

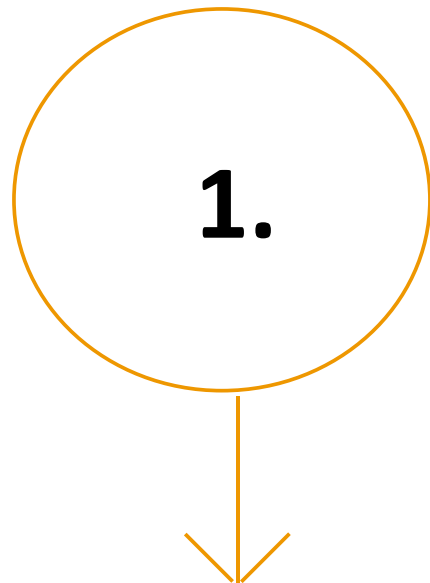
**Policies for Stronger Linkage between VE and  
Labor Market in Korea: *Efficiency and Social  
Outcome***

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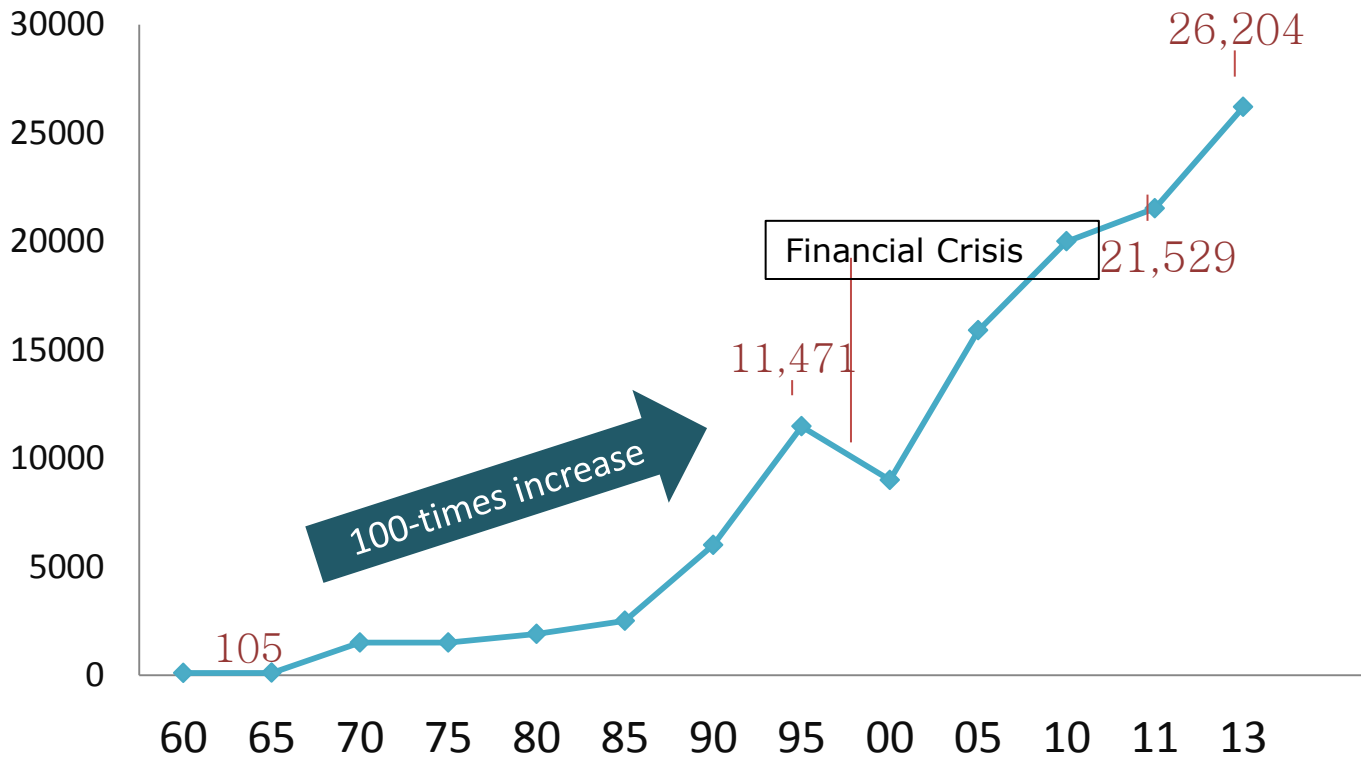
19 & 20 mai 2016 – Lycée Diderot (Paris)



