contribute to and benefit from the nation's productivity. Many education and training programs focus on young people entering the workforce or on unemployed workers. However, building a prepared workforce in the United States requires increasing attention to the skill needs of "incumbent" (currently employed) workers and their employers. This paper provides an overview of U.S. industry and government investment in training for incumbent workers.

The U.S. Department of Labor, Bureau of Labor Statistics (BLS) presents compelling data about the rising skill requirements of the American workforce. BLS predicts that by 2016 in the United States, 73 percent of the 30 fastest-growing occupations, and 31 percent of all jobs, will require formal education or training beyond high school.<sup>4</sup> Half of the 30 fastest-growing occupations during this period will require at least a bachelor's degree as their most significant source of education and training.<sup>5</sup>

The more stringent skill requirements are most pronounced in occupations that are both high-wage (measured as paying above the 2006 median wage) and high-growth (measured as having higher than average

projected growth from 2006-2016). Among these occupations, nearly 88 percent of the projected new jobs will require post-secondary education or training. Bachelor's degree holders are expected to fill 62 percent of these new jobs, while 26 percent are expected to be filled by workers with some post-secondary education, such as an associate's degree or vocational certificate.<sup>6</sup>

Employers prefer to hire job applicants with post-secondary education, even among occupations that do not necessarily require this level of education. In 2006, the Conference Board, Corporate Voices for Working Families, the Partnership for 21st Century Skills, and the Society for Human Resource Management surveyed more than 400 human resource professionals at U.S. corporations about what skills are necessary to succeed in the 21st Century workplace and how prevalent these skills are among new entrants to the workforce (from high school, two-year colleges, and four-year colleges). Twenty-seven percent of respondents predicted that their companies would decrease hiring of new workers with only a high school diploma over the next five years, while 59 percent said their companies would increase hiring of bachelor's degree holders, and nearly 50 percent predicted increased hiring of associate degree holders.<sup>7</sup>

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<sup>4</sup> Dohm, Arlene, pp. 93 and 104. Occupational employment projections to 2016, *Monthly Labor Review*, November 2007, Vol. 130, No. 11, pp. 93-125. U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/opub/mlr/2007/11/art5full.pdf>.

<sup>5</sup> Dohm, Arlene, p. 93.

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<sup>6</sup> *America's Dynamic Workforce: 2008*, p. 54. U.S. Department of Labor, Office of the Assistant Secretary for Policy, August 2008, <http://www.dol.gov/asp/media/reports/Workforce2008/A DW2008.pdf>.

<sup>7</sup> Casner-Lotto, Jill and Benner, Mary Wright, p. 11. *Are They Really Ready to Work? Employers' Perspectives on the Basic Knowledge and Applied Skills of New Entrants to the 21st Century U.S. Workforce*. The Conference Board, the Partnerships for 21st

The retirement of the “Baby Boom” generation – those born between 1946 and 1964 – will have a noticeable impact on the size of the U.S. workforce, as the numbers of workers leaving the workforce grows faster than the number entering. BLS projects that between 2006 and 2016, 24.2 million will leave the workforce, which is 4.6 million (23 percent) more than the 19.6 million who left between 1996 and 2006.<sup>8</sup> Between 2006 and 2016, 37.3 million new workers are projected to enter the labor force, which is only 1.5 million (4 percent) more than the 35.8 million who entered between 1996 and 2006. These accelerating retirements represent an enormous amount of skills, experience, and education exiting the workforce.

The lower skill levels of the younger workers entering the labor force are leading to a growing “skills shortage,” especially in the high-growth sectors of the U.S. economy. U.S. employers report significant deficiencies in important work-related skills among new workers at every education level.<sup>9</sup> In the previously mentioned Conference Board survey on recent graduates’ job readiness, 42 percent of employers rated new workers with only a high school diploma as “deficient in their overall preparation” for the entry-level jobs they typically fill<sup>10</sup> in terms of both “basic knowledge” in academic subjects required in school and “applied” cognitive, social, and behavioral skills needed to apply basic knowledge and perform at work.<sup>11</sup> More than a quarter of the employers in the same survey found deficiencies in basic writing (grammar and spelling) and in written communication (writing documents clearly) among their new workers who had four-year college degrees.<sup>12</sup>

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Century Skills, Corporate Voices for Working Families, and the Society for Human Resource Management, 2006,

[http://www.conference-board.org/pdf\\_free/BED-06-Workforce.pdf](http://www.conference-board.org/pdf_free/BED-06-Workforce.pdf).

<sup>8</sup> Toossi, Mitra, p. 46. Labor force projections to 2016: more workers in their golden years, *Monthly Labor Review*, November 2007, Vol. 130, No. 11, pp. 33-52. U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/opub/mlr/2007/11/art3full.pdf>.

<sup>9</sup> Casner-Lotto, Jill and Benner, Mary Wright, p. 11.

<sup>10</sup> Casner-Lotto, Jill and Benner, Mary Wright, p. 13.

<sup>11</sup> Casner-Lotto, Jill and Benner, Mary Wright, p. 15.

<sup>12</sup> Casner-Lotto, Jill and Benner, Mary Wright, p. 14.

These trends point to a greater need for training of incumbent workers, as the labor market demands skills at higher levels than many new workers have when they enter the U.S. workforce. The United States must ensure that its workers and employers can access all the education and training, including technical and vocational education and training, that are needed to fulfill the ever-increasing skill demands of the global innovation economy.

#### Overall Participation and Investment in Employee Training

Training, retraining, and skill upgrading of incumbent workers, as well as dislocated workers and new entrants to the labor force, are provided in a variety of ways in the United States. In addition to individuals investing in their own training, funding for skill training and education comes from the public and private sectors, including the Federal, state and local governments; private employers; and philanthropy. A U.S. Department of Labor report, which reviewed a number of studies by industry and trade associations and Federal government agencies, estimated that in 2002, the amount of money spent on workforce training by the Federal government was US\$3.2 – 5.3 billion, by states was US\$500-700 million, and by businesses was US\$46-54 billion.<sup>13</sup> Thus, the vast majority of job training in the United States is funded by business and industry.

Official U.S. Department of Education statistics show that 38.8 percent of employed persons aged 17 and over participated in career or job-related courses in 2005, either on their own or supported by employers.<sup>14</sup> This figure is up significantly from 1995, when only 31.1 percent participated in such courses. These figures do not include informal training or learning

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<sup>13</sup> Mikelson, Kelly S. and Demetra Smith Nightingale, *Estimating Public and Private Expenditures on Occupational Training in the United States*, a report prepared for the U.S. Department of Labor by the Urban Institute, ETA Occasional Paper 2006-01, U.S. Department of Labor, Employment and Training Administration, June 2006.

<sup>14</sup> National Center for Education Statistics, *Digest of Education Statistics*, Table 357. [http://nces.ed.gov/programs/digest/d07/tables/dt07\\_357.asp](http://nces.ed.gov/programs/digest/d07/tables/dt07_357.asp)

activities, such as mentoring and attendance at informal presentations.

#### *Employer Investment in Employee Training*

There are very few published reports or articles that provide annual estimates of the amount of employer spending on job training. This section summarizes what is known about employer-provided training based on the available studies and reports.

The American Society of Training and Development (ASTD), the world's largest association dedicated to workplace learning, estimates that employers in the United States spent US\$129.6 billion on employee learning and development in 2006, or about US\$1,040 per employee in their sample of 221 organizations. Employee learning and development includes mentoring, job rotation assignments, coaching and attendance at conferences, as well as more traditional training.<sup>15</sup>

According to ASTD, nearly US\$80 billion of the US\$129.6 billion amount was spent by companies on direct learning expenditures such as salaries of the employees and travel expenses, as well as non-salary costs. Nearly US\$50 billion was used for external services such as outside consultants, training vendors, and tuition reimbursements. In the ASTD sample of organizations, employees completed an average of 35 hours of formal training content in 2006.

Informal work-related learning includes a variety of activities. The National Center for Education Statistics found that of those who participated in such activities in 2002-2003:

73.8 percent participated in on-the-job demonstrations by a supervisor or co-worker;

57.7 percent participated in other on-the-job supervised training or mentoring;

52.8 percent participated in self-paced study using books, manuals, audios or videos;

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<sup>15</sup> These types of activities may partially explain why the estimate is higher than in studies that looked only at formal training courses. Researchers also point out that estimates by employers of the amount of training provided to employees tend to be much higher than reports in surveys of employees. Employers may tend to emphasize the availability of training, rather than actual training provided, and employees may not recognize some activities as training.

36.5 percent participated in self-paced study using computer-based software tutorials, CD-ROM, or the Internet;

36.7 percent attended "brown-bag" or informal presentations; and

40.1 percent attended conferences, trade shows, or conventions related to work.<sup>16</sup>

The more recent ASTD study found a decline over the past several years in employers' use of tuition reimbursement, an increase in internal costs of learning activities, and an increase in costs of external services, such as training providers. ASTD and others note the rapid rise of technology-based learning (training that uses computer technology and the Internet), such as self-paced online courses. ASTD estimates that over 30 percent of learning hours provided by companies in 2006 were technology-based compared to just 11.5 percent five years earlier. At the same time as technology-based training hours have increased, live, instructor-led real time training hours have decreased.

ASTD found that the training and other learning opportunities in the firms it surveyed were spread among the following content areas:

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<sup>16</sup> National Center for Education Statistics, Career/Technical Education Statistics, Table A 22, <http://nces.ed.gov/surveys/ctes/tables/A22.asp>

|   |        |                                    |        |
|---|--------|------------------------------------|--------|
| Executive development                         | 4.10%  | Information technology and systems | 10.24% |
| Managerial and supervisory                    | 11.00% | Interpersonal skills               | 5.75%  |
| Sales   | 6.32%  | New employee orientation           | 6.69%  |
| Customer service                              | 6.21%  | Basic skills                       | 4.49%  |
| Mandatory and compliance                      | 8.93%  | Profession or industry specific    | 14.45% |
| Processes, procedures, and business practices | 11.07% | Other (quality, product knowledge) | 10.74% |

The surveys of employers reviewed by the Urban Institute, a nonpartisan economic and social policy research organization, indicate that nearly all firms provide some employee training. Estimates of the proportion of firms providing training range from 71 percent to 100 percent. About 70 percent of workers reportedly receive some firm-sponsored training, according to these surveys. Workers who are at higher levels in their organizations and have higher education and income levels are most likely to receive employer-funded training. Nearly all workers receive some informal training during a year.

*U.S. Government Investment in Post-Secondary Education and Training*

Public elementary, secondary, and post-secondary education in the United States is primarily funded at the state and local levels. However, the Federal government also invests heavily in the education and training of students, new entrants to the labor force, and employed workers through a wide variety of grant and loan programs, and through tax credits. Many of these programs, which are administered by a number of Federal government agencies and are described below, are targeted to specific groups of students and workers, particularly those who have a low income or are otherwise disadvantaged, rather than the general population. In recent years, as a consequence of rapidly changing technology and the need to respond to the competitive global economy, the importance of “lifelong” learning – maintaining and upgrading one’s education and training throughout one’s working life – has been recognized as critical to keeping pace with changing skill requirements.

Higher Education Act Programs

Together, Federal financial aid available to students through loans and grants totaled nearly \$91

billion in 2008. The Higher Education Act is the main legislation focused on helping students to access and pay for post-secondary education. Major Federal student financial assistance programs financed through this legislation include:

Pell Grants

The Pell Grant program provides grants to undergraduates who have financial need and meet the other requirements for Federal Student Aid. Approximately 4.5 million students receive Pell Grants. Pell Grants are usually a foundation of student aid to which aid from other Federal and non-Federal sources may be added. Pell Grants may be used for tuition, fees and room and board. A student’s financial need is determined by how much of their own financial resources the student (and his or her family, if applicable) is expected to contribute towards post-secondary education expenses, based on financial information they submit to the U.S. Department of Education.

Federal Supplemental Educational Opportunity Grants

This program provides need-based grants to low-income undergraduate students to promote access to post-secondary education. Students can receive these grants at any one of approximately 4,000 participating postsecondary institutions. Priority is given to those students with “exceptional need” (those with the lowest expected family contributions at the institution and those who are also Federal Pell Grant recipients).

Federal Perkins Loans

This program provides low-interest loans to help needy students finance the costs of post-secondary education. Students can receive Perkins loans at any one of approximately 1,800 participating postsecondary institutions. Borrowers who undertake certain public, military, or teaching service employment are eligible to

have all or part of their loans canceled. In general, schools are reimbursed for 100 percent of the principal amount of the loan canceled.

### Federal Direct Loans

These loans are available for financially independent students and for parents of financially dependent students. In addition to Perkins loans, the U.S. Department of Education administers the Federal Family Education Loan (FFEL) Program and the William D. Ford Federal Direct Loan (Direct Loan) Program. Both the FFEL and Direct Loan programs consist of what are generally known as Stafford Loans (for students) and Plus loans (for parents). Schools generally participate in either the FFEL or Direct Loan Program, but sometimes participate in both. Under the Direct Loan Program, the funds for a loan come directly from the Federal government. Funds for a FFEL come from a bank, credit union, or other lender that participates in the program. Eligibility rules and loan amounts are identical under both programs, but repayment plans differ somewhat.

In August 2008, President Bush signed the reauthorization of the Higher Education Act. The new law simplifies access to student aid, increases the limits on student financial aid, sets new requirements for comparative information on college costs, and contains special provisions to help students who lack high school diplomas. It also includes a provision to help dislocated workers (those who have been laid off by their employer) obtain financial aid for further education to learn new skills so they can regain employment. Because of their prior year income, dislocated workers otherwise might not qualify for grant aid.

While Federal government spending on loans and grants for post-secondary education in the United States is significant, only a very small proportion of this assistance reaches working adult students.<sup>17</sup> In addition to grants and loans, Federal tax credits are available to students and workers for post-secondary education and training. These include:

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<sup>17</sup> For Pell, Perkins Loans, and Supplemental Educational Opportunity Grants, the figures are less than 5% for working adult students. Bosworth, Brian and Victoria Choitz, "Held Back: How Student Aid Programs Fail Working Adults," *Futureworks*, April 2002, page 24.

The Taxpayer Relief Act of 1997 created the Hope Scholarship and the Lifetime Learning tax credits to help make college more affordable to American students and families and to increase opportunities for working adults to increase their skills.

The Hope Scholarship Credit provides a tax credit of up to US\$1,500 for the first two years of post-secondary education for students attending school at least half-time.

The Lifetime Learning Tax Credit allows students studying beyond the first two years of undergraduate or those taking courses on a less than half-time basis to claim a credit of up to US\$1,000 per year. About 5 percent of tax returns used these credits, which provided approximately US\$7.4 billion in tax credits in 2001.

The Section 127 Employer Tax Credit allows public or private employers to provide up to US\$5,250 per year to each of their employees in tax-free reimbursement for tuition, books and fees for job- or non-job related education.

### Vocational and Adult Education

The Federal Vocational Education program provides funds to develop more fully the academic and career and technical skills of secondary and post-secondary students who elect to enroll in career and technical programs. In accordance with the statute, at least 85 percent of the funds are allocated to local recipients. Federal funds are used to support state leadership activities, administration of the state plan for vocational and technical education, and sub-grants to eligible recipients to improve vocational and technical education programs. Vocational Education State Grants are currently funded at US\$1.14 billion. Vocational education is a partner program in the One-Stop Career Center system, which is described below in the next section.

Adult Education provides grants to states to fund local programs of adult education and literacy services, including workplace, family, and English literacy services, as well as civics education programs. Participation in these programs is limited to adults and out-of-school youths age 16 and older. More than 3,200 programs deliver instruction through public schools, community colleges, libraries, and community-based organizations, and other providers. The programs provide instruction in reading, numeracy,

high school equivalency degree (GED) preparation, and English literacy. More than 2.4 million adults participated in programs in program year 2005–2006 and the program is currently funded at US\$554 million. Adult Education is also a partner program in the One-Stop Career Center system under the Workforce Investment Act of 1998.

#### Services for Job-Seekers under the Workforce Investment Act of 1998

The Workforce Investment Act of 1998 (WIA), administered by the U.S. Department of Labor, authorizes the public workforce investment system for providing employment and training assistance to job seekers in the United States. WIA funds the delivery of workforce investment activities and services through a nationwide network of local workforce investment boards and One-Stop Career Centers. Each of the more than 3,200 One-Stop Career Centers across the United States is designed to provide a full range of employment-related assistance to job seekers and employers under one roof and can be accessed in-person or remotely via the Internet.

