

Skills to realise the Demographic Dividend in Asia:What are the challenges?

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Structure of presentation

- The East Asia vs South Asia contrast
 - In labour markets
 - In education and skill levels
- Problems with South Asian TVET systems
- Urgent actions prioritized to realize the demograpic dividend

I. Labour market differences between East and South Asia have TVET implications

- *Asia's industrial trajectory underpinned by industrial policy, a gap in South Asia*
- *Informal employment shares are lower in SE Asia*
- *SME share is high in SE Asia but very high in South Asia*
- *Female labour force participation rates significantly higher in SE Asia than South Asia*
- *Youth entering labour force in larger numbers in South Asia due to demographic dividend*

e.g. TVET in the manufacturing giant China

- China's manufacturing prowess partly reflects policy-makers' ability to: a) build a foundation of TVET over years; and b) align TVET to industrial policy & continuously upgrade TVET system in response to China's growing share in world manufacturing output.
- *The Vocational Education and Training Law*
- *Ensuring demand: Stipend for Vocational Students – not for general academic schooling*
- *Teacher Training*
- *Curriculum Design*
- *Responsiveness to local industry needs – Industry participation*

II. South Asia's TVET System Problems: Inputs, Processes, Outcomes

INPUTS:

- *TVET Access is limited, prim GER reached 97% only in 2007 in India; sec GER 68%; upp sec GER 36%*
- *Quality impacted by lack of qualified instructors AND lack of industry participation*
- *Inadequate financial allocation by the government; business not willing to invest*

	GER Secondary, (%)	Upper Secondary, (%)	GER Tertiary, (%) (%)
Country	Time Period	Time Period	Time Period
	2012 - 2014	2012 - 2014	2011-2013
Bangladesh	53.6	40.5	13.2
India	68.5	54.8*	24.8
Nepal	66.9	50.0	14.4
Sri Lanka	99.3	99.5	16.9
China	88.9	76.6	26.7
Indonesia	82.5	73.4	31.5
Malaysia	70.7	55.9	37.2
Republic of Korea	97.1	94.6	98.3
Philippines	84.5*	75.8*	28.1*
Viet Nam	..	..	24.5

%	Voc enr in Total enr		
	Upper seconda ry		Secondary
Bangladesh	3.5		8.1
India	0.8		1.8
Nepal	0.6		1.7
Sri Lanka	...		11.6
China	19.7		44.4
Indonesia	15.8		43.3
Malaysia	6.2		20.6
Korea			19.4
Philippines	...		...
Viet Nam	...		...

South Asia's TVET System Problems: Processes

- *4 parts of TVET System:*
 - *Secondary schools*
 - *Industrial Training Institutes*
 - *Pvt VTPs*
 - *Enterprise based training*
- *Industry involvement in TVET is limited*
- *Supply responsiveness is limited*
- *Lack of vertical and horizontal mobility in TVET*
- *Accreditation programs are weak*
- *The administration of educational programs is highly centralized*

In-plant in-firm training by country (share of companies providing in firm trng) –

Country Name	Years			
	2002-2007	2008-2013		
Bangladesh	27.2		21.9	
China	84.8	(2003)	79.2	(2012)
Indonesia	23.8	(2003)	4.7	(2009)
India	15.9	(2006)	15.9	(2006)
Korea, Rep.	39.5	(2005)	39.5	(2005)
Sri Lanka	32.6	(2004)	18.4	(2011)
Malaysia	50.1	(2007)	50.1	(2007)
Nepal			31.9	
Philippines	21.7	(2003)	31.1	(2009)

TVET System Problems in South Asia: Outcomes

- In **Nepal** employment of skills training graduated is between 30 and 50 %.
- In **Sri Lanka** a study in 2005 showed 3/4th of trainees are employed after training and 1/4th were unemployed; 27 % stating that training was not helpful in finding a job. About 1/3rd of those employed were working in fields other than in their training.
- In **India**, 29% those trained in Industrial Training Institutes were unemployed 2 years later, though share was slightly lower for those graduates who entered government apprenticeship training scheme

Higher educ outcomes and employability

- GER at tertiary level is only 10.4% in Bangladesh, 14.3% in Nepal, 16.9% in Sri Lanka and 18% in India
- The quality and employability of TERTIARY graduates is affected by 3 factors:
 1. rapid massification with limited public resources, hence resources get thinly spread across too many public institutions;
 2. rapid growth of private sector without the state first developing capacity to regulate to maintain standards;
 3. disciplines that have most students enrolled seems un-connected to needs of the economy

Distribution of tertiary level students by different disciplines, by country

	Engg man cons tr	Edu c	Hea lth	Soc Sc, Bus, Law	Agri	Scie nce	Hu m & Arts	Ser vice s	Oth ers
Country									
	2012	2012	2012	2012	2012	2012	2012	2012	2012
Bangladesh	3.3*	1.6*	2.2*	48.2	1.1*	13.4*	30.2*	0.4*	9.9*
India	22.3	4.1	3.4	47.3	0.5	16.5	5.5	0.4	..
Nepal	3.3*	39.1*	3.5*	32.1*	0.4*	3.8*	17.7*	0.8*	..
Sri Lanka	5.8	5.6	5.4	20.1	1.9	11.4	49.7	0.0	0.1
China	..	..	..	..	..	8.1*	..	..	..
Indonesia	16.1*	14.7*	3.9*	50.7*	5.3*	12.9	0.4	..	0.6*
Malaysia	21.9	10.3	8.5	30.1	1.8	..	8.5	4.8	0.4*
Republic of Korea	26.7	5.8	10.8	22.3	1.2	8.5	18.1	6.7	..
Philippines	15.5*	16.9*	13.2*	28.0*	3.2*	11.8*	..	0.7*	7.3*
Viet Nam	23.6	21.1	4.9	33.1	5.4	..	5.6	3.8	2.4

How to Address Challenges in South Asia? Government role

- *Problem that all South Asian TVET systems face is lack of sufficient practical training as part of TVET, and lack of articulation between lower and higher level TVET institutions.*
- *System orientation towards exams, not competency, hence a NSQF*
- *South Asian government have failed to regulate private training providers, regardless of country.*
- *Finding teachers/instructors with industry experience facing TVET institutions throughout South Asia.*

Government role

- *There is a strong case for creating a law to guide TVET system*
- *There is need to strengthen training for the workforce in the informal economy*
- *South Asia has a large rural population that aspires to migrate to cities and to better jobs outside of agriculture; take skills centres to the population i.e. increase access, sec educ VET from grade 9*
- *Promote TVET programs that are gender-sensitive to encourage and support greater female labor force participation in South Asia.*
- *Moving South Asian TVET systems from a supply-oriented to a more market demand-oriented system training system is essential to ensure education and skills training responds to changing industry demand.*

Private Sector's role

- *In-firm training can be stimulated, especially in middle-income South Asian countries.*
- *Innovations such as competency-based training and vocational qualification frameworks can help to put appropriate quality standards in place; employers as curriculum developers, assessors, providing internships*
- *Good practice would involve employers in testing graduates*

Finance for TVET: A Joint Public-Private Responsibility

- *Training levies can be collected from firms to create a training fund*
- *More demand for training can be generated among the poor by providing stipends to be drawn from a national training fund based on the training levy on large enterprises*
- *This model has worked well in most of 63 countries, esp in LA, most successful in Brazil*