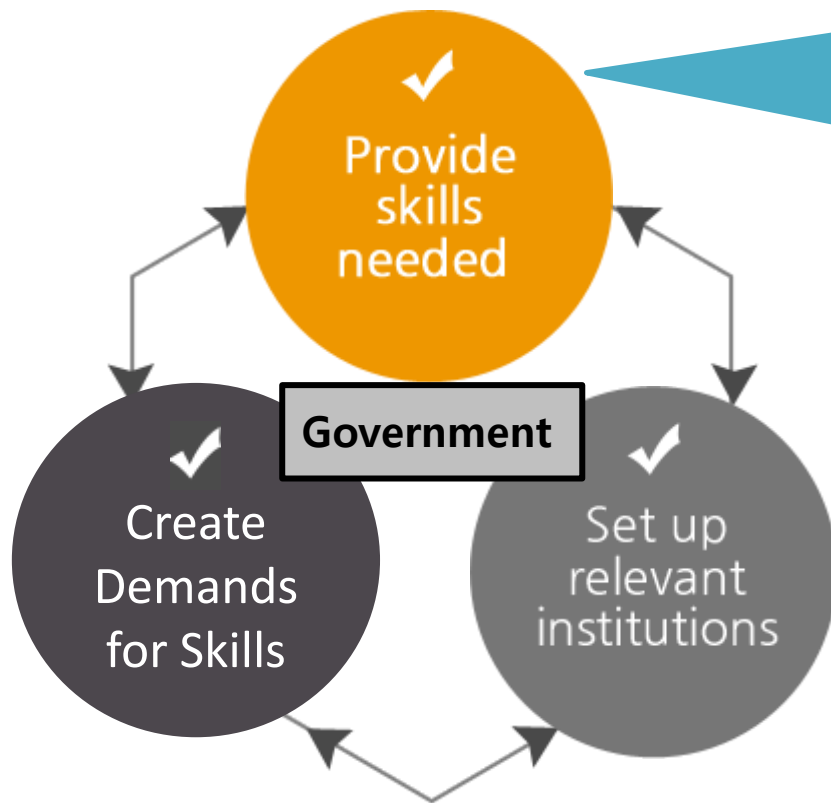
# The Formation and Development of Vocational Education in Korea