WIA requires specified employment and training programs from across four separate Federal agencies to provide services through the One-Stop system. These programs combined total over US\$15 billion, and services are currently provided through approximately 3,200 One-Stop Career Centers nation-wide. A central goal of WIA is to empower customers of the system to improve their employment opportunities by giving them meaningful choices about the types of services they receive.

WIA provides a wide range of services designed to help dislocated workers and adults (people aged 18 years or older who are not dislocated workers) increase their employment opportunities. WIA divides these services into core services, intensive services, and training services:

Core services consist of providing information to assist individuals in conducting a job search and accessing training or other services on their own. Core services are available to all adults, including employed workers.

Intensive services comprise of career guidance activities requiring greater staff involvement than is typical for core services, such as conducting an

assessment and providing career counseling. Intensive services are limited to individuals who were unable to obtain employment through core services, or if they are employed, need intensive services to obtain and retain employment that leads to self sufficiency.

Training services include skill-building activities that are designed to make individuals more employable and include occupational skills training, skill upgrading and retraining, and customized training for individuals to be hired by a specific employer. Training services are reserved for those that have undertaken at least one intensive service without being able to obtain employment.

Training services under WIA must generally be delivered through the use of Individual Training Accounts (ITAs). An ITA is a voucher given to One-Stop Career Center customers who need occupational skills training to become gainfully employed or re-employed. Adult and dislocated workers purchase training services from eligible providers they select in consultation with a case manager. Once issued an ITA, a customer is generally free to use it to procure the training services from eligible training providers of his or her choice, subject to some restrictions. To become listed as an eligible training provider, the provider must: (1) submit an application to the Local Workforce Investment Board for each program for which the provider is seeking eligibility, (2) agree to provide information on program costs and on the performance of recent trainees for each program, and (3) meet certain performance benchmarks for each program that is established by the state and local area.

#### Workforce Investment Act of 1998 Provisions for Incumbent Worker Training

Under WIA, local workforce investment areas have two specific mechanisms available to support worker training with employer cost-sharing components – on-the-job training (OJT) and customized training:

OJT is provided under a contract with an employer in the public, private nonprofit, or private sector. Through the OJT contract, occupational training is provided for workers in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs.<sup>18</sup>

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<sup>18</sup> WIA sec. 101(31)(B).

About 12 percent of WIA adult training participants receive on-the-job training.

Customized training is defined as training: (a) that is designed to meet the special requirements of an employer (including a group of employers); (b) that is conducted with a commitment by the employer to employ, or in the case of incumbent workers, continue to employ, an individual on successful completion of the training; and (c) for which the employer pays for not less than 50 percent of the cost of the training.<sup>19</sup> Nearly 10 percent of WIA training participants receive customized training. Waivers are available to states to allow smaller businesses to pay less than 50 percent of the cost of training, based on a “sliding scale” where smaller businesses pay a smaller share based on the number of employees.

#### Registered Apprenticeship

Registered Apprenticeships are formalized, structured training programs that combine paid on-the-job training with related technical and theoretical instruction in a skilled occupation. Depending on the occupation, apprenticeships can last one to six years. Apprenticeships are a form of incumbent worker training – not only are apprentices paid employees, but while some apprentices are new to the occupations in which they are training, others are experienced workers seeking advancement in their current occupations.

The Registered Apprenticeship system in the United States is codified in the National Apprenticeship Act of 1937. Apprenticeships are funded mainly by sponsors, which can be individual employers, employer/industry associations, or Joint Apprenticeship Training Committees (partnerships between labor unions and employers). The sponsors design, organize, manage, and finance Registered Apprenticeship programs under a set of standards which include an outline for the on-the-job training, curricula for the related instruction, and the apprenticeship operating procedures. These standards are then registered with the appropriate oversight agency.

In 25 states as well as the District of Columbia, Guam, and Puerto Rico, there is a Federally recognized state apprenticeship agency responsible for registering

apprenticeship programs that meet Federal and state standards, issuing apprentices’ Certificates of Completion, protecting apprentices’ safety and welfare, and assuring the quality of apprenticeship training. The U.S. Department of Labor has oversight responsibilities in the other 25 states and provides guidance, policy development, and support for the National Registered Apprenticeship System through a Federal investment of US\$21.1 million in Fiscal Year (FY) 2008.

In recent years, the U.S. Department of Labor has also worked to integrate Registered Apprenticeship with the public workforce investment system and increase participation in apprenticeships by under-represented populations, including women and youth. The U.S. Department of Labor is also leading efforts to expand apprenticeships, which historically were mainly in construction and advanced manufacturing, to high-growth industries including biotechnology, geospatial technology, health care, homeland security, information technology, and transportation.

In FY 2008, there were approximately 29,000 registered apprenticeship programs, involving 250,000 employers and 468,000 apprentices training in 850 occupations across all industry sectors. The U.S. Department of Labor estimates that the private sector invests approximately US\$2 billion annually in apprenticeship training.<sup>20</sup>

#### **Training for Dislocated Workers**

Like other world economies, the United States continues to face economic transformation due to technology and globalization. New industries are appearing that were not even imagined a decade ago. At the same time, some industries are dying or being transformed; many workers in these older industries are losing their jobs and lack the skills to obtain new employment. The U.S. Department of Labor funds two programs that are specifically designed to help these workers obtain the skills they need to successfully transition to new employment: the WIA Dislocated Worker Program and the Trade Adjustment Assistance program.

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<sup>20</sup> Information provided by the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (<http://www.doleta.gov/oa>), September 2008.

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<sup>19</sup> WIA sec. 101(8).



### *Workforce Investment Act Dislocated Worker Program*

The Dislocated Worker Program under the Workforce Investment Act of 1998 (WIA) provides workforce investment services to the following categories of job-seekers:

Individuals who have lost their jobs, including those dislocated as a result of plant closings or mass layoffs, and who are unlikely to return to employment in their previous industries;

Formerly self-employed individuals; and

Displaced homemakers (individuals who were dependent on the income of another family member, but are no longer supported by that income).

Many of these job-seekers need retraining in order to qualify for and secure new employment. Under WIA, they go through the same sequence of core, intensive, and training services used for other job-seekers, and may receive Individual Training Accounts to purchase training with eligible training providers. In 2008, the WIA Dislocated Worker program was funded at nearly US\$1.5 billion and nearly 400,000 dislocated workers received services. About 72 percent of these workers successfully entered employment.

### *Programs for Trade-Affected Workers*

A special category of dislocated workers consists of workers who have lost their jobs because of the impact of certain foreign trade. These workers are served by the Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA) programs authorized under the Trade Act of 1974.

The TAA program offers the following services to eligible individuals: training, weekly income support, out-of-area job search and relocation allowances, and the Health Coverage Tax Credit (HCTC). The ATAA program offers a wage supplement to offset earnings losses and HCTC to workers age 50 years and over within the TAA population.

Reemployment services, including assessment and placement services, are not provided with TAA funds. These services, provided as “wrap-around” services through WIA and other partner programs, are essential to ensuring that the TAA training investment results in optimal performance outcomes.

The TAA and ATAA programs are an integral

component of the comprehensive workforce investment system, and a vital part of each regional economy’s workforce and economic development strategies. These programs are essential to helping workers who are dislocated by foreign trade adjust to changing market conditions and shifting skill requirements.

Addressing the needs of trade-affected workers involved in this transformation is a unique challenge because, in general, these workers are, more often than not, dislocated from relatively low-skill, high-wage employment. In many cases, this is complicated by mass layoffs or plant closures that occur in single-industry towns, which makes finding comparable employment in the same geographic area difficult. Furthermore, many of these jobs are lost permanently from the domestic economy. Many workers must completely retool their skills in order to find employment. These factors underscore the need to help these workers meet the needs of businesses in high-growth, high-demand industries through the effective utilization of partnerships with other programs to provide reemployment services through the One-Stop Career Centers.

### *U.S. Department of Labor Initiatives to Make Technical and Vocational Education and Training “Demand-Driven”*

In recent years, the U.S. Department of Labor has initiated several major programs to make the nation’s workforce investment system more “demand-driven” by reorienting its training programs to meet employers’ workforce skill needs. In a demand-driven system, industry and businesses define workforce challenges and needs; education providers assist in developing and delivering training solutions to meet those challenges; and the public workforce investment system provides access to human capital.

### *High Growth Job Training Initiative*

Launched in 2002, the President’s High Growth Job Training Initiative has invested over US\$298.5 million in 167 partnerships among employers, education programs, and the public workforce investment system across the United States. These projects target the skill and talent needs of 14 industries identified by the U.S. Department of Labor as high growth, high demand, or as economically vital and undergoing technological change that requires new skill sets for workers. These industries include

advanced manufacturing, automotive services, biotechnology, energy, geospatial technology, health care, homeland security, information technology, and transportation.

### *Community-Based Job Training Grants*

The Community-Based Job Training Grants were launched in 2005 to expand the capacity of community colleges to meet local and regional employer workforce challenges. Several factors make community colleges well positioned to educate and train jobseekers as well as incumbent and dislocated workers. One factor is their large numbers of students. The 1,195 community colleges in the United States have a current enrollment of 11.5 million students as of January 2008 and award 555,000 two-year associate degrees and 295,000 vocational certificates per year.<sup>21</sup> Also, they are closely connected to local and regional labor markets and have extensive professional and alumni networks.

Community colleges are the primary technical and vocational education and training providers in the United States for a number of high-growth occupations. For example, in health care, 59% of new nurses and the majority of other new health-care workers are educated at community colleges, while in homeland security, nearly 80% of firefighters, law enforcement officers, and Emergency Medical Technicians are credentialed at community colleges.<sup>22</sup>

Community-Based Job Training Grant awardees are training new and experienced workers in high-growth, high-demand industries and are undertaking significant capacity-building activities. These include developing new training curricula, building partnerships with local industry, hiring additional faculty, coordinating on-the-job learning experiences, and modernizing equipment. To date, the U.S. Department of Labor has awarded a total of US\$375 million to 211 grantees. Most recently, Congress provided up to US\$125 million in additional funds for this initiative.

### *Workforce Innovation in Regional Economic Development*

<sup>21</sup> American Association of Community Colleges Web site (<http://www2.aacc.nche.edu/research/index.htm>), October 9, 2008.

<sup>22</sup> American Association of Community Colleges Web site.

### *Initiative*

Launched in 2006, the Workforce Innovation in Regional Economic Development (WIRED) Initiative recognizes regional economies—which transcend traditional geographical or political boundaries between cities, counties, and states—as drivers of innovation, job creation, and economic growth. The WIRED Initiative integrates economic, education, and workforce development strategies to promote talent development and innovation as the main engines of job creation in regional economies.

ETA has provided US\$325 million in funding and on-going technical assistance to 39 regions across the country to expand employment and advancement opportunities for American workers and to catalyze the creation of high-skill, high-wage opportunities in these regional economies. Each region is customizing its strategies to its particular economic challenges and opportunities through a collaborative partnership comprised of private industry, government, the workforce investment system, economic development agencies, educational institutions (at the primary, secondary, and post-secondary levels), and philanthropic organizations.

### **Examples of Technical and Vocational Education and Training for Incumbent Workers**

The following examples illustrate how incumbent workers in the United States are receiving technical and vocational education and training for high-demand occupations through programs supported by the U.S. Department of Labor.

#### *Western Alabama – Eastern Mississippi WIRED Region*

East Central Community College (ECCC) in Decatur, Mississippi has provided education and training to nearly 15,000 workers over the past year in the following occupations: production technicians, maintenance technicians, mechanics, electricians, engineers, programmers, welders, machinists, and automation production workers. The industries employing these newly trained workers include manufacturing (steel, furniture, electronics, and heavy equipment), homeland security, food processing, wood processing, and hospitality.

ECCC employs Workforce Coordinators to build relationships with industry representatives who help to develop and deliver short-term, non-credit, customized training courses. For convenience to the trainees,

these courses are taught at a network of training labs that are located at the college or at worksites. Laboratory equipment meets industry standards for reflecting real work environments. Supplemental technology-based learning is also available for qualifying trainees. The instructors come from the ECCC faculty or from within industry.

The bulk of the training is customized to increase productivity on a specific job. Depending on the course, trainees can earn a variety of credentials, including a National Career Readiness Certificate of proficiency in basic reading, math, and analytical skills; a regional Technical Certificate for demonstrated technical skills; or Registered Apprenticeship credentials. Remedial sessions are offered for those who fail to earn the credential they have pursued.

The majority of the costs for this training are paid from state incumbent worker training funds, which come from a percentage of employers' Unemployment Insurance taxes.

#### *Pacific Mountain WIRED Region (Washington State)*

The need to train incumbent workers on-site created an opportunity for Westport Shipyard, North America's largest yacht builder, and the Pacific Mountain Workforce Consortium in Washington State to explore how Digital Video Disks (DVDs) could be used as visual interactive training tools. Manufacturers need training tools that can be easily adapted to reflect frequent changes in production processes while maintaining and increasing production levels. Pacific Mountain determined that DVDs are a first step to fill existing skills gaps and began replicating the process with other industries. Their effort has resulted in the development of on-going DVD training modules also scripted with Spanish translations.

DVD on-site training is filling the skills gaps for the shipyard's incumbent workers by demonstrating the detailed steps of the production process and clearly showing the expected outcomes. This method has proven to be cost effective (providing a quick return on investment) by limiting down-time and producing measurable results in productivity; increasing teamwork, communication, and problem solving; and tripling the training capacity of the incumbent worker project.

The shipyard has saved approximately 10 minutes per employee per task trained, equaling a savings of 40-50 minutes per day per employee trained. Employers provided immediate positive feedback that the videos more than met their training expectations, presented a professional image of their companies' processes and products, and were well worth the time and resources invested in scripting, editing, and filming them. Feedback from employees has also been positive; one employee said "Our plant has needed this video for ten years. Our company has probably needed it for thirty."

The benefits of the industry training videos continue to be widely shared. One company put a version of the video on their corporate Web site for the other 27 plants in the United States, which employ 450 employees in Washington State and 6,500 nationwide. Another company has expanded use of their training videos globally to include corporate partners in the Czech Republic, Germany, and Sweden.

#### *Northern Willamette Valley WIRED Region (Oregon)*

In the seven-county region surrounding the city of Portland, Oregon, Worksystems, Inc., the local workforce investment board, and the Oregon Bioscience Association (OBA), an industry association, formed a partnership to foster growth of the biotechnology industry.

In 2007, Worksystems, Inc. allocated a training fund of almost US\$2 million for targeted industries, including biotechnology, advanced manufacturing, information technology, and healthcare. That fund consisted of Workforce Investment Act of 1998 formula dollars and Governor's "set-aside" funds for incumbent worker training. In partnership with industry associations, Worksystems, Inc. established industry skill panels to determine training priorities for new and incumbent workers in these targeted industries.

Worksystems, Inc. contracted with OBA to provide training in bioscience. The bioscience skills panel, comprised of around twelve industry volunteers, was charged with selecting trainers and developing a training plan. Training courses were developed in such areas as the regulatory environment, quality system management, inspection, corrective and preventive actions, production and process control, statistics, technical writing, communication and negotiation, planning and time management, team

building, and project management.

From February through June 2008, 319 workers from 25 companies participated in 39 classes held in company training rooms. On average each class included 8.2 trainees from several companies. OBA issued a certificate of completion, which was industry-recognized throughout Oregon, to each trainee who passed the post-training test for their course.

Trainees have rated their classes highly, with an average of 4.4 out of a possible 5 points. Participating employers have also praised the Bioscience Training Partnership, saying that it has made training much more accessible, helped them meet their employee retention goals, and made them more engaged with each other and with regional partners.

#### *The National Fund for Workforce Solutions*

The National Fund for Workforce Solutions, created in 2007, addresses the skill shortages that threaten U.S. industries' competitiveness while helping low-skill, low-wage workers and job-seekers obtain the education and skills needed to succeed in the global labor market. The National Fund is collaborative strategy supported by an initial US\$20 million invested by several national philanthropic foundations as well as the U.S. Department of Labor.