# ➤ Korea's Economic Growth

Changes in GDP per capita



## > VE in the Industrialization Era



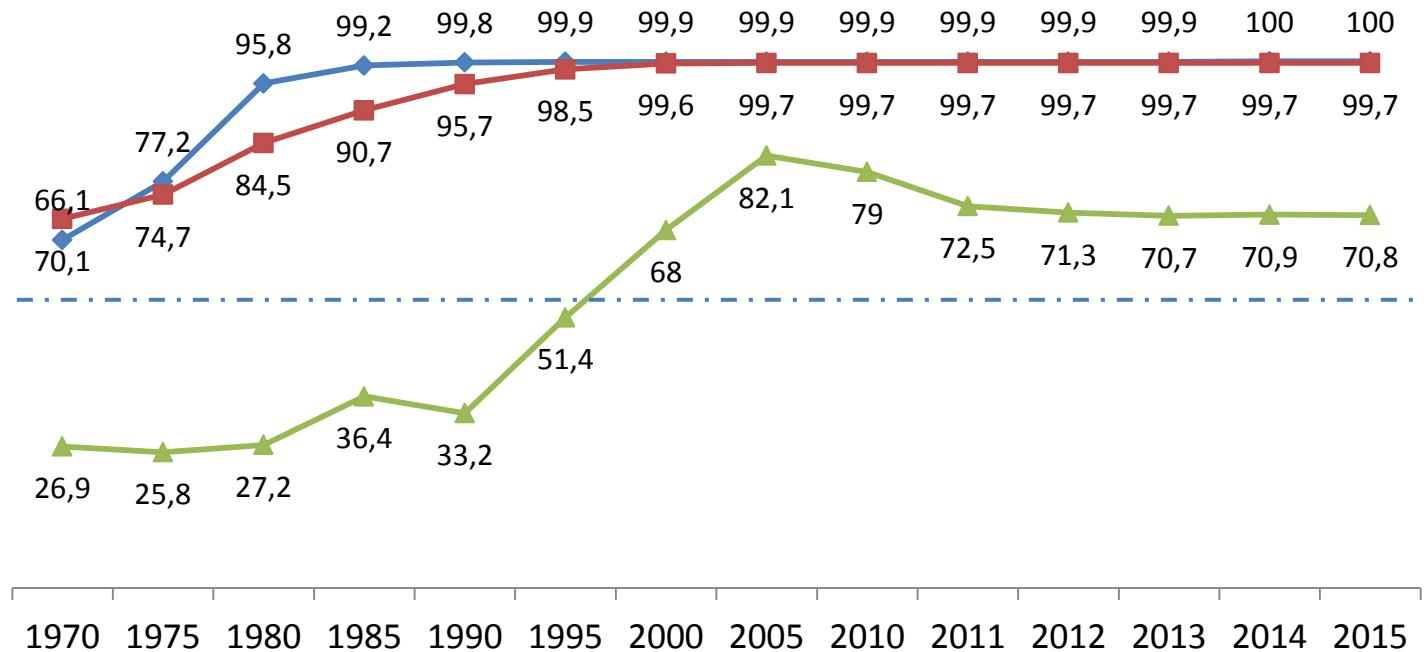
- Vocational high schools contributed significantly
- Vocational schools were preferred, students with good grades enrolled in Vocational high schools
- 3 presidents graduated from vocational high schools



# ➤ Sequential and Rapid Expansion of Education

Advancement rate by school level (1970-2015)

◆ Elementary school → middle school    ■ Middle school → high school    ▲ High school → college, university



Source : Brief Statistics on Korean Education

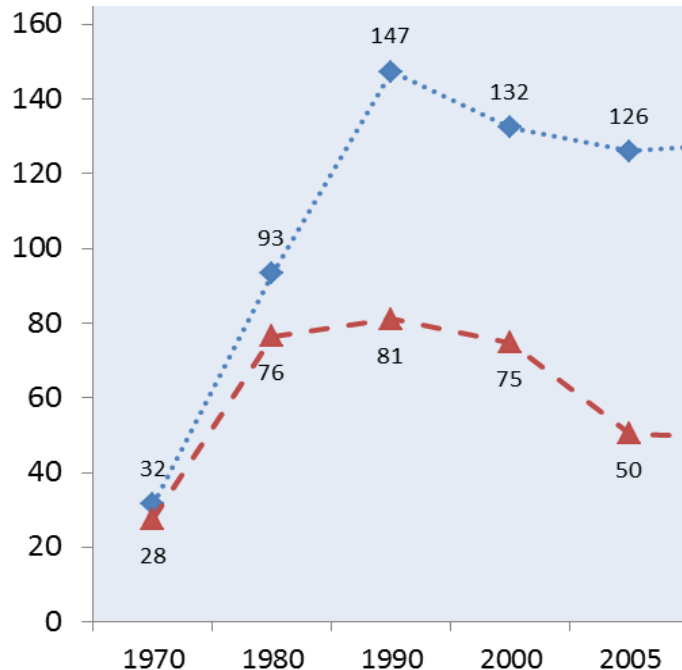
# ➤ Growing avoidance of VE

## ▪ Number of VHS Students

(Unit:10,000)