The National Fund seeks to expand promising sectoral "workforce partnerships" – entities at the regional or state level that organize key stakeholders (employers, government, local institutions, non-profits, and other interested parties) and resources to meet the specific skill needs of workers and employers in growing industry sectors. These partnerships are designed to be broad-based, community-driven, results-oriented, entrepreneurial, and trusted by both employers and workers. The National Fund also promotes the formation and leadership of regional funding collaboratives, which pool funds from a variety of private and public sources to develop and expand workforce partnerships and to advocate for policies that will sustain them.

To date, the National Fund has issued grants to an initial round of ten grantees in the metropolitan regions encompassing eight major cities and in two states. Over the next five years, the National Fund seeks to raise US\$50 million, leverage US\$200 million

in new regional funding to sustain the workforce initiatives, train at least 50,000 workers, serve at least 1,000 employers, and improve the public workforce systems in more than 30 regions across the United States.

#### *WorkSource Partners (Massachusetts)*

WorkSource Partners in Massachusetts is an example of a sectoral workforce partnership that addresses both employers' and workers' skill needs. It helped long-term care employers and their community college partners develop comprehensive "career ladder" programs to train Certified Nursing Assistants (CNAs) for Licensed Practical Nurse (LPN) positions. These programs addressed both the nurse shortage faced by health care employers – particularly in the long-term care sector, which is growing due to the aging of the population – and gave entry-level workers opportunities to advance to more highly paid positions in this industry.

WorkSource Partners, as the workforce partnership, brought together employers and other partners to design and establish Regional Advancement Centers, which represent a partnership of long-term care employers, entry-level workers, community colleges, and the public workforce development system. These Centers offer a sequence of educational steps, coupled with counseling and supportive services, for workers to enter and succeed in community college LPN training programs.

Career ladder training offered by the program includes pre-college mathematics and English (offered at the worksite); prerequisite college courses required to enter the LPN program (including psychology, human development, anatomy, physiology, and biology); and a customized, 10-month, evening and weekend LPN program.

Seed funding for the Regional Advancement Centers came from the Extended Care Career Ladder Initiative (ECCLI), a program of the long-term health care industry in Massachusetts. Program costs are covered by a combination of ECCLI funds, Federal student financial aid, and employer contributions. Employer contributions include tuition assistance, classrooms, computers, and workplace policies that help the trainees balance their training with their jobs. For example, trainees were given flexible work schedules limited to 24 hours per week but still

retained their full employer-provided medical benefits despite their part-time work status.

The program helped employees enroll in and complete LPN training, pass the LPN licensing exam, and advance to LPN jobs. The program helped the long-term care employers fill LPN vacancies, resulting in cost savings from employing fewer temporary contract nurses, reduced CNA turnover and vacancy rates, and improved patient care.

### **Conclusion**

In order to address the demographic challenges and skill demands of the 21st Century economy, workers in the United States need access to technical and vocational education and training that provide the

skills demanded by employers. Because the education and training systems in the United States are highly decentralized, there are multiple avenues to provide TVET for incumbent workers via industry and government investment.

Private-sector employers invest substantial resources of their own into employee training. In addition, a variety of public programs, supported by the U.S. Department of Labor and other Federal agencies, have increased the quality of and access to the technical and vocational education and training for incumbent workers. By enhancing the skills needed for high-growth occupations, these programs are helping workers and employers in the United States to compete in the global economy.

**Appendix:****Electronic Tools to Assist Incumbent Workers' and Others' Career Development**

U.S. Department of Labor has funded several Web sites that offer a variety of career resources and workforce information to job seekers, students, employed workers, businesses, and workforce professionals to foster talent development in the global economy.

The following resources are components of the CareerOneStop ([www.CareerOneStop.org](http://www.CareerOneStop.org)) Internet portal, which provides employment information and tools to help job seekers, students, employers, and workforce professionals.

America's Career InfoNet ([www.CareerInfoNet.org](http://www.CareerInfoNet.org)) – helps individuals explore career opportunities to make informed employment and education choices. The Web site features user-friendly occupation and industry information, salary data, career videos, education resources, self-assessment tools, career exploration assistance, and other resources.

America's Service Locator ([www.ServiceLocator.org](http://www.ServiceLocator.org)) – connects individuals to employment and training related services available at local One-Stop Career Centers, which are part of the public workforce investment system. The Web site provides contact information for a range of local work-related services, including unemployment benefits, career development, and educational opportunities.

Competency Model Clearinghouse ([www.CareerOneStop.org/CompetencyModel](http://www.CareerOneStop.org/CompetencyModel)) – provides employers and businesses with a means to communicate their skill needs to educators and the public workforce investment system in a common industry-driven framework. The models and other competency-based resources support development of curricula and increased awareness of careers in high-growth industries.

Key to Career Success ([www.CareerOneStop.org/MilitaryTransition](http://www.CareerOneStop.org/MilitaryTransition)) – provides career information and links to work-related services that help veterans and military service members successfully transition to civilian careers. This program is co-sponsored by the U.S. Department of Defense.

Additional U.S. Department of Labor-sponsored resources, available on the Web as external links from the CareerOneStop.org Web site, include the following:

Career Voyages ([www.CareerVoyages.gov](http://www.CareerVoyages.gov)) – informs youth, young adults, parents, and school staff about occupations in high-growth industries. This interactive Web site provides information regarding the skills and education required for these occupations, and points Web site users to specific education and training opportunities for these occupations. The Web site is co-sponsored by the U.S. Department of Education.

O\*NET OnLine (Occupational Information Network) (<http://online.ONETcenter.org>) – serves as a primary source of occupational skills and competency information in the United States. This Web site provides comprehensive information on key attributes and characteristics of workers and occupations. It also offers self-directed career assessment tools to help identify work-related interests and preferred job attributes, and allows one to assess his or her abilities in order to explore those occupations that relate most closely to those attributes. There is also a Skills Search feature that allows one to find occupations based on one's skills.

MilSpouse ([www.MilSpouse.org](http://www.MilSpouse.org)) – helps military spouses find employment and education opportunities as well as provides information to help military families with relocations. The Web site is co-sponsored by the U.S. Department of Defense.



OnLine Coaches ([www.CareerOneStop.org/usersupport/OnLineCoach.asp](http://www.CareerOneStop.org/usersupport/OnLineCoach.asp)) – offers interactive, step-by-step instructions for using many of the above Web sites.

Workforce<sup>3</sup>One ([www.Workforce3One.org](http://www.Workforce3One.org)) – offers innovative workforce solutions for workforce professionals, employers, economic developers, and education professionals. Online learning events, resource information, and tools help organizations learn how to develop strategies that enable individuals to be successful in the 21st Century economy by understanding the skills and competencies needed by business and industry.

## Incumbent Worker Training in the United States

APEC Forum on Human Resources Development  
Chiba, Japan  
November 19-21, 2008



Thomas M. Dowd  
Administrator  
Office of Policy Development and Research

ETA/USDEPARTMENT OF LABOR  
OFFICE OF POLICY DEVELOPMENT AND RESEARCH

## Overview

- The Need for Incumbent Worker Training
- Employer Investment in Incumbent Worker Training
- U.S. Government Support for Incumbent and Dislocated Worker Training
- "Demand-Driven" Technical and Vocational Education and Training (TVET) Initiatives






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## The Need for Incumbent Worker Training

There is more need to train incumbent (currently employed) workers to meet "skills shortages" caused by:

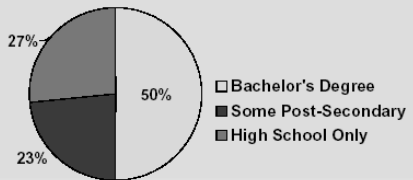
- Greater skill requirements in the labor market
- Older workers' retirements
- Young workers' skill deficits



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## The Need for Incumbent Worker Training

Educational Requirements for the 30 Fastest-Growing Occupations of 2006-2016



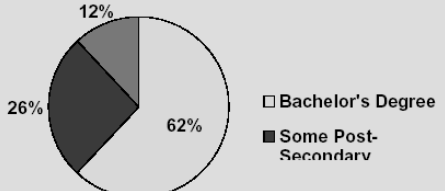
| Requirement         | Percentage |
|---------------------|------------|
| Bachelor's Degree   | 50%        |
| Some Post-Secondary | 27%        |
| High School Only    | 23%        |



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## The Need for Incumbent Worker Training

Educational Requirements for High-Wage, High-Growth Occupations in 2006-2016



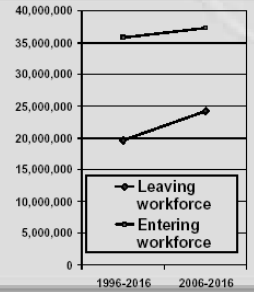
| Requirement         | Percentage |
|---------------------|------------|
| Bachelor's Degree   | 62%        |
| Some Post-Secondary | 26%        |
| High School Only    | 12%        |



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## The Need for Incumbent Worker Training

Dramatically Slowing Growth of the U.S. Labor Force, 1996-2006 versus 2006-2016




| Category           | 1996-2006   | 2006-2016   |
|--------------------|-------------|-------------|
| Leaving workforce  | ~20,000,000 | ~24,000,000 |
| Entering workforce | ~35,000,000 | ~37,000,000 |





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### The Need for Incumbent Worker Training




- ☛ In a 2006 survey of 400 U.S. corporate human resource professionals about new workers' skills:
  - 42 percent rated recent high school graduates as "deficient in their overall preparation" for entry-level jobs.
  - 25 percent rated recent four-year college graduates as deficient in writing skills.




### Employer Investment in Incumbent Worker Training



- ☛ Worker participation in formal job training increased from 31.1 percent in 1995 to 38.8 percent in 2005.
- ☛ The vast majority of U.S. job training is funded by employers. In 2002, estimated spending on workforce training was:
  - US\$3.2-5.3 billion by the Federal government.
  - US\$500-700 million by State governments.
  - US\$46-54 billion by employers.




### Employer Investment in Incumbent Worker Training




American Society of Training and Development estimates that in 2006, on average:

- ☛ Employers spent US\$1,040 per employee on employee learning and development.
- ☛ Each employee had 35 hours of formal training.
- ☛ Technology-based training nearly tripled since 2001, while live, instructor-led training decreased.




### Employer Investment in Incumbent Worker Training




The Urban Institute reviewed employer surveys on employee training and found:


- ☛ Nearly all workers received informal training.
- ☛ About 70 percent of workers receive firm-sponsored formal training.
- ☛ Higher-level, higher-paid workers with more education are most likely to receive employer-funded training.




### U.S. Government Support



- ☛ Most U.S. public education is funded by state and local governments.
- ☛ Federal support for post-secondary education and training targets specific groups of students and workers. They include:
  - Higher Education Act programs
  - Educational tax credits
  - Vocational and Adult Education
  - Workforce Investment Act
  - Registered Apprenticeship (privately funded)




### U.S. Government Support Higher Education Act (HEA)



HEA post-secondary student financial aid, funded at US\$91 billion in 2008, includes:



- ☛ Undergraduate grants
  - Based on financial need
  - Pell Grants
  - Federal Supplemental Educational Opportunity Grants - for students with the greatest need





### U.S. Government Support Higher Education Act (continued)



- ☛ Federal loan programs
  - Loan types based on financing:
    - Federal Family Education Loans from private lenders
    - Ford Direct Loans from the U.S. Dept. of Education
  - The above loan types are either:
    - PLUS Loans for parents of dependent students
    - Stafford Loans for financially independent students
  - Perkins Loans
    - Low-interest loans for needy students
    - Loan forgiveness incentives for graduates to enter public service careers



### U.S. Government Support Higher Education Act (HEA)



Historically, only a small percentage of HEA student financial aid has assisted "non-traditional" working adult students.

- ☛ 2008 HEA reauthorization includes provisions to increase access to student financial aid for non-traditional students, including:
  - Dislocated (laid-off) workers
  - Students without high school diplomas



### U.S. Government Support Federal tax credits for post-secondary education



- ☛ Hope Scholarship Credit: up to US\$1,500 for two years for students attending at least half-time.
- ☛ Lifetime Learning Tax Credit: up to US\$1,000 per year for students studying less than half-time or beyond two years.
- ☛ Section 127 Employer Tax Credit: allows employers to deduct from their taxes up to US\$5,250 per year in reimbursement for employees' educational costs.



### U.S. Government Support Workforce Investment Act (WIA)

WIA services for job-seekers



- ☛ 3,200 One-Stop Career Centers nationwide
- ☛ Three levels of service:
  - **Core**: job search information and placement assistance available to all adults
  - **Intensive**: staff-assisted services such as career assessment and counseling
  - **Training**: Individual Training Account vouchers used with eligible training providers



### U.S. Government Support Workforce Investment Act (WIA)



WIA Incumbent Worker Training Provisions

- ☛ On-the-Job Training: reimburses employers for up to half workers' wages during training
- ☛ Customized Training:
  - Designed to meet employer's special requirements
  - Employer commits to hire or continue to employ trainees who complete training
  - Employer pays at least half of training costs



### U.S. Government Support Registered Apprenticeship

- ☛ Registered Apprenticeships are formalized, structured training programs that combine paid on-the-job learning with formal instruction.
- ☛ Funded by employers and/or labor unions.
- ☛ Registered with ETA or state apprenticeship agency, which sets and enforces standards.
- ☛ In 2008, there were 29,000 registered apprenticeship programs involving 250,000 employers, 468,000 apprentices, and 850 occupations.



### U.S. Government Support Dislocated Workers



#### WIA Dislocated Worker Program

- ☛ Serves job-seekers who:
  - Lost their jobs and are unlikely to return to work in the same industry
  - Were formerly self-employed
  - Are "displaced homemakers" (formerly dependent on their spouse's income)
- ☛ In 2008, funded at US\$1.5 billion and served 400,000 dislocated workers, 72 percent of whom entered employment after services.

### U.S. Government Support Dislocated Workers



#### Trade Adjustment Assistance (TAA)

- ☛ For workers in goods-producing industries who lost their jobs due to the effects of foreign trade.
- ☛ Offers training, income support, out-of-area job search and relocation allowances, and the Health Coverage Tax Credit.
- ☛ Other re-employment services are provided through One-Stop Career Centers and partner programs, not with TAA funds.

### "Demand-Driven" Technical and Vocational Education and Training (TVET) Initiatives



"Demand-driven" means responsive to the workforce challenges and needs defined by employers

- ☛ High-Growth Job Training Initiative
- ☛ Community-Based Job Training Grants
- ☛ Workforce Innovation in Regional Economic Development (WIRED)

### "Demand-Driven" TVET Initiatives



#### High Growth Job Training Initiative

- ☛ Increases skilled workers for industries that are high growth, high demand, or economically vital, including:

|                        |                        |
|------------------------|------------------------|
| Advanced Manufacturing | Geospatial Technology  |
| Aerospace              | Health Care            |
| Automotive             | Homeland Security      |
| Biotechnology          | Information Technology |
| Energy                 | Transportation         |

- ☛ Invested over \$288 million on 156 projects since 2003.

### "Demand-Driven" TVET Initiatives



#### Community-Based Job Training Grants

- ☛ Expands TVET capacity in community colleges.
- ☛ Train workers for high-growth occupations.
- ☛ 211 grants totaling \$375 million since 2005.

### "Demand-Driven" TVET Initiatives



#### Workforce Innovation in Regional Economic Development (WIRED) Initiative

- ☛ WIRED Framework:
  - Focus on regional economies that cross boundaries between cities, counties, and states.
  - Innovation and "talent development" spur job creation and economic growth.
- ☛ US\$325 million in grants and technical assistance since 2005 to 39 selected U.S. regions.
- ☛ Support broad-based regional partnerships to plan and implement talent development strategies.

## Examples of TVET for Incumbent Workers



### WIRED Initiative Examples

- Training videos for advanced manufacturing workers (Washington State).
- Industry skill panels of volunteers developed training courses for bio-technology workers (Oregon).
- Community college and industry representatives develop customized training courses leading to industry-recognized credentials (Mississippi).



EMPLOYMENT AND TRAINING ADMINISTRATION

## Examples of TVET for Incumbent Workers



### National Fund for Workforce Solutions

- Startup funding provided by charitable foundations and U.S. Department of Labor.
- Supports workforce partnerships to provide education and training for low-skill, low-wage workers to advance into high-growth occupations.
  - Example: Regional Advancement Centers provide education, training, and support services to help Certified Nursing Assistants become Licensed Practical Nurses (Massachusetts).



EMPLOYMENT AND TRAINING ADMINISTRATION

## Conclusion



- U.S. workers need access to TVET in skills that employers demand.
  - High-growth, high-wage occupations need higher skill levels than many workers have.
- Decentralized system means multiple education and training options for incumbent workers.
  - Businesses invest heavily in employee training.
  - U.S. government-funded programs have increased TVET quality and access for incumbent workers.
- Programs supporting incumbent worker training help U.S. workers and employers compete in the global economy.



EMPLOYMENT AND TRAINING ADMINISTRATION

For more information on programs and initiatives of the U.S. Department of Labor, Employment and Training Administration, go to:

**<http://www.doleta.gov>**



EMPLOYMENT AND TRAINING ADMINISTRATION

## ◆ Q & A Session

### Comments:

Thank you. I am really interested in your demand-driven initiatives. And I am just wondering – it was the slide that actually said what training areas that you were increasing, you know, I just cannot see the number of the slide.

### Comments:

And it starts off demand-driven TVET – yes, this one. Yeah, the high growth job training initiative, yeah. I am interested in what criteria you use for targeting this kind of training, because we have a situation where we are too small to actually provide training across every field you know. So, obviously, we are thinking about, well not obviously, but we are thinking about how to target areas. And I was interested in the fact that you took the financial sector off because they are actually economically vital and clearly they do need some more training in some other way. And I wondered whether that was because so much of the investment comes from employers so that when you say we have taken the financial sector off that means that it is not a policy decision that it is not an important area, but those employers are unlikely to fund the training. So, I am just wondering if you could just talk a little bit about that.

### Mr. Thomas M. Dowd (USA):

First of all, the US government is not in the business of picking winners and losers in the marketplace at least that was true to about 5 weeks ago – I am just teasing. The Department of Labor working with a number of high research centers as well as our own Bureau of Labor Statistics and industry. We went and looked at all the growth to make determination just naturally where is the demand and the growth in our economy. And because of limited funding we could only pick the first top 12 – there are more. So, we did not say let us pick that one and this one, we determined based upon some evaluation of survey results which are the top 12. That is how we did the selection, number one.

Number two, with regards to the financial sector, the reason why we take them off the list for now is not that because they are not a demand-driven or a growing industry but because of the current circumstances, we now have a surplus of people who are being laid off in tens and thousands in that industry in America. So, they do not lack for skills, they lack for employment. So, we are going to be working with them around reemployment to get them into other kinds

of occupations in other areas to the degree that they want to. Many of the people who work in the financial sector, they already have very high levels of education and experience. So for many of them, moving perhaps across other sectors will not be as difficult – there will be some difficulty – we will have to do some retraining, but that is the reason why. It is not because that they have stopped investing in training. In fact, some are still hiring but there is a very heavy shakeout in that industry right now. So, there is a surplus of people in that area.

### Q-1:

Thanks for the presentation. I have a couple of questions and it relates somewhat to what you have just mentioned around retraining those individuals that are displaced from a variety of sectors, not just the financial services sector. So, my first question relates to the income support programs that are available in the US. And you mentioned an area around not all the workers per se but those incumbent workers that are displaced and the available income support, so what provisions – can you explain a little bit around the provisions around the access? So, do they not look at the previous year's income tax records I mean what is it about and then I will ask the second question.

### Mr. Thomas M. Dowd (USA):

I did not cover unemployment insurance because it is not a training program per se. Much like in Canada and perhaps other economies, we view the unemployment insurance system as the safety net for a person who has lost their job and is going to immediately need some income replacement but it is not going to be enough to live on but perhaps it will help pay for food and other kind of essentials while we are working with them hopefully to either get them reemployed based upon their current skill level or to get them into the training so they can get into another occupation. So, there is a safety net of that sort called unemployment insurance. But unlike – I even know an incidence of Canada, our unemployment insurance system is not nearly as generous as yours is and as a result of that there is not as many weeks of support that we provide them. Is this the thinking you are asking?

### Q-2:

Well, it is not. I was actually asking more in relation to your student aid programs.

You had mentioned a program around – I am not sure which slide it was on, let me see here. The Higher Education Act, the reauthorization to increase access to student aid for non-traditional students so those displaced or laid-off workers. So, I was – sorry, I could have been clear –

my question is related to that.

**Mr. Thomas M. Dowd (USA):**

On the education side, there are some limited programs – the ones I have listed there for you and of course there are eligibility requirements that who can actually avail themselves of those services. Those programs are not that robust and they are not that large and they are not the primary income replacement like unemployment insurance if you were employed and lost your job but these are opportunities for people who otherwise would be called students and they want to get some support while they are trying to get education to up-skill themselves and get back into the workplace.

**Q-3:**

Okay. So, you are not considering any shift in policy as a result of just the variety of turmoil and what supports might need to be in place for those workers?

**Mr. Thomas M. Dowd (USA):**

Well, I do think the new administration will – wanted to probably re-look at those programs but because they were statutory programs, there is nothing we can do administratively to change them by policy. They only can be changed through Congress reauthorizing and changing the terms of the services.

I do suspect though that the new administration under President Obama will go back and look at a lot of these programs and determine not only because of where the economy is today but because of the dynamic nature of how the workers are changing, how these programs can better support them. Some would argue that there has not been enough investment on the education side at the federal level. Again, that is a sort of political argument that they will have to have and sort it out, but the actual changing of those services will have to happen through reauthorization.

# Philippines

## Economy Paper



**Bureau of Local employment,  
Department of Labour and employment  
Ms. Maria Criselda Rebuldele SY**

### Executive Summary

As in most national systems of skills and career development, the Philippines adopts a mix of the three major types of training—formal school-based vocational training, non-formal training, and enterprise-based training. The policy mandate that embodies these training strategies emanate from Item 6, Article 15 of the Philippine Labor Code, which among others institutionalizes the development of a responsive vocational guidance and testing system in aid of proper human resources allocation.

TVET provision in the Philippines is one of the strategic thrusts of the national government, because it plays a vital role in addressing the poverty alleviation thrusts of the 2004-2010 Philippine Medium-Term Development Plan (MTPDP). TVET is seen as an important element in the country's development, specifically aimed at responding to the skills training requirements of those who are already in the labor market, particularly the displaced workers who lost their jobs because of closure of establishments and retrenchment or laying-off of workers. It also addresses the skills and career development of returning overseas Filipino workers who decide to discontinue working abroad, as well as those currently employed who want to upgrade their skills or acquire new skills in accordance with the needs of the industry.

The TVET providers in the Philippines are mostly private TVET institutions numbering 4,510 or 62% of the total TVET providers in the country. The public TVET providers represent 38% of the total, which include the 121 institutes under the direct supervision of the Technical Education and Skills Development

Authority (TESDA) of the Department of Labor and Employment (DOLE).

The convergence strategy in TVET is being adopted to further increase access to training opportunities. Over the years, efforts on this result to the increasing number of persons trained in various TVET programs. However, in spite of the significant gains achieved so far, there are still gaps that need to be addressed. The gaps, which include the persistent job mismatch and unemployment in the Philippines are currently being addressed by improving further the access and equity in TVET thru the Ladderized Education Program, provision of scholarship programs, improvement in assessment and certification system, and massive development programs of the private Technical Vocational Institutions (TVIs) through incentives and technical capability build-up.

## ◆ Q & A Session

### Q-1:

Thank you very much. I was curious in the issuing of certificates versus the understanding of certification. In the United States, we are still struggling with getting to a certification standard but oftentimes, some entities issue certificates but nobody recognizes that piece of paper. So, I was curious – have you been able to reconcile that or come to a national standard in the Philippines?

### Ms. Maria Criselda Rebuldele SY (Philippines):

We are constantly trying to improve the certification of the workers you mean or assess the, sorry, the training?

### Comments:

The training, yeah.

### Ms. Maria Criselda Rebuldele SY (Philippines):

The training. Yeah. In most of the trade areas, they recognize the certifications issued by the TVET providers.

### Q-2:

So, those are industry-based standards that the government has certified?

### Ms. Maria Criselda Rebuldele SY (Philippines):

Yes. We do a lot of competency and standard assessments because lately for the last 2 years since we had the National Manpower Summit, we have actually concentrated in coming up with competency standards for the business process outsourcing industries, particularly the call center and the animation industries.

### Q-3:

I am just interested. I mean we have similar variation in certification rights and I am just interested. For example, you have a very high certification rate for the maritime industry. Is that related to regulatory requirement that you must have the certificate before you can work in that industry and conversely in the process food industry, is there no requirement and therefore, you know, you do not have to have the piece of paper so you can work there?

### Ms. Maria Criselda Rebuldele SY (Philippines):

Yes. It is actually related to the regulatory requirement. Especially, in the maritime industry there are a lot of standards that you have to comply with.

### Comments:

Thank you very much for your presentation. My question is how to encourage people to apply for the skill testing. How to encourage people to apply for the skill standard testing? You compulsory for them to apply for skill standard testing or it is voluntary based? I ask you because...

I mean the people – the workforce in the labor market because your core organization issues national skills standard and competencies, right? How do you encourage people to apply for the skill testing? Because in Thailand it is voluntary based. In the Philippines, it is also voluntary based. It is actually the workings of the market because if the Filipinos would actually prefer to work outside of the country, they need to present a lot of certifications that they are really qualified to work in that particular occupation or job.

# Indonesia

## Human Resources Development in Indonesia



**Ministry of Manpower and Transmigration Mr. Hendra Iswara Martin**

### Executive Summary

Human Resources Development (HRD) is one of priority concern of The Government of Indonesia as well as The Parliament. The Government gradually increases the budget for HRD up-to 20 percent of The National Budget.

There are three major streams or pathways for HRD in Indonesia, e.g. education, training and career development at the work place.

HRD is very important and strategic thing in the country, but it is also complicated effort. There are a lot of obstacles and problems faced by Indonesia needs to be handed.

Education is the main stream of HRD. Through a systematic of education, country can develop and enhance the self reliance of the people and lays down their basic capabilities in knowledge, skills, attitude and aptitudes.

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be handed.

Education is the main stream of HRD. Through a systematic of education, country can develop and enhance the self reliance of the people and lays down their basic capabilities in knowledge, skills, attitude and aptitudes.

The development of human resource through the stream of career development, is mostly the tasks and responsibility of companies. The objective of career development is to master and to develop competencies and professionalism of employees, so that they able to do the jobs productively.



## ◆ Q & A Session

### Q-1:

Thank you very much for your very interesting presentation. I was very interested to learn about the independent certification system which I think is very innovative. I am interested to know how that independent certification system is funded, how much of that is paid for by the person applying for certification and how much is paid for by the government. Thank you.

### Mr. Hendra Iswara Martin (Indonesia):

Thank you very much Jeremy. Well, the certification program is funded by Indonesian government but not completely. Anyone who wants to certify his competency has to pay around 500,000 rupiahs – in dollars only \$50 maybe. And the Government of Indonesia's subsidy is maybe only the same as what the people pay. So, until 2009, Government of Indonesia will still subsidize people who want to certify their competency – 50:50, yes.

### Q-2:

One question, who certifies the TVET institutions or trainers?

### Mr. Hendra Iswara Martin (Indonesia):

Of course PCA, the Professional Certification Authority. The PCA has responsibility to accredit TVET and TVET instructors.

### Q-3:

I am also interested in your NPCA institution and my question is do they just certify the TVET trainees or do they also certify other professional groups like doctors, or lawyers, or accountants?

### Mr. Hendra Iswara Martin (Indonesia):

Not just for TVET. For an employee who work in industry, they can ask us to certify his competency like a doctor, like a lawyer maybe but until now we have only 19 standard competencies – so, it maybe not for all professions, but in the future perhaps all professions will be under the control of NPCA.

### Q-4:

Thank you for your excellent presentation. My question is, you know, job requirements are changing rapidly. How to make standards of competence training fit the changing of job requirements?

### Mr. Hendra Iswara Martin (Indonesia):

Okay. Thank you. We always are sitting together with industry and the union and the government, so every time we talk about these changes. And of course, educational streams cannot solve the problem about the job requirement because of change. So, if it is one of the institutions can bridge the differences or the fast changes in technology and industrial techniques, we change gradually if it is technology, not changing the education stream. But we develop the TVET to meet the industrial requirement of technology. So, every time in 3 months, we are sitting together to discuss changes in technology around the world – not in Indonesia particularly, but in the world. The reason we are sitting together is because Indonesia has a lack of jobs, and we try to catch up with the other countries to place our workers in foreign country to work there. So, we have to provide skills, become skilled workers to meet the requirements of jobs in other countries.

### Q-5:

In your presentation, you have two systems of competency – one is the certification in system and that you said the gradual about certain education, will automatically recognize us as competent people. So is there any difference between the diploma of the graduate and the certification?

### Mr. Hendra Iswara Martin (Indonesia):

Well, Indonesia has two systems of certification. The first is without any extra examination or test to get the certificate other than the diploma.

I mean do the graduates need to pass some kind of test to get the certificate, you know, other than their diploma.

Testing for a certification is conducted by national – PCA, Professional Certification Authority Agency I mean. So those who want to – who need a certification then apply to us, to PCA and then test in the – we call training Indonesia.

### Comments:

So the diploma and the certificate are different, thank you, thank you.

### Q-6:

Please, congratulations very good presentation. I was curious, you mentioned just before that you train people thinking also going abroad and I was wondering, because that is much money and people are going to work out of your country – is that state policy in that sense, and I do not know if there is a rationale there.

### Mr. Hendra Iswara Martin (Indonesia):

Yes this is one of our government policies because of the

lack of jobs in the country. Now in 2008 the employment rate is 5.1% – it is almost 9 million people, so in Indonesia, it is the lack of jobs, so joblessness is very, very high, the unemployment rate is very high. If we look in, Indonesians come here to follow their apprenticeships. Maybe they learn here many things for 1 or 2 years and then go back to Indonesia, and we hope that they can get a job – not looking for job. That is how.

3000 people maybe.

**Q-7:**

Sorry is it also one of the reasons that you are encouraging people to work overseas, that there are significant remittances back to Indonesia from foreign workers?

**Audience:**

As an example, Indonesian people overseas are working, yes, so as an example, I would like to explain to you about Indonesian people actually working overseas. So, as an example, I would like to introduce you to the actual examples of Indonesian people working overseas right now. How Indonesian people overseas are doing – I would like to talk to you about that. Last year, Sakhalin in Russia, I was a supervisor of those people last year. This was regarding liquid natural gas and piping. It is very high-skilled work, minus 160 degrees temperatures, also 250 degrees in hot temperature as well, so you cannot do anything that is unprofessional, so you need to train people properly and they are managing to do that.

I did not know what highly skilled, high technologies the Indonesian people have, I did not know that and I asked them why and they also told me like you were just saying, they were encouraged by – I am sorry they did not tell me, but I am imagining that it is probably because they were encouraged by the government. I heard that they came to Japan to construct a plant so at that time Indonesian people also participated and learned skills and then they moved on to Sakhalin in Russia and things like that and right now people who are working there, they are coming from Oman, the Middle Eastern country and that is what I heard by somebody emailing me and things. So some really high skills they do acquire overseas and apply, so I wanted to tell you about that.

**Comments:**

Okay, thank you for your information. Let me tell you that many Indonesian people work out of the country, like maybe in Malaysia there is around 850 people, in Hong Kong there is around 15,000 people, and in the Middle East there is around 700,000 people, and also in Japan there is around

## Viet Nam



Institute For Vocational Training (NIVT) Mr. Mac Van Tien

### The role of TVET Providers in Training for Employees in Viet Nam

This report addresses the status of the Viet Nam labour force and demand for vocational training. By the end of 2007, Vietnam population is 85.4 million people, in which labor force is 53%. Average growth rate of the labor force in the period from 2000 to 2007 was 2.71% yearly. A crowded and young labor force is a competitive advantage in Vietnam's international economic integration. However, the proportion of skilled workers is still low (more than 30% of workforce). Thus, there is huge demand on skill training for the national economy.

The report also mentions VT system, VT activities and public supports for VT in Viet Nam. VT is taking steps to meet the demand of technical workers of the labour market. Network of vocational training institutions has been established through out the country, and includes both public and private units. In 2008, it is expected to provide about 1,700,000 people in both long-term and short term training courses. Viet Nam Government has provided supports to VT in term of provision of training curriculum, critical equipment, training vocational teachers and financial supports. Beside mobilization of domestic resources for VT, Vietnam government is mobilizing ODA loans or grants from international organizations and other countries. As the result, vocational training capacity of such units has been much improved.