◆ General High school students

▲ Vocational High school students



- The proportion of vocational high school students among all high school students dropped from 42.2 % in 1995 to 28.5 percent in 2005.
- The marked decline in the role of vocational high schools was caused in part from the parents' and students' aspirations for higher education.
- another factor was the decrease in the demand for semi skilled labor, and decrease of relative compensation level of vocational education

Source: Statistical Yearbook of Education(each Year)



**2.**

# Reforms for Revitalization of Vocational High Schools



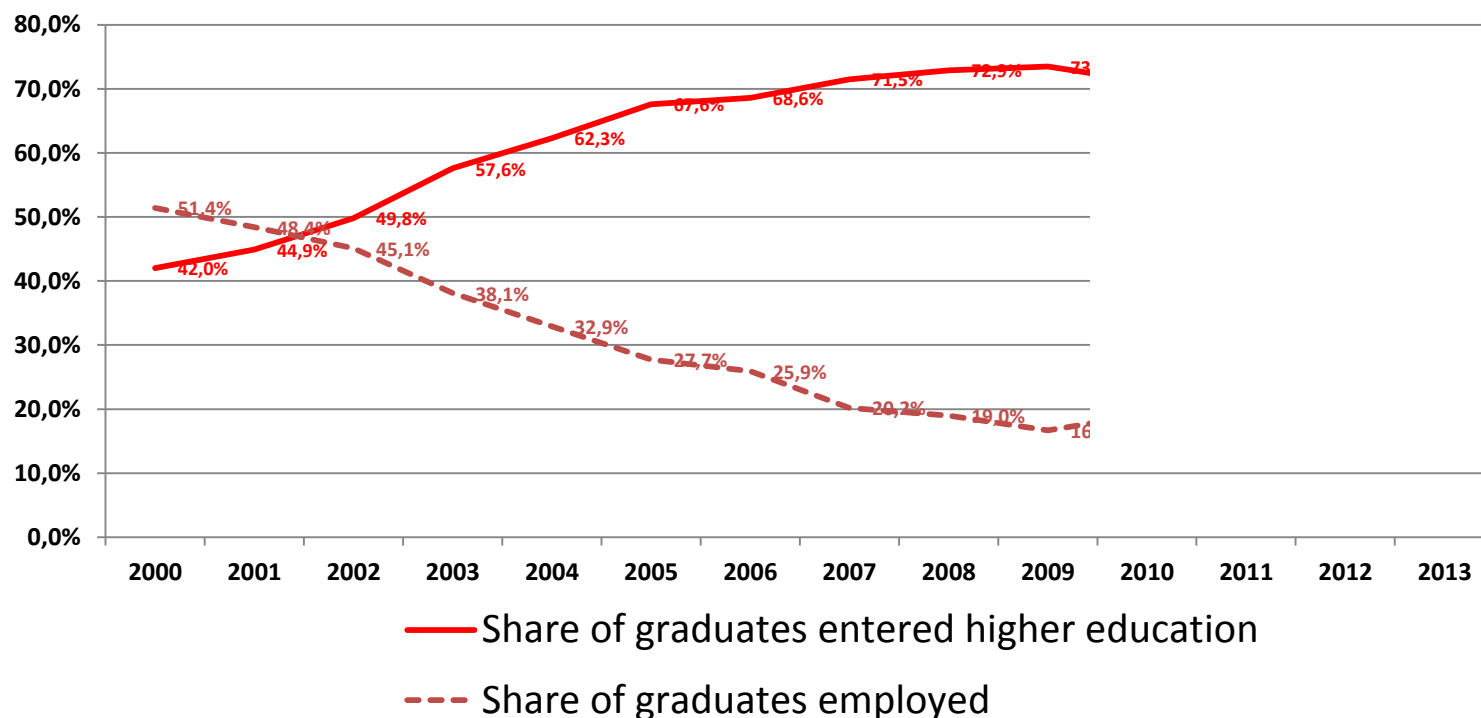
## Reform of 1996, 2005

- In 1996 a major shift in policy on vocational education took place. It was declared that vocational high schools were expected to prepare students for college as well as work.
- In 2005, the name of vocational high school was changed from vocational school to “professional schools” and made it easier for graduates from vocational schools to get admission to colleges and universities