Promoting access to TVET has been mentioned in the report. The support measures are as: financial support for VT students to find jobs or self-employ; sending VT students overseas to learn new technical, advanced and hi-tech occupations; Transferred training (articulation) aiming to implement transferred training among training levels in VT system (from elementary to secondary, from secondary to college); Providing fee reduction and exemption, preferential scholarships and normal scholarship for VT trainees; Providing free VT

for ethnic minority trainees and free short-time VT for rural laborers; Providing VT scholarship for some vulnerable groups such as poor, war invalids, handicapped and disabled people; Providing loans with low interest for VT students. These supports have been encouraged many people to enroll in VT in recent years.

Finally, the report mentions the reality of unemployment and underemployment; career development for underemployed workers. In line with the economic growth, the unemployment rate in Vietnam in the last several years was decreased. Viet Nam Government shall stipulate policies on social security with an aim to gradually expand and improve the material security for workers and to help them to have a stable life in case of unemployment.

## ◆ Q & A Session

### Q-1:

So our last presentation part. So there is the underemployment rate in 2007, there is like 15 years of age and over – that is the number there, 5.79%. So the agricultural workers this is our target number for agricultural workers, I mean rural workers. It is this one, and also like 45 or 46 years ago in Japan, so many people are transferring from the agricultural industry to manufacturing from the rural area to the urban areas. So I mean the same kind of situation happening with them as well, I suppose, because manufacturing is growing a bit now, and then as a process... so maybe these numbers have grown up because of this process and this background – is that right?

### Mr. Mac Van Tien (Viet Nam):

Thank you very much for the question. In fact in rural areas, the workers do not work full-time around the year, so we consider them underemployment. First of all they only spend 17% to 18% of the year working, so that for the working time, they do not know what to do, what to do in the year. This is a very big problem and the other problem is that now many, many workers from rural areas are moving to industrial zones. They are working here and there but not full-time – only 6 months or 8 months and after that they move back home and the land is such that they cannot work anymore. So that it is a very big problem in Vietnam nowadays.

### Q-2:

Now I am really interested, I mean – one, you have got a very young population and obviously you make a big investment in education for a young population, but the figures that you gave us seem quite staggering and I wonder if you could tell me what percent of GDP is spent on education in Vietnam? I realize you said 7.5% of the education budget is spent on vocational training, but what percent of GDP is the actual education budget?

### Mr. Mac Van Tien (Viet Nam):

Yes it is from government through our office through GDP, yes.

### Q-3:

Sorry, what is the number like, what percent of GDP is it like – 20% or 30% of GDP, the government percent of education?

### Mr. Mac Van Tien (Viet Nam):

Yeah, I know. For education 17% of GDP for education also but in this only 7.5% for vocational training.

### Comments:

So that was 17% for that, thank you.

## Brunei



Department of Technical Education Ministry of Education  
Assistant Director  
Mr. Ibrahim Abd. Rahman

## Vocational and Technical Education and Training (VTET) in Brunei Darussalam

The Department of Technical Education (DTE) which was established in January 1993 under the umbrella of the Ministry of Education is the major provider of technical and vocational education and adult and continuing education programmes in Brunei Darussalam. The Department of Technical Education has been playing an active role for sustainable development in meeting the needs of employers and industry for trained and skilled workers and to respond to the changing workforce requirement. The government believes that an effective VTET system would produce a skilled and educated workforce relevant to the socio-economic needs of Brunei.

Consequently, over the last 15 or so years, major changes have been implemented in the system to enhance the capacity of VTET in contributing the development of human resources in the country. The greatest challenge faced by the VTET in Brunei today is to stay relevant and responsive to the demands of global forces driving change in a knowledge-based economy. Thus the Ministry of Education has taken an appropriate step in changing its existing educational set up to a new education system called the 21st Century Education System (in short **SPN21**) which aims at taking its education to a higher level. These changes involve its overall education structure, school curriculum & assessment, and **Technical and Vocational Education**. The new VTET system will provide a comprehensive and quality 3-tier qualification for the technical education system, encompassing skills training, technologist and professional training relevant to the skilled human resource needs of Brunei Darussalam. The new

system will consolidate and streamline the existing system and will be comparable and similar to other international systems. ***The objectives of these changes in Technical and Vocational Education are threefold: to consolidate and streamline the current plethora of qualification types and levels; to produce more mature, skilful and competent graduates; and to provide multiple pathways / alternative pathways to higher education.*** This paper discuss the overview of VTET providers , promoting use of TVET providers and discuss the current/forward looking and issues concerning TVET providers in Brunei Darussalam. The paper concludes by explaining the 10 years strategic plan of VTET system (2008-2017) which gives emphasis on 4 strategic goals in which VTET needs to be adaptable to changes in demands of industry and market economies and the consequent rapid pace of social change and job market. Thus with the new education system, SPN 21, it is hope that graduates from the VTET institutions will be able to compete effectively on the global front.

## ◆ Q & A Session

### Q-1:

The model for the 3-tier qualification system – what is that based on or developed from and how does that relate to, say, Malaysia, which is of course right next door?

### Mr. Ibrahim Abd. Rahman (Brunei):

This was formally done by our ministry to meet the the needs of 21st century skilled technologies as well as IT. Okay, so these 3-tier qualification will replace the old system that we used to have where we used, like B-tech the British system before, so now this is the new system that we will implement in 2012. So we cater to those who finished in year 10 or year 11 that is Form 5 after O level, but previously in all systems we catered to Form 3, but now industry do not want Form 3 student because they are not very skillful, so we try to make that system work so we can produce more skillful people through those 3 tiers.

### Q-2:

Can I just ask a question of clarification around your key performance indicators and on the first item in terms of how you are going to measure educated and skilled people of Brunei? Can you just clarify for me what assessment tool you will use in terms of as a benchmark?

### Mr. Ibrahim Abd. Rahman (Brunei):

Yeah, we do engage consultants from overseas; in terms of our KPI in literature or literacy, for example, we engage consultants from Australia. In terms of our standards we also involve consultants from UK, so they have their own tools – I do not have that with me. They have their own device tools to benchmark where Brunei is in terms of international standard so we do that. In Australia they call it ACER, Australian Council for Education – something like that, Research – but in Australia we engage consultants.

### Q-3:

You spoke about the issue of sending people to study abroad and I was wondering if there is a kind of commitment for people who are studying abroad and financed by your state to come back and if that will create a problem when people do not want to come back, because normally there are many people who stay in other countries because of the many possibilities they have that are better than in the original countries, and so when you send people, you must see if there is any possibility for a good job coming back, so I do not know if you have a plan on this issue or how you see it.

### Mr. Ibrahim Abd. Rahman (Brunei):

Okay, as I mentioned, we are a very small country. We will lose people in what we call the brain-drain. So we do not want things to happen so that when the government gives them scholarships, we make sure they return or else we chase them. In terms of – before they are granted a scholarship, they have to sign an MOU we call it with the parents signing and also the governments and also students. So if they run away, the parents have to pay all the expenses that the government bore. But for sure there are people that are not returning back for a good reason – for example, we train doctors, and they work in UK for 5 or 6 years to learn a specialized field. We also have students in Australia that are not returning home, so the government looks at it. If they gain more experience in other countries, we also gain benefits in the long term if they return back. So that case by case, the government will consider, but for most, they will return home to work, but if they want to work overseas, they have to get permission from the government because they have a bond for 10 years.

## Summary Discussion

### **Mr. Tatehito Shimoda (Japan):**

Okay let us start final session. Welcome back. Please stay relaxed but do not sleep. Just one hour more, yeah. So the other final section I would like to talk about is Wiki first, then I would like to give you a small presentation from myself, 10 minutes. After that we are going to start the final discussion. As you know, Dr. Ginsburg Lead Shepherd of HRD Group APEC unfortunately could not come here, so did you keep the paper of Dr. Ginsburg which was delivered on the first day, or did you already trash it?

No, not yet, okay. Thank you very much. So on the paper the last figure, this is most important. Ever since taking his position as Lead Shepherd he has always stressed the Wiki. It is due to his devotion to APEC group that he made it. Have you ever visited this Wiki page before.

There are two components to this web page. One is Wiki, one is Knowledge Bank. Knowledge Bank means it has much information about TVET. And Wiki is kind of a chat board, you know, everybody can visit the web page, access it. And if someone would like to know something, you can ask on the board; so I would like to know the TVET system of Peru. Mr. Ricardo can answer the Peruvian TVET system. So it is a kind of two-way communication that everyone can access.

And if you need information you can access the knowledge bank. You can use this Wiki page and it is very useful.

And so, as I said, this is my fifth time as a coordinator. Every year, every year when I get to the final discussion, we always get homework or something requires further discussion. But I could not find a good way to continue further discussion. But I guess this system can make it. So this is a good opportunity for us to get to know each other this time. And next year maybe we can sit together again.

But during this interval we can access this Wiki page and to maintain communication. So this is the role of Wiki.

Thank you very much. If you have any questions about Wiki please do not ask me. Please ask Dr. Ginsburg through the Wiki page. Dr. Ginsburg, please answer my question.

There is no address on your paper? – web page address, no. Okay. Please use Google. Maybe OVTA can tell you the web address.

Thank you again for your presentations. I guess this has been very excellent and useful for us. So as a final discussion, I would like to show you some hints for discussion. This information comes from your presentation. My purpose is to provoke discussion. It is not to offer solutions. I cannot answer your questions. That is very difficult. We can find solutions together. So let me see.

Once again we would like to confirm our theme. This year's focus was on TVET providers, and as you know, TVET has many stakeholders -- government, local government, industrial organizations, employers' organization, labor union, companies and workforce. But our focus is providers this year.

Second confirmation is our progress on incumbent workers. That means we have many problems regarding unemployed people and young people. We have many issues but our focus is on incumbent workers. This is in continuity from the last year. Last year's theme was lifelong learning. We discussed continuous learning throughout one's working life. So following last year's discussion, we focused – we felt the need to focus on the progress of training providers – that is why we chose this theme this year.

So as I said, I teach the management in my University. So when I teach vocational training at companies, I teach them – we have three periods, you know, three aspects. So these three aspects – one is on-the-job training, which I call OJT. The second one is Off-JT, off-the-job training. The third one is self-learning, including distance learning, e-learning, something like that. So when we focus on incumbent workers, these courses might be very important, very important. And I guess every field, any field requires training providers. Strongly, slightly but these trainings must be collaborated with training providers.

After the confirmation, we would like to focus on this year's discussion next. So this is one clue to think about for our discussion. Many presenters pointed out skills or competencies. I guess this is very important – controversial. But it requires further discussion about skills and the competencies. It is not clear, but this vertical axis means skill or competency level. Do not ask me the definition of what skills are, what competencies it would take a long time. And the horizontal axis means industry or occupation. So as an example – this is the example, because we have many, many industries, many, many occupations. I pointed out

just manufacturing, construction. But we have many other industries and occupations.

And here it is a little different – human skills. For example, language, calculation, mathematics, manners. Yesterday, we visit JAL where they teach manners. So maybe here or here or here – I do not know – but maybe JAL Academy is located in this area. So this is kind of a hint when we think about the division of labor. It means many attendants talked about the role of public sector, the role of private sector. Now, I am thinking, what is the relationship between the public sector and private sector? When we think about this issue, maybe this map makes sense. For example, this is one example. This is the Japanese case. It means, for example, EHDO, this is the public sector. The public sector just focuses on manufacturing – no other industry.

But as for the manufacturing sector, EHDO, do you remember the name of this is the public sector. The government organized this organization. This organization has their own training center. They provide training just for the manufacturing sector. Please remember yesterday's training center, do you know, next to here. So they provide training just for manufacturing companies, mechanics and IT service. Maybe this area is for the private sector. So it is a kind of division of labor. It is kind of relationship between the private sector and the public sector. So this is kind of – it is not the exact issue – but, for example, when we think about community college in the United States. So when we think about community college, which area does community college cover on this map, for example? Maybe a very wide area is covered by the Community College.

So this is one clue to think about regarding the relationship between the public sector and private sector. This is the Japanese case. Once again we would like to confirm our discussion point. I found there are two – at least two issues. One issue is many attendants pointed out the importance of funds, money issues. It is closed related with evaluation. If you use public money, it always requires evaluation because it is public money. You must explain to the people who pay the money. The second one is curriculum. It is closely related to customized training or on-demand training. Many attendants also pointed out the importance of customized training. Every day, we face technological innovation and globalization, so the situation is changing. As Tom pointed out in the United States, growing industry – the notion of growing industry is very important because it creates employment. So we face this situation, we change the curriculum. We change the curriculum day by

day.

I would like to refer to the first one – money issues. When we think about money issues we consider levies, tax exemptions, insurance, tuition fees, or these areas. And when we think about funds and evaluation this is one case, you know, this is one case, one example. This is kind of procedure when a provider provides training. If one private TVET provider would like to provide training and get money from the public sector, he applies with the government and the government accredits and gives money to the provider. After that this provider provides training to workers and it produces a report after the training. And the provider should deliver the report to the government and government makes evaluation about the training. This is stream procedure. This is one case.

Another case, for example, is the New Zealand case. They have their own organization, ITO. Jeremy comes from this organization, I think. So the governments here and sometime ... organization issue, for example, state government play the same role here. This is another case. The third one is also one case, workers here, providers here but there is no relationship between the providers and government. But workers have a relationship with government. So he or she gets training from the provider. After that, he or she can get money from the government. This is another case. This is the second issue, curriculum. When we would like to catch up with a changing situation it might require knowledge or discussion. Producing curriculum is one strategy.

So yesterday we visited Advanced Polytechnic Center. They made curriculum for workers. But it requires opinions from the industry or companies because it is on demand. So they discuss this issue and make curriculum and provide training for workers. This is one system.

This is the last page. So we are going to discuss further discussion. One is provider surveys. The first day Mr. Kimura told us he would like to make provider surveys with the same questionnaires. I am not sure whether it is possible or not. But this is his strong wish. But we can discuss this issue here and if possible I would like to make a report to Dr. Ginsburg. This is the first one. The second one is a very delicate issue. I do not like this program. Everybody knows what competency is. We usually use competency – in my class I always use competency but actually I do not know what competency is. I am sorry. So it is very delicate problem because, you know, competency is sometimes invisible. So it is very hard to see competency. What kind of competency does it have? You can see that.



We require some method to understand these competencies. So if it is important, we are going to discuss this issue; besides, maybe many companies have their own competency standards or each economy can have a competency standard. It is okay. But at APEC we can share ideas. Is that possible? Okay, if possible we can discuss further. Third one many attendants pointed out the mismatch in the labor market – the skill gap between the demand and supply. How can we arrange the gap?

The fourth one as Tom pointed out, vocational training investment is very important, you know, to get the talented people – to attract working people. But there is another issue – brain drain, you know. If the talented people move away from the company, it is a loss. If the talented people go away from the economy, it is an economic loss. It is a very – it is also a sensitive issue. We should make investments; otherwise, we cannot get good talent. But if we put the money into a working person, he or she can go – may leave the company or economy. Our framework is very pre-trained, you know, currently pre-trained – maybe present or introduce another idea but currently pre-trained. We can go anywhere. We can work anywhere. So international labor mobility is one issue.

So migration – some people pointed out the problem of migration. And the final one is connections with information systems. Information system means labor information – outplacement information. This is a total system of job security. When one guy gets training from the provider, he or she can get another job or high-grade jobs. So how can he or she find it? It requires information system. This is clues or hints for our discussion from your presentation. Maybe I missed some issues but please tell me. We are going to discuss these issues to arrive at a deeper understanding. Thank you very much.

**Mr. Tatehito Shimoda (Japan):**

Do you have any question regarding which area we can start the discussion in? Yes please. Which area is important for you?

**Mr. Pablo Lazo (Chile):**

Yes. Thank you for your kindness. I think you have pointed out all these issues are very important – the include the high sensitivity and importance, of course. For my point of view, the issue of the definition of skills, competencies – even if it is always difficult – is essential for developing something smart, for having systems which implement vocational training, so it is essential.

Then the issue of qualifications, certifications must be built on. And on that you must build on all the issue of TVET I think. So this connected these three issues. Of course, this has to do with the labor market. This is not independent. This is for employment, for high employment, for better employment for this employment. Of course, with globalization then, the issue of international labor mobility and migration has evident connections. And especially with such big asymmetries between rich countries and non-developed countries.