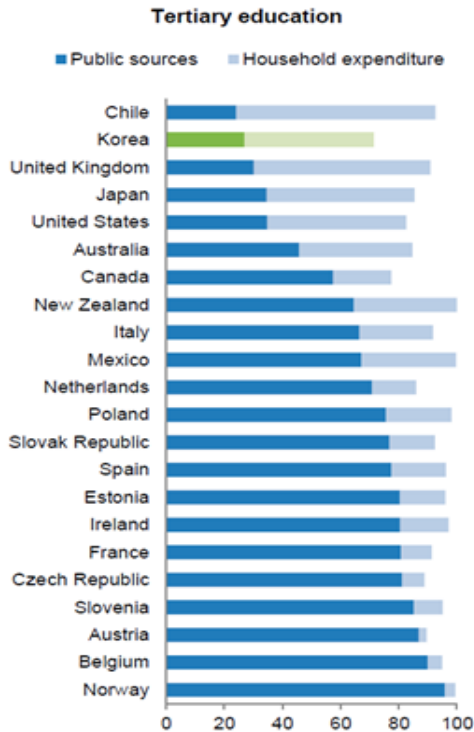
# ➤ Vocational High Schools for the Tertiary Education

- Rapid increase of entering to higher education after graduation of vocational high schools



# ➤ Koreans' "Education Fever"

## ■ High Household expenditure for education



Source: OECD(2015) OECD SKILLS STRATEGY DIAGNOSTIC REPORT: KOREA

## ■ Why are Koreans willing to pay for education?

Why are Koreans willing to pay for education?

**KRIVET** In Korea, Educational qualification was the most important criterion for determining a person's economic and social status.

Why ?

**KRIVET** There was a high social mobility after independence and civil war

# Crisis of Vocational High Schools

- Overeducation
- Mismatch in the demand and supply for jobs due to rapidly growing number of college graduates
  - high unemployment rates & labor shortages of SMEs.
- Lack of cooperation between schools and Industry
  - lack of teachers with actual workplace experiences
  - theory oriented curriculum



**3.**

## Reforms for Strengthening the Linkage between VE and Labor Market



# ➤ 2010, Vocational High-School Advancement Plan

Emphasis on industrial needs and sector-specific skills

- The curriculum is tailored by industry needs,
- Restructure vocational high-schools into more skills-driven schools, reducing # of schools.

"Employment first, College Later"

- Incentives for vocational high-school graduates to advance to the tertiary level education after working 2-3 years.

Meister High- Schools

- The Elite VET schools: distributed by region
- 21 Meister high-schools in 2011, 47 Meister high-schools in 2016

# ➤ Meister High School

## < Main features >

- Strong support and performance management from the Ministry
- Cooperation with industry in terms of curriculum, internship and employment/MOU with large companies
- Students with good grades at middle schools

## < Outcomes >

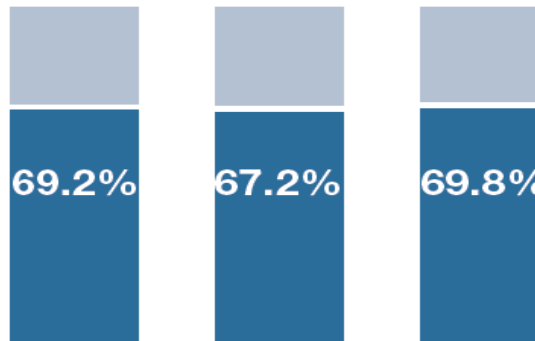
90.6% / 91.4%



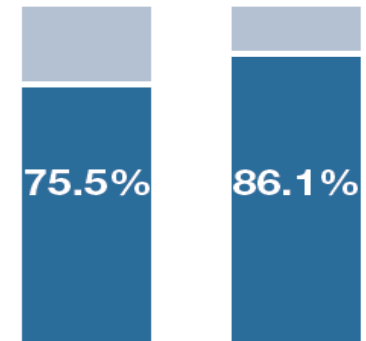
Change of the Perception on VE

90.6% : \*source:Ministry of Education (2014)  
91.4% : \*source:KRIVET (2014)

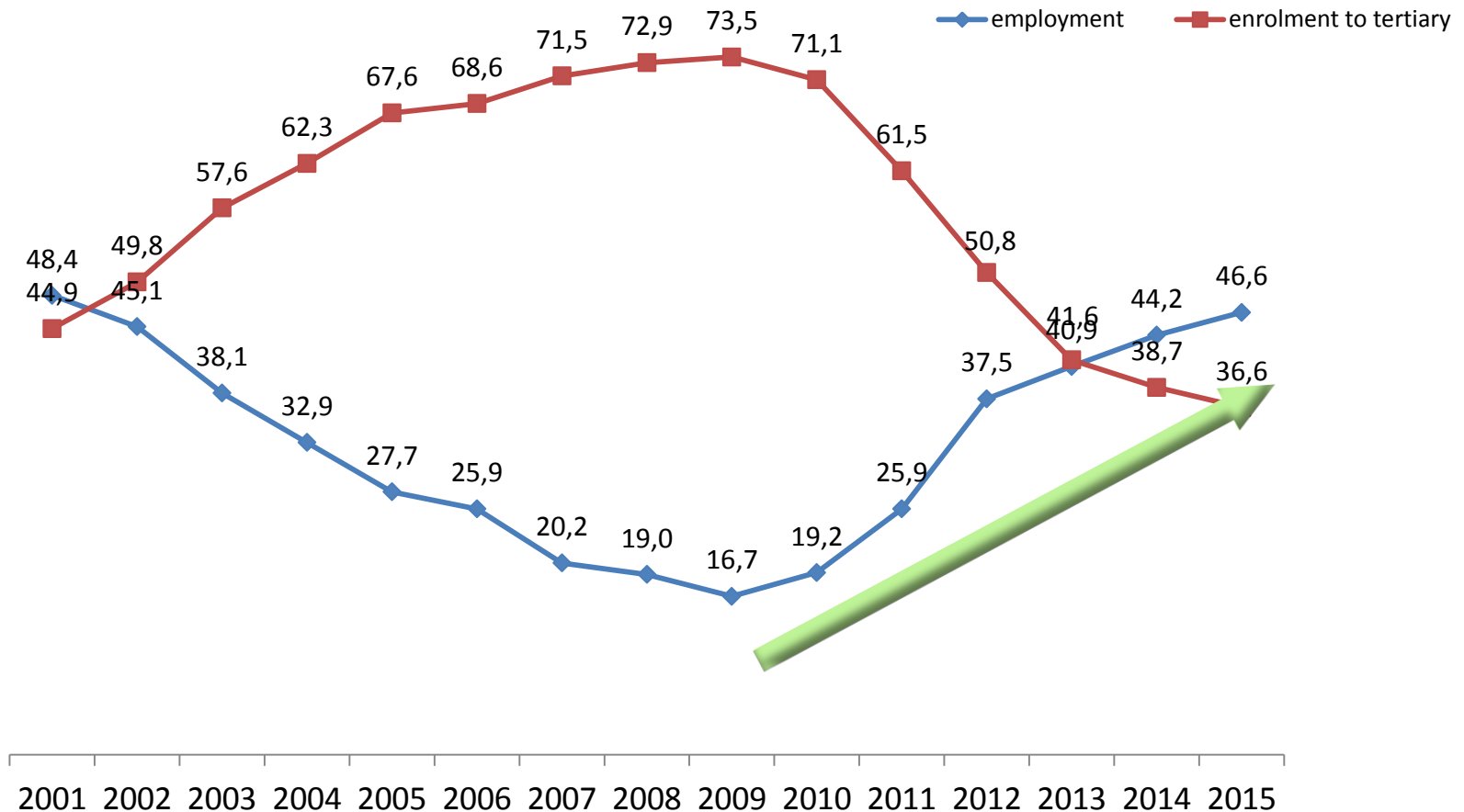
Graduate Satisfaction



Company Satisfaction



# ➤ Changing Transition Pattern of Graduates



# ➤ 2013, Ambition for Work-Study Dual Program

## High-school

11<sup>th</sup> and 12<sup>th</sup> year of Specialized Vocational High Schools

- 3 days in school and 2 days in company

## High-School + Coll.

Integral program of Vocational high school and college (Uni-Tech)

- Integration of Vocational education in high schools and colleges

## University

3<sup>rd</sup> and 4<sup>th</sup> year of university (IPP: Industry-Professional Practice)

- Join apprenticeship for a semester

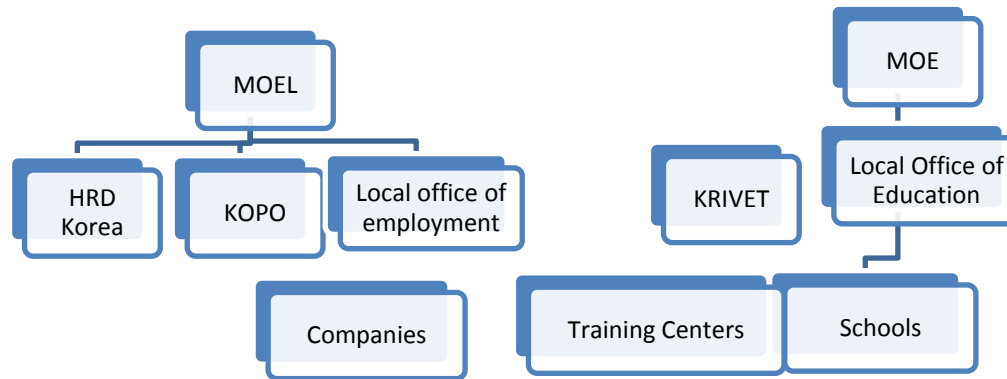
## New Workers

Job seekers after graduation of Vocational high school and tertiary education

- Company led training
- Training center-led type for SMEs



# ➤ Governance of Dual System in Vocational High Schools



- MOEL, MOE: financial and administrative support