So the issue is that developing countries need more qualifications, more qualified people and developed countries attract naturally the most qualified people. I have been studying this issue and there are some studies saying that 90% of Hindu engineers studying doctorates in United States remain there working. Imagine what happens with India and the impact of those skilled persons. So this is and how you forbid those people to earn more money to be better in those developed worlds. It is an issue of freedom also. So it is huge and a very sensitive problem. But it is there and it has to be – currently it is quite an issue.

Of course, the issue of how to connect this survey has to deal with globalization because we need more and more to have globalization of these issues. I think APEC is to be built on and we need to have more broad vision, not only nationally but internationally. And it is clear that we need to have a kind of common understanding at least. It is difficult to make a survey and define what are we looking for. But I think it is interesting to have a common vision, at least a common vision and common challenges. And for the future I think with the issue of competencies with the migration phenomenon pointed out by Indonesia and Philippines and other countries, and the testimony of some Japanese executives here of the importance of those skilled people who are going abroad, it is more and more interesting to have international definitions of these skills and competencies and so on. But that is for the distant future I think. And, of course, people need information systems to have improvements in their careers and in their vocational training and in their employment systems, in their own employment. So it is difficult. I think all of these are important. The issue is how to order it and then to begin to work on it.

**Mr. Ricardo Perez Layo (Peru):**

I want to point out two things. The question, right. Who certifies TVET providers – who certifies? What are the parameters? It means that, for instance, if really we have TVET public private systems but systems, not as Pablo says I

mean one thing here, another institution here – what is the relationship if really we behave in this issue as a system. The second issue is what kind of indicators are used to evaluate the cost effectiveness of the TVET systems? Because as you I say again, public resources. What is the cost effectiveness of these activity indicators? Maybe who certifies TVET providers? One point is accreditation.

**Mr. Tatehito Shimoda (Japan):**

So it is the kind of system. But under the other one second one indicators. I think it is very difficult – cost effectiveness indicators. So it is evaluation. Do you have any ideas on these issues?

**Mr. Jeremy William Baker (New Zealand):**

I just want to tell you about the indicators that, you know, as we found in New Zealand – this is the provider in the quality of the course but there is also with the investment eventually pays off as well. In other words the training is actually used and until a higher value product. So that is not the role of the TVET provider, I guess. That is the role of the employer. And so I like the idea of having a whole system like that. But, I mean, I know that it is difficult enough just to work on that space. But, I mean, from our point of view, it is an even bigger system that we feel we need to have public funds.

I know that you think it is difficult but I would agree that I think we have to start with the issue of how we define skill and qualifications. Particularly in the APEC context if we are talking about sharing our experience, if we are talking a different language about skills, it will be very difficult to have a shared conversation. And I think also if you are talking about migration and people moving from one economy to another, then the issue of comparability of qualifications and standards is quite important. I think you are right. We would not end up with one system. It will be many different systems. But the key is what kind of benchmarking and translation systems can we put in place so that it is easier for all of us to understand what all of our systems are doing.

**Comments-1:**

Thank you very much. So for me it is very difficult to think about because each economy has their own economy system – sorry education system. So we have a world qualification certification – strictly meaning this definition is different, right? No. Okay.

**Comments-2:**

I agree with Jeremy and our colleague from Chile and I think part of the issue in convening in forums like APEC or OECD and any of these international forums is willingness to

acknowledge that we have different understandings of terminologies number one. That is the first step to recovery of our good health. Then number two is to be willing to have a dialogue where we give and take to come to some common definition. But if we come with our definitions in cement and say this is how we view it, period, we are not interested in changing, we will never agree on common definition. And to be willing to compromise and say, okay, we believe qualifications means this at the APEC level for us to be able to dialogue and work together – that is the reason for these kinds of forums in my opinion. So I agree we have to start somewhere and perhaps at least within the APEC communities and economies, this is something we should think about working on and not just a suggestion and just a comment.

**Comments-3:**

Thank you very much. After listening all comments, let me share the experience under the ASEAN countries, 10 countries. The assignment of the ASEAN labor minister, we think of the labor mobility or migration in between 10 countries. So the assignment of the labor minister is to try to set up mutual recognition agreements in order to control the quality of the people who are moving from one country to the other countries, should move with skill competency in order to work productively for the receiving countries. And this project is funded by Australian government.

The first phase of the project surveyed the 10 countries. The second phase found that they are kept in between ASEAN countries, 10 countries, so they focus on CLMV plus Thailand. And start with the five trades -- electrics, machinery, poultry farming, tour guides for the service sector, and I cannot remember the other one – welding. And the result came out that the third phase will be the model for skill recognition.

And during this month, 3rd to 7th of November, I organized an international meeting in the southern part of Thailand in a beautiful resort cooperate with the ILO – the resource person from the ILO.

The participants are from ASEAN Countries, GMS plus IMDT. GMS means Laos, Cambodia, South China, Myanmar, Vietnam and Thailand. And IMDT Means Indonesia and Malaysia. And we also have the seven people from them to come to observe. The research person from the ILO. We had very highly experienced people and the result of that meeting, the information is the national qualification framework for, you know, this forum which was organized through ILO and UNESCO co-investment and the Thai government. And the result came out – let me give you the

conclusion that there is no single system for labor mobility.

We learnt from the EU, professor from UK, Professor Michael Yang London University. He said that England, UK stopped developing a national qualification framework, got seven levels. Unfortunately all of them were not accepted by the private sector because it is being developed by the academy. But luckily they can sell to some countries. But these developing countries try to develop themselves -- try to focus on HRD. But they never studied whether it was relevant for their countries or not. Competency, the skill development, or national qualification frameworks, all are the terminology. The thing that you should consider, what kind of qualification of people can work productively in that industry, in that location, to increase productivity. So instead of running around, trying research and so and so, he said come back to the basics and consider your own country, in the focus industry.

Finally the meeting make the conclusion that it is impossible to have a multilateral mutual agreement. It should be only bilateral such as -- and by the request of the employer such as Thai employer, one worker from Indonesia or one person from Indonesia to work. These Thai workers set up the qualifications and if you want to come to work, they should be agreed upon, should be bilateral. And also in that forum, they also have some examples compiled by New Zealand, his name is David Wright. Mr. David Wright -- he used to work for the ILO. He, you know, reviewed all the structures from the OECD, from EU, from various countries. And results came out that do not and -- the WDA Workforce Development Agency. He also brought the case of these things and presented to all of us who were there.

And he said not to copy or try to think what they are doing in that region. Come back to the basics and you will succeed. Thank you -- this is what I would like to present. So all those issues, you know, I'll check my e-mail. There are two meetings -- one in Bali, Indonesia ILO. I think UNESCO and ILO invited me to be their concerning qualification system as well on the 3rd of December. And the other meeting is on the 25th to 27th in Bangkok organized by the ILO concerning labor migration. But they need me to present so I apologized already and I sent other people go there. So it is duplication, you know, and make all people confused from the results of that meeting, the last meeting on the 3rd to 7th. So please do not propose the duplication thing -- try to think, you know, try to think ahead not just come back to terminology, this and that. I worked for lifelong learning for employability since 2001.

**Mr. Tammy Bloor-Cavers (Canada):**

I agree with your general sentiment that we are not to repeat things we have done in the past or that clearly would just be a lot of effort with no result. But on the other hand, I do not necessarily agree that there are not potentially more innovative ways to find common definition as a way of starting. And it is interesting, you know, we are all here traveling on our passports, right. But there was a time when our governments did not agree to accept the convention standard of a passport but now it is universal. The standard for how countries are required to ensure that those passport from your country, represents a legitimate traveler and we accept that as a standard. But there was a time when the arrangements literally were only between two countries. Every single country had to have an arrangement in order to agree to let citizens cross into each others' territory. Over time we began to realize as the world became smaller because of travel particularly with jets -- that just was not going to work. So I only again do not want to be -- I do not disagree I just encourage us to think about the effort. I know it will be tremendous in terms of energy and innovative thinking but it is worth exploring.

**Ms. Maria Criselda Rebuldela SY (Philippines):**

If I could just add to that. I certainly do appreciate your comments as well and also appreciate the amount of work that has gone into this before. But I would tend to agree, I think that issue of coming to -- I think a common understanding, not necessarily consensus on what those competencies or skills sets might be for any given occupational area, at least to have an understanding of what minimum expectations or minimum standards might be for given area. I would not suggest that we need to reach consensus. Hopefully that is not what you are suggesting and then further to that I think it is just, you know, continuing along that continuum around qualifications and the importance around I think globalization, just to recognize the factor on labor mobility is an important aspect for all of us to consider and recognize. So I would echo the sentiments around reaching at least a common understanding around competencies.

**Mr. Pablo Lazo (Chile):**

Yes, the issue of standardization is so clear when we see the experiences of the ISO. The ISO has been doing just that for many years, trying to define a kilometer or pounds or whatever. And it is more and more entering into normative aspects by now, corporate social responsibility and many issues of quality and so on. But, of course, this is a specialized issue that deals with ILO competencies. But how to deal with some issues in a pragmatic way for us. I

mean, what we need to see if we can work on it. But the issue of standards is more and more evident. We need it.

**Ms. Areeya Rojvithee (Thailand):**

This has not been new for APEC, and their capacity building network already considered it. If you access the website of APEC -- before doing anything, I think we need to survey first whether we did it or not. So it will not duplicate it. But I would recommend and the information that I provide you, you can access the website of the ILO because before we organize, it is already been reported to the governing body of the ILO and based on the study of the ILO research person. And we all 180 member countries are the members of the ILO. So please then you can access all the information that I provide you from the website of the ILO. Thank you.

**Mr. Tatehito Shimoda (Japan):**

I think there is a significant difference between trying to establish a multilateral system of mutual recognition of qualifications. And I think what we are talking about which is simply trying to get a better understanding of what are some other common factors that our qualification systems so that we can have a better understanding across the APEC economies of how our systems work. And I do not think it is about trying to design a system whereby everybody recognizes everybody else because I think that would be very difficult. It is about trying to get some shared understanding of what are the common principles so that we can share this practice. To me, that is the first step. And any other longer term agenda about mutual recognition is a long way away. So I take your point on board, although I think it is a little bit interesting that you had someone from the UK talking about how they cannot do it.

**Mr. Tian Feng (China):**

I think setting up international competency standards is a good thing and recognizing vocational qualification is also of great significance. But the major problem is that different countries', job classifications are different. Yeah, this is a major problem. Some countries think sex workers is just a job but in China, we do not think it is a job. That means job classification connects a lot of things such as laws and so on.

So in my opinion, I think we can meet the common international competence standard – common standard of international competence. And the different countries can make manners in accordance with the international competence standard. This is just a common standard. And the different countries, maybe their laborers, their facilities, their produce facilities, produce different productive

equipment but in accordance with this common standards and make some amendments. They can draw out some experience of common standards, then just put some of their own standards into it and then make them with their own characteristics. Thank you.

**Mr. Thomas M. Dowd (USA):**

If I might just share with you on a personal level something that kind of gives this some context in real life, not just in theory. My mother lives in the state called Arizona which is my home state in South West United States. She lives in a rural community, very small and I visit her several times during the year. And she is elderly – partly to make sure that she goes to the doctor to get her checkups and those sorts of things. And I have noticed that in the last 10 years that 10 years ago her doctor was Dr. Jim Smith who had been her doctor for many years. He was actually a native born Arizonan trained to be a physician, worked in this community. But 10 years ago he retired. The only doctor that that community could get to come live there, was a doctor from India because no native-born trained American doctors want to live in rural America and practice medicine. There is not big money there. They prefer to be in the bigger cities, more exciting patient care, more opportunity to learn and upgrade their skills, and generally have a better social life.

But the doctor from India, he had to go through all kinds of examinations, you know, additional certifications, and everything to finally be expected by the American doctor practice in the state of Arizona – though a very highly qualified doctor, now he is greatly loved in that town because he is their only doctor. And so my point is that it is not efficient to have to do it this way. But there is a real demand for this occupation and this service all over the world in all kinds of fields. It will happen. It is happening but it is just very cumbersome and very difficult to make all those workouts to get those things done. And it would just seem like it is more efficient to find a simple way to do what otherwise gets done anyway, and the more complicated way now is trying to take the complication out of it, hopefully to make it work. I just used it as a personal example because I find it interesting even in that context.

**Ms. Areeya Rojvithee (Thailand):**

Thank you professor. You are concerning that it is true for the medical doctor, for the engineer. For doctors because it is harmful to the bodies of human being. So we need license and a court of ethics. This is a professional issue by a professional association. In each country, they have professional associations and there are qualifications or skills that are needed in some countries as you mentioned. So

people should be free to move in and should have access to qualifications through the professional association in that country. So this is very interesting. What I try to say, you know, because I have been working and confused, you know, because I am thinking of my people.

Thailand is a receiving and sending country. And if one person wants to move to that country, it is complicated because there are many standards. So we think that we should standardize, should have one system. Unfortunately, it does not work in practice because Taiwan-- one welder from Thailand, their employer from Taiwan suddenly came to Thailand, developed a training course and provided training, upgrading skills so that those people who were going to work in Taiwan would have that skill. And they have their own skill-testing system. The Toyota Company in Thailand set up their own system for training people. So in that case, why do we have to develop many standards that are confusing for our people who want to work. People move to work just for, you know, they work just for income for their survival. You can ask Indonesia and ask Philippines. For Thailand now we have a shortage of skilled workers. We try to convince people, do not go, stay home, stay in your home town but they prefer to go.

So try to develop things, many things make our people confused. That is why I prefer back to the basics and looking at your own country first before copying or learning. Copying – in fact learning is good but copying without consideration is not suitable for our people. Thank you.

**Mr. Hendra Iswara Martin (Indonesia):**

I would just like to share this with you. I was one of the officers attending the UNESCO in Jakarta last time, regarding the mobility of labor. I did agree that the 10 countries – member countries do not agree with what have you mentioned regarding the common standard that we should have. Even Brunei as well, we came up with option H at that time. When we try to get in labors from other countries, ASEAN countries, we need them to be tested first before they enter into our labor market. This also happens in Singapore – this is correct. Then Malaysia also mentioned this as well. So, all countries have different option because in that report there are A to H options that each country has to select. There is not even one country that has the same option in that matter. So, at the end of the meeting that there is no consensus coming up – this what he is trying to say I do agree with you. If we try to discuss this thing again, it is duplication of what we have done before. Thank you.

**Ms. Patricia Anne Colgate (New Zealand):**

So far as the kind of arrangement that we should have whether bilateral or multilateral, it actually depends on the interest of the negotiating parties. And you would actually note that for two countries that work on a bilateral arrangement, there are actually common interests that would actually really work well. For example, the one that talking about is the kind of agreement that you would need when it comes to the entry of workers to a recipient country. Now that would work well on a bilateral arrangement. But I suppose what Jeremy was trying to tell us earlier is that it may be good for us – while that is being noted, it maybe good for us that on a larger scale we would have some understanding of the concept. We will not yet talk about standards here, but just common understanding of what these concepts mean so that when we negotiate whether to FDA multilateral or bilateral, we know what those concepts really mean. So that is basically the point there.

Now when it comes here for purposes of our conference for the role of TVET providers, what exactly is our agreement when it comes to the critical role of TVET providers insofar as the provision of skills are concerned whether it is within your own country or within the APEC countries. So, those kinds of agreements should be clear as to what exactly do we see TVET providers, for example, private TVET providers, as effective conduits when it comes to cascading to the lowest level of our society, the kind of skills intervention that we want to provide to the lowest level of the society. So, those are things that I think are missing in our discussion today. Thank you.

**Mr. Mohamad Bin Sulaiman (Malaysia):**

Mr. Chairman, I would like to share a Malaysian experience. Because in our situation, in our Malaysian qualification framework, we have four tiers or four towers – academic VET, we do not call it TVET – we call it VET, Vocational Education and Training, skill training and the recognition of prior learning. So, we have four tiers. So, in terms of TVET, the training – the skill training part is under the Ministry of Human Resources. But for this vocational education and training, it is under the Ministry of Education and Ministry of Higher Education. It is a little bit complicated. So, we have two laws to cover this TVET. The skill training part is under National Skill Development Act and for VET we have Education Act and also the Higher Education Act. So maybe the definition is, I think, in the case of Malaysia it cannot be made because we are in different of this situation. But I agree with Philippines that we should have some common understanding of this implementation. I think that is all. Yeah.

**Mr. Tatehito Shimoda (Japan):**

Yeah, it is a little more complicated because, you know, some attendees from the Ministry of Education, some attendees come from the Ministry of Labor.

**Mr. Seow Cheng Seng (Singapore):**

To listen all of the discussion from Singapore, our experience... You are right, what you have been discussing. I gather, in my opinion, that it is rather of little use if we recognize, I mean, each other's national qualification frameworks – it does not mean anything. Even in our own nation, we can agree upon that what the Malaysians have been talking about – there are two systems, education and vocational training, but all is not lost. What we are doing now is alignment. We are trying very hard to align: how we align, or how we do the alignment, is through competency standards. We look at their curriculum and we look at our standards – somehow or rather we will compromise. Today, we are glad to say that we have made a lot of inroads and the result is mutual recognition – it has been just announced in Singapore that in terms of standards – not qualification, as I mentioned again there is no point in qualification. In terms of competency standards.

**Mr. CHANG, Heng-Yuh (Chinese Taipei):**

Let me share my experience from Chinese Taipei. I think like our discussion, qualification is a complicated term and it is hard to convince or to communicate with a consensus. However, I think it is important, you know, the role of TVET providers. There should be a way to accredit the provider so, you know, the student or the worker, the employee could have their guaranteed training. They should have some way to qualify the training. I think that is another issue – that is not the qualification for worker, it is the accreditation for the provider. I think we should have to look at this issue because in the free market, everyone can provide the training. But how can you guarantee the training is useful? I think this is, you know, the discussion in Chinese Taipei.

**Mr. Thomas M. Dowd (USA):**

If I might move the conversation in just a little bit different way for stimulating some additional thoughts. One of our participants who is sitting in the back there – I believe he represented an employer or employer group, probably a very large Japanese employer. And he commented on, as you may recall, I think, either the first or second day that how can we help employers who have a global workforce, be able to identify, you know, on a more universal basis, the qualifications. I hate to use that word again because it does not mean much in some sentences or at least the competency of the workers. Because from a demand-driven standpoint

particularly those that are in the heavy construction engineering, the standard is pretty well understood. If you want to build safe buildings, using high-tensile strength materials whether it be ceramic, glass, steel, the standard there is well understood.

So, these large multinational corporations, you know, when they need varying types of engineers, they need the same type of engineer all the time everywhere. They do not need Singapore engineers and US engineers and Thai engineers – they need engineers, period, wherever they come from. So, I think it would be very helpful again speaking from the demand-driven focus is to really focus on what does the industry require. Because they are the employers – they are the one that are going to put these people to work. No matter what we do as governments in our discussion about how we get to some understanding, ultimately these individuals have to be hired by an employer. And the employer says we cannot if you cannot prove that you are competent in doing something I am not going to hire you because I am liable – I am building a building, I cannot have it fall down. So, I think this conversation, I know it has been taken up by the ILO and others, but I think it really needs to be fully enriched by the demand-driven side from the employer.

**Mr. Seow Cheng Seng (Singapore):**

I fully agree with you because you see all those skills that they have to work such as engineer welding, high-skill welding, x-ray welding – all these skills, you see, it should be an issue and we refer to professional associations. For building underwater buildings, the American Building Society. They have a standard. So, the professional association responsible for issuing the skill license for people to recognize the skill of people. Why do we have to develop more? Please come back to the basics and the real world – real life. The best thing we should do is determine how to make TVET providers provide good quality – how to access the TVET provider to run their business – to run the training system with good quality.

We can show that the graduate from those TVET providers has high qualifications. This is what we have to do. But I think if you are concerned about skills for people to work, it depends on each employer. We have experience – we send a Thai workforce to work in Bahrain in Dubai for construction – big construction. The one, the company that does the big construction is a German company, Italian company. So, they have their own standards. This is very important even to work in Singapore as well. So, we should look at the real world, real life because we are facing all those

things and I have to solve the problem for the Thai workforce. Thank you.

**Ms. Areeya Rojvithee (Thailand):**

One of the representative from Yawada, Japan and he made good presentation. He said that Japan faces a lack of experience in increasing the productivity of the Japanese workforce. So, the organization called Yawada overthrow all the standards and they have their own system working with the industry or the employer. So finally, they can develop and they have good system for each group of industries. So, this is real life – the real thing. Thank you.

**Mr. Pablo Lazo (Chile):**

In the case of the Chile, our experience is that vocational technical centers must be according to the Chilean quality standards for vocational technical organizations, which is a *standard normal*, which is a standard – international standard, which follows 9001 ISO standards of 2000. And all these VET organizations must comply with that standard. And the law says that you must do that – if not the control system by states will not allow them to do vocational training or will not allow to have any funds from state, that is our understanding. But it is already established on or built on something that is already standardized with this ISO system.

**Mr. Ibrahim Abd. Rahman (Brunei):**

I would just like to share my experience. When we produce graduates in marine engineering, we find it a problem to place our graduates on both commercial ship we call it – whatever ship you use in oil industry because we do not comply with ISO standard. So, what we are doing now in one of our institutions is to have that ISO 9001:2000. To have that ISO so that every graduate that we produce can work everywhere. This is what he was trying to say. So, it is up to individual institutions or countries to look upon your needs. Like Brunei share, we have very strict standards. If you do not comply with CW95 or IMO standards, you cannot get the graduates from my institution.

So, I agree what you are saying from Thailand that go back to what we are, you know, how our industry in our own country takes that kind of competency base or standard. Then from there probably we can address the issue of mobility of labor because if you have the same standard that we have, there is no problem for us to accept your graduates. We have a lot of foreigners in Brunei because we are very small. We employ 120,000 foreigners to Brunei – they are all recognized by Brunei because they meet the Bruneian standard. Probably, if they go overseas, to other countries, they probably do not meet their standards. So, it is the

country that plays important role in creating standards. Thank you.

**Mr. Thomas M. Dowd (USA):**

If I heard correctly, you mentioned marine engineering. I think you are looking at a higher level of works that is not an issue actually. When you talk about regulated industry, there are already standards there. Like aerospace, you cannot develop your own standards – like SAR-66 is safety, for example, aircraft. You cannot go and develop your own standards. But I think what we are discussing here is about workers. There are no kind of regulations or laws, that is a bit tricky. Thank you.

**Mr. Ibrahim Abd. Rahman (Brunei):**

I agree with you. Like the like what we have done with Royal Brunei. I know this is a world standard or even marine standard. I just wanted to share this example. But if you are talking about lower levels, we also have a standard as I mentioned to you. If people come to Brunei, we test them correctly – we test them to see whether they have the competency to be employed in Brunei's government sector. So, it depends, for example, if you work in the construction, there is a standard for construction by Brunei standards. If you work in, for example, agriculture, you will have that kind of standard. What that is I am trying to say. Thank you.

**Mr. Tatehito Shimoda (Japan):**

Okay. So, now we are going to focus changing this way and this way. I feel, you know, that international mobility issues are very sensitive – that is why I have focused on incumbent workers. And competency models are also sensitive that is why I would like to focus on the internal areas.

Okay. Anyway maybe your opinion is very useful for our thinking, our thoughts. But again I would like to focus on the providers, you know, maybe from my opinion maybe a competency model like Singapore's is very effective when we evaluate providers, you know. Or providers can use the competency models when they think about training contents. Jeremy do you want something?

**Mr. Jeremy William Baker (New Zealand):**

I just wonder whether it is worth us having some discussion around this issue that seems to be in all of our economies – the relationship between the education and the training systems – whether that is worth itself having some conversation about. Because we are all struggling with trying to get the Ministry of Education and the Ministry – Department of Labor working together and it is important

that they do work together and it seems to be a common struggle for all of us. So, I do not – maybe that is another issue.

I think the other issue that is worth thinking about is that how do you encourage private and public providers to cooperate. There is a very big problem in New Zealand – they do not like each other. And you know they see that is competition, yeah. And they see the other as a threat. But actually both are very good at some things. So, how can we get the public and the private sector providers to actually cooperate and actually each do the things they are very good at. I think those are two examples of other things we might usefully discuss or work on maybe.

**Mr. Seow Cheng Seng (Singapore):**

Sorry Jeremy – these are 12 to 14 August in Singapore – there was a forum already, public-private partnership is a APEC project, funded by US Department of Labor and Australian Department of Labor and Employment and Training. So, it has already been discussed – there is information.

**Mr. Thomas M. Dowd (USA):**

I would have gone but it is just too hot in Singapore for me in August, so I felt my colleague went. Yes. And I do think that if I could just slightly shift the focus with regards to that and that is that one of the things that Dr. Ginsberg raised when he was with us last year at this conference, is that oftentimes within the APEC structure around human resource development, we do not have the same sort of maturity – let us say that the OECD has around sort of the continuity between meetings. And so oftentimes not all the members are aware of the things that are happening between meetings, at different meetings. And so sometimes it seems like we are taking up some discussion topics that we have already hashed over several times in other meetings. It seems to be the nature of international events frankly but to the degree that we could find a way to better propagate and share information from the various meetings that we although attend every single one of them – probably it would be helpful. And maybe that is the Wiki as one way to get things made available because it is open source and everybody can find it.



APEC forum on HRD  
- The Role of TVET Providers -  
For the final discussion

Ken Shimoda, November 21, 2008

### TVET Stakeholders

- Government
- Labor union
- Local government
- Companies
- Industrial organization
- Work force
- Employers' organization

TVET providers

Page 2

### TVET for incumbent workers

- On the Job Training
- Off the Job Training
- Self-learning
  - Distance learning
  - E-learning
  - Training center

Training Providers

Page 3

### Skill/Competency Map

|              |   |               |              |                                 |
|--------------|---|---------------|--------------|---------------------------------|
|              | Skill / Competency level                            |               |              |                                 |
| high         |   |               |              |                                 |
| intermediate |   |               |              |                                 |
| basic        |   |               |              |                                 |
|              | Human skills<br>Language<br>Calculation<br>Numerous | Manufacturing | Construction | Services<br>Industry Occupation |

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### Division of Labor Japanese case

Page 5

### Issues on TVET providers

- Fund
- Curriculum (catch up with the real world)
- Equipments
- Instructors
- Announcement (marketing activities)
- Customized / On demand training
- Evaluation

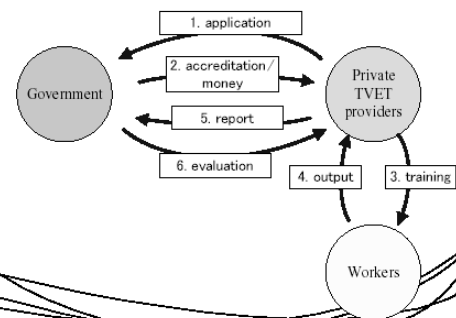
Page 6

### Money issues

- Levy
- Tax exemption
- Employment Insurance
- Tuition
- Reimbursement
- Financial support: scholarship, grants, student loan

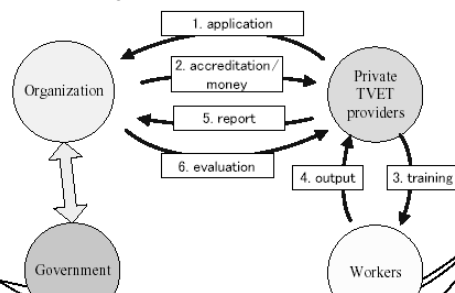
Page 7

### Relationship between public and private sectors, 1



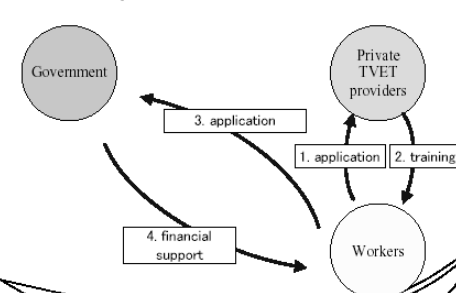
Page 8

### Relationship between public and private sectors, 2



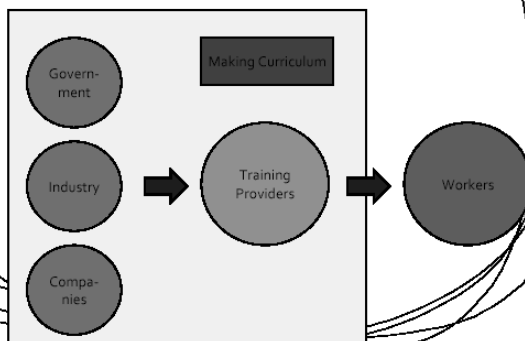
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### Relationship between public and private sectors, 3



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### On demand - curriculum



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### For further discussions

- TVET provider survey (suggested by Mr. Kimura)
- Definition of skills/Competency and Skills/Competency standards
- Qualification, Certificate, Certification Credentials.....
- Mismatch in the labor market (Skill gap between demand and supply)
- TVET Investment and "brain drain" (international labor mobility, migration)
- Connection with information system

Page 12

**Mr. Takehito Shimoda (Japan):**

Now I have delivered a worksheet which you done during the lunch time. So, I appreciate again your homework – thank you very much. And this is a kind of one of the outputs, so we can share the information to each other. And maybe I believe this information is useful for your economy. So, as I said, if you have any questions, we are going to ask bilaterally and we can use webpage, Wiki page multilaterally and peacefully, okay. And now we are going to get further communication in the future. This is your output for yourself, thank you very much. And I guess our discussion is a little complicated and we will need more time to discuss these issues.

But anyway, we pointed out – we got the information, opinions on competency skill standards. And we should also talk about the relationship – the role of TVET providers. But were there any other opinions on these issues or other issues? Okay. So, I hope these discussions have been fruitful for you. And we have not enough time, so I would like to ask for your comments – final comments for this forum, person by person. And if you have any comments, please give them to us.

**Mr. Ibrahim Abd. Rahman (Brunei) :**

For Brunei participants, I would like to thank the organizer -- I think it will be very fruitful for us to bring back to my country. The only comment that I can make from this forum is that it seems that every country has different systems of providing employers with TVET providers. For Brunei, we do not have a Ministry of Labor, other countries have Ministry of Labor. So when we talk about TVET providers, we are talking about the Ministry of Education – when we talk about employment, we talk about Department of Labor, not the Ministry of Labor.

So may I suggest to this committee next time when we have another forum to make sure that people coming to this forum really meet the target audience for attending the APEC forums. As mentioned by the Thailand participant, it is true that different ministry will have different opinions regarding the mobility of labor.

So, can I make suggestion to the committee to make sure that it will meet what the audience can deliver to the forum? Thank you.

**Mr. Haji Oman Bin Judin (Brunei):**

Okay of course Mr. Chairman, this has been a very fruitful discussion, especially for our country, obviously that I think we understand now human capital is very important.

I think that is the real asset of each of our countries, meaning to say that having a very sound HRD system in place, obviously we will definitely given the opportunities of every countries to have what you call a good quality of life.

**Mr. Pablo Lazo (Chile):**

Yes. Well of course we share that this seminar has been very fruitful and we are very thankful for that to the organizers and we think that of course there are many specificities in each country, but there are also some common goals and common aspirations and because finally what are we all looking for is to improve quality of life of our people.

Of course there are many sensitive issues, globalization threatens people and people with this kind of fear – what is going to happen with us, with our jobs, are we going to have jobs in the future, what kind of jobs, and all over the world people is worrying.

Developed countries, developing countries all over the world people is worried, but this is a kind of good positive answer to provide the real protection people need to go to the future. So, it is a very good initiative to have had this whole discussion and the issue here is how to transmit this into our own economies to make profit of this in a good way. It is to any country to see who is coming to these events because there are many definitions here. It is also the question of language, it is also question of understanding of what we are doing here, and there are so many differences when you have no ministry of labor or when you have this share competencies with jurisdictions between some ministries of labor and ministry of education and there is not quite good understanding of this share jurisdictions, but beyond that in my opinion it was an excellent meeting in all terms and I am very thankful for that.

**Comments:**

I am very glad to make a comment on this forum. In my opinion, I think this forum has had some characteristics as follows. The first I think is a good topic and good content because now we know that through rapid development of economic growth job activities have changed, skill requirements have changed, also productive equipment is changed. We have been talking about training providers and how to make the training – solve the employment is very necessary and very important. This is my first opinion.

The second opinion is that the forum has been well organized. I think for this forum, the Japanese government and other people did good jobs for us, organized it very well. We also have some meetings -- also have some study tours,

and also have some JAL trainings. We have learned a lot of useful manners or we know we have learned some soft skills, how to connect with other people, yeah. We are in charge of training. So we must learn skills, including hard skills and soft skills. This is my second opinion.

The third opinion is just that we are qualified – we have qualified chairman and staff members. I think for the forum the chairman is so important and that decide whether we are successful or not. I think, this chairman, and including staff members, a very qualified chairman is a professor – how knowledgeable and how skilled he is, how he controls these meetings, and the staff members did a lot, and he works very hard, and also from these staff members, we have seen Japanese hospitality and they are working hard. This is my third opinion.

The fourth opinion is we just have a harmonious atmosphere. We can have interactive discussions and we can draw on experiences and teach our experiences to each other -- the atmosphere is very harmonious. Now, I think the whole world is a harmonious world. This is so important. This is my fourth opinion.

The fifth opinions is result – yes after 3 days we have got opinions, concept on vocational training. I think this has been very valuable and useful to my work in the future. These are just my feelings. But I have a suggestion, the meeting is too short. Next time we had better extend the time so we have enough time to exchange views. This is my first suggestion.

The second suggestion: next time had better provide more study tours -- more study tours, yes. I think study tours are also practical experiences and so important. Sometimes we are talking, sometimes just sitting here – maybe we are seeing some practical site or workplace where we can learn a lot of things. So these are my only comments.

**Mr. Hendra Iswara Martin (Indonesia):**

Now first of all, I would like to again thank the OVTA, especially Shimoda-san, and second is this forum is very good for our country. Many things I can bring back to my country to solve our problem in the development of HRD, especially increasing the capacity building of TVET especially again about tax exemption because now Indonesia is developing tax exemption, but it is too small for what we call a stimulating budget for private sector. So after this meeting I would – maybe I will talk with our colleagues in Indonesia about developing tax exemptions because I believe that with tax exemptions the private sector will increase in developing

human resources in Indonesia. Thank you.

**Mr. Johny Sormin (Indonesia):**

First I want to say to OVTA, thank you for inviting me to the forum, this forum and from this forum I have received a lot of ideas. I hope I can take these ideas to my country to prepare to improve our office to make more better. Thank you very much.

**Mr. Amir Jufri (Indonesia):**

My name is Amir Jufri. This is the first time I've been to Japan, to APEC. I learned about problems from Malaysia, from Canada, from and on, but I head to my country, head to my departments. Thank you very much.

**Mr. Wilhem Matatula (Indonesia):**

Of course thank you very much. For presenter Ms. Tammy from Canada, Ms. Patricia from New Zealand and Mr. J.B. William Becker, New Zealand and Mr. Shimoda Japan. For me very, very important program I think. Thank you very much.

**Mr. Masaharu Tanaka (Japan):**

First of all, I would like to thank Professor Shimoda for managing the complicated discussion. And this is my impression.

I understand the difference among the APEC economies, but today again I recognized the differences, especially the TVET current situation and our ideas of skilled evaluation systems. It is good for my experience and I hope, Dr. Kimura told us that surveys of the TVET provider are very important. So, after this forum, I hope we can recommend this proposal to the APEC working group coming next year to be held in Chicago. And that is my response to China.

I understand that your request that our budget policy is very severe especially maybe the next year or so. I hope that I try but I cannot promise. Thank you very much.

**Mr. Mohamad Bin Sulaiman (Malaysia):**

Very good afternoon everybody. First of all, on behalf of Ministry of Human Resources, Malaysia I would like to thank OVTA and Ministry of Health, Labor and Welfare of Japan for inviting Ministry of Human Resources – me as a representative here, and secondly I would like to thank the secretariat led by Professor Shimoda and I think I gained a lot of benefit through this sharing of experiences. Especially in our case we have to – the agency of my ministry now is to set up career and employment support services in each training provider because this will engage industry and

training providers to discuss the issue regarding the skilled – the number of skilled workers needed by industry. This will enhance competency requirements and also job employment.

Another thing is we have to come out with a lifelong learning strategy to – for the enlisting 5 million workers for the lower category so we need to further their careers. So, I think the presentation by Mr. Kimura has been very helpful for me.

And I think lastly I have had the opportunity to know everybody here and maybe later on we can communicate through Wiki. I think that is all – thank you.

**Mr. Jeremy William Baker (New Zealand):**

Thank you very much. Good afternoon. First of all I would like to also thank OVTA and the Ministry of Health, Welfare and Labor of Japan for inviting me here through the New Zealand Department, I also want to thank them because I am here as part of their delegation.

Definitely, I would like to thank you, Professor Shimoda, for your facilitation of this meeting – it has been excellent. Definitely, I would like to thank the secretariat of this meeting for your excellent work in supporting all of us. It is no easy task to run a forum like this, so thank you very much.

I would like to thank all of the forum participants. I think I have found your knowledge and experience very useful and very enlightening and I hope that you all have too. Thank you for all of the work that went into all of your presentations, the country papers – we will get to take them all away and be able to refer back to them – that is very, very helpful.

I also enjoyed the robust discussion. I think it is very important that we do not shy away from things. So, thank you very much for sharing your views and your knowledge of things that others have done so we do not waste our time doing things that have already been done. I think that is important.

It has been a really excellent opportunity, but as my colleague from Malaysia said, I think not just to learn things, but to meet people and make relationships to build relationships that I hope will continue because I think that is how we will actually make something happen, it is the relationships.

So, I want to finish by closing by saying that I very much enjoyed this forum and my participation in it and I very much

want to thank all of you for making this a very enjoyable event. Thank you very much.

**Mr. Ricardo Perez Layo (Peru):**

Well, I want to thank OVTA and the government of Japan for this meeting and thanks obviously to all my colleagues. Only to point, I want to stress the necessity for to establish TVET minimum requirements, I am not going to go further – only minimum requirements especially for SMEs -- especially for SMEs according to our development strategy and necessities, right. Why, because large firms have enough linkages and networking channels, you know, in order to improve labor productivity basically with the academic sectors, right. But for SMEs, we have to think hard in this issue. Thank you very much and see you – all of you in Chicago.

**Ms. Maria Criselda Rebulde SY (Philippines):**

First, I would like to thank the organizers of this conference, the government of Japan, Professor Shimoda, the OVTA, the secretariat, the resource persons, and all my co-participants, thank you all for the wonderful opportunity to be here.

I think everybody came to the conclusion that indeed the TVET providers actually are critical partners in effectively deploying the skills development initiatives of our country and that the private sector really plays a very crucial role in ensuring the effective workings of the supply and demand are component of the labor market.

It is however important that we guard the quality of these TVET providers by setting standards and in this conference, I came to a realization that each of our countries would have our own standards and systems and therefore I really learnt a lot, particularly the good practices that are really worth emulating which I am going to bring home to my country for further analysis and study for the possibility of adopting those good practices like what Jeremy said what is more important to me is the friendship that I gained also from this conference and thank you so much and I wish to see you all in some future time.

**Mr. Seow Cheng Seng (Singapore):**

I just want to say that I have learned a lot here. Although my initial objective in coming here was to first of all visit Mount Fuji and also hoping to get a glimpse of TVET how they are going to tackle especially this economic downturn -- how it affect ours workers was not in the agenda unfortunately, so nothing here.

Nonetheless as I mentioned, I learned a lot different, different practices, and we know, all of us, that the landscape has changed tremendously, the training landscape new strategy, new approaches to tackle this issue and I also observed the presentation – most of the presenters are very passionate and full of energy and I like that.

I only have one regret – more time should have been left for presentations, it was too short -- I can always hear the bell. Almost everyone I think was right. Some double lucky not triple.

And finally I want to thank the organizers – they have done a tremendous job I noticed. They are also very passionate in their work – agree or not the rest agree, yeah. Thank you very much Professor Ken Shimoda, the coordinator and also the translator I think very clear yeah – must give credit to them. And of course, the rest of my colleagues, yeah. Thank you.

**Mr. Terence Tee (Singapore):**

I would like also to thank our wonderful hosts for the hospitality they have extended to all of us. The discussions and the presentations that were on display for the last 3 days have given me a lot of insights. It has basically given me new perspectives, new ways to deal with my own TVET providers, different ways to tackle all common issues that seem to transcend our national borders. So thank you very much.

**Mr. Chang Heng Yuh (Chinese Taipei):**

Good afternoon everybody. I would like to thank the host, the government of Japan, the OVTA, and the hard work of secretariat and special thanks to our coordinator, Professor Shimoda, for his excellent job. And I think I have a suggestion that if we can have our excellent participants, it will be more than excellent for us to have further understanding for this issue. Thank you.

**Ms. Areeya Rojvithee (Thailand):**

Good afternoon. First of all let me express my appreciation to the Ministry of Health, Labor and Welfare Japan, Tanaka-san and to the OVTA, Nomiya san and all the secretariat staff for the warm hospitality and their arrangement of this meeting and especially to Professor Shimoda for selecting this issue and I got fruitful discussion, you know, and learnt a lot from this forum and one thing I want to explain since I have been working for APEC HRD for long, the criteria for selecting project to be accepted by the member economies is very strict. That is why I tried to explain that this project already to the other since I am one of

the member committee of the QAF of the project – Quality Assessment Framework.

So, please understand what I am trying to explain and yes, as many colleagues in this meeting said that above of all the content that we learn from the forum – getting to know people, their culture, their behavior, and especially yesterday I have been working with Japanese for long, but since yesterday at the JAL Academy, I feel ashamed for what they trained us. Thank you very much.

**Mr. Mac Van Tien (Viet Nam):**

Yes, first probably I would like to start with what impressed me the most, which is the private-public partnership because this is a movement that has just started back home in Vietnam. And you may know that in Vietnam there is still a lot of dependency on the government support from companies and especially the public TVET provider. So, this really has wakened me up that it has been going on for long time. It – I mean it has gone a long way in the world, but while it has just started in Vietnam. So, I am going to take this back and especially as I work for a foreign organization, so sometimes we are seen as just like just giving advice and ideas, but not considering the domestic factors and situations. So, with this I am going to be more confident in sharing with my government colleague.

I see that a lot of issues have been mentioned, and actually debated and I really enjoyed the kind of ping pong discussion. But I would just like to make a comment about how we could keep the momentum and this issue – I understand that this is within the APEC Corporation, within APEC. So, I would like to make a comment how this momentum can be maintained and also brought up to a higher level. So that our work, I mean in vocational training can have more support and also can be better realized.

I would like to close by saying that I have never experienced an event with that much loud applaud, so that gave me a very positive impression and signals of a successful and fruitful event.

And of course, finally, I am deeply impressed with the hospitality extended to me and also my colleagues here from Vietnam and as well as to all of the program participants. I am not fortunate enough to get financial support from the Japanese government, but I am deeply impressed with the hospitality that I have got. Thank you very much.

**Ms. Pham Ngoc Anh (Viet Nam):**

First, I would like to thank the OVTA organizer for

inviting me here, and second I would like to say we have come here from highly developed countries like the USA, Canada, New Zealand, and Japan, of course and the very, very low level of development Vietnam, and so we come here, but only one focus is to discuss the role of TVET provider.

So, for me I learned a lot through the experiences of other country, I received lots of knowledge and tomorrow maybe I will bring it home and so I thank you very much for the shared experience for me. And secondly I would like to thank the OVTA staff, not only as organizers, but as my colleagues because I asked the extended registration for the – and so I would like to thank them for their kindest cooperation. And lastly, but not least I would like to thank Professor Shimoda and he is very high skilled and I learned from you many, many experiences; many lessons to me.

**Ms. Tammy Bloor-Cavers (Canada):**

I will probably repeat a lot of things everyone has already said so bear with me. Where to start? So, thank you, probably in order beginning with OVTA and the government of Japan for sponsoring my way to the forum.

It has been a tremendous experience. I have learnt a lot of things from all of you, the secretariat has been tremendous, you are a wonderful group of people, you have been also very helpful. Professor you, I would say exceed the competencies associated with facilitating a forum. And very good at finding Pokemon cards, so thank you.

Just – I am not done yet. Sorry, I know there are just a few left here, but I will take back a lot of the information in terms of different approaches, different considerations from each of you. I think we can learn a lot from one another and just points, just to pick up on some points from many of you, I think there is lots of opportunities to continue as you mentioned the momentum from this forum. I think there is a lot to begin in terms of a goal forward position and I think you set a very high standard in terms of the next forum and the level of participation. So again I thank you.

**Ms. Patricia Anne Colgate (New Zealand):**

I think coming from a country like New Zealand it is very easy to feel that you certainly the world and there is no one else out there really and this forum has been fantastic, and feeling that there are so many common issues. And I am going back realizing that we do some things very well indeed. And we do other things not so well.

And I think as a government person it is always a priority to think about what the key problems that you need

to – the problem definitions, and so I am going back with a much broadened sort of thoughts about, sort of where to start, and what to do and how to learn and that sort of thing, and I think that there has been so many challenges too, but the one I think that has come out of the left field was going to the JAL academy and realizing they have courses on manners. And I am deeply impressed by her because that is not something that we would even think of doing in New Zealand and yet it is so important. And I think from this conference, it is really clear the relationships are the key, to whatever we are doing and I have had a lot of fun and a lot of laughs, and I really feel like I am going back as part of the APEC region and not a little isolated person really. And I certainly, like the others, thank the Ministry of Health, Labor and Welfare and OVTA for the invitation and for setting the standards and for encouraging an environment where people have felt so at ease and so welcomed and so looked after, and thank you for that.

And I would also like to say I think, you must have got an A plus on how to look like a competent man or is it a capable man. Remember there was a course on how to look like a capable man, I loved that. And so thank you for seeking such a good role model.

**Mr. Thomas M. Dowd (USA):**

Well, they say that all good things have to come to an end, at least for now, until we meet again. But before we depart, it would certainly be appropriate as all of you have said to thank our host the country of Japan, Mr. Tanaka as always, thank you very much and all your staff. Mr. Aoki with OVTA and all his staff, and certainly to Dr. Shimoda in whose capacity in helping to – always help leaders and keep us on task and keep us focused that is what helps to make the meeting a success and so we appreciate all that very much.

Let me just share a quick thought and that is that we had, I think, some good open discussion, which is what we should do. We are here as colleagues, all committed to doing what we can within our own economies and hopefully collectively on behalf of the workers who so much look to us for doing on their behalf the things that will help them be successful and that I think is fundamentally important no matter how much we talk about theory and the differences, the standards, and qualifications, ultimately we have to go home and serve our citizens. And so to the degree that we come together and we can learn things that inspire us to go back and rethink sometimes and to be willing to adapt and learn new ways of trying to do just that, it is always helpful to come together. And I coming from the United States always very much appreciate the opportunity to hear the things that

you are doing and to better understand them.

So in spite of all these challenges, one of the things that I always find sort of encouraging is that 30 years ago, we would not have sat together and talked about many of these issues, because our economies did not connect the way they do today. And so for that reason we have more compelling reasons to have good dialogue because the world is getting smaller and smaller in terms of our ability to both communicate and based upon labor mobility, and so we interact a lot more to the degree that, that is good and positive, more dialogue and discussion is helpful to that degree, and I am extremely impressed by all the things all of you are doing in all of your countries to help as I say lift all the boats with the tide.

For too long America really did have a tremendous education advantage in the 20th Century. That is no longer true. All the world is vastly becoming more educated, better trained and therefore, in some ways good healthy competition, and America has to realize that and be a good partner in that competition and supporting and helping all workers to be successful along with our own. So to that degree, I applaud all of you for the great work you are doing because we are all friendly competitors for a better world for all of our workers.

So again, thank you to everyone. I appreciate it very much. It has been a real pleasure to be here once again.

**Mr. Tatehito Shimoda (Japan):**

Thank you everybody. I know one thing, I know you are very busy in your economies and you have very high positions, I know that, but we should ring a bell to keep the time. So I think it is rude I know that, but I apologize again, but this is my role, so I am sorry.

And facing changes, as you know this financial crisis, we face the same situation. We have different cultures, different situations, but facing these disturbances, maybe we can shake hand together, and we can do something; especially employment issues will be more important as you know.

So, I appreciate again, and this is my wish to see you again in the near future. And I believe this forum has been successful because of your attendance. Thank you very much and see you again.



APEC Forum on Human Resources Development 2008

Chiba, Japan 19-21 Nov. 2008



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