- Local office of Education: supervision
- Local office of employment: encourage companies participation
- KRIVET: research, framework development, monitoring
- HRD: evaluation of companies and distribution of financial support
- Schools: apply with at least 100 apprentices and 30 companies
- Companies and Training Centers: on site training

# Industry-School Dual System

## Strong Support for a Rapid Expansion

### Companies

- Cost for program development and infrastructure
- Operation cost such as trainers' allowances, HRD staffs' allowances, and training cost



### Apprentices

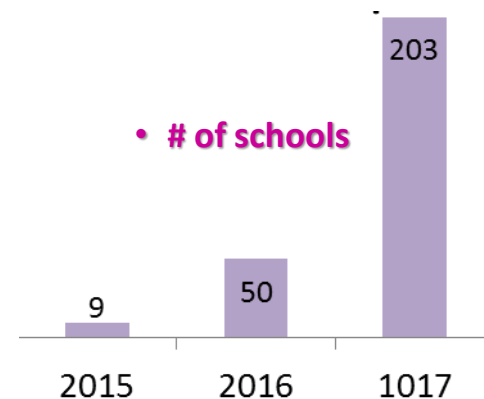
- Wages at least the minimum wage

### Schools and Training Centers

- Upgrading training equipment
- Wages for staffs

# ➤ Rapid expansion of of Dual System in Vocational High Schools

	# of schools	# of companies	# of students
2015	9	156	527
2016	60	863	2704
2017	203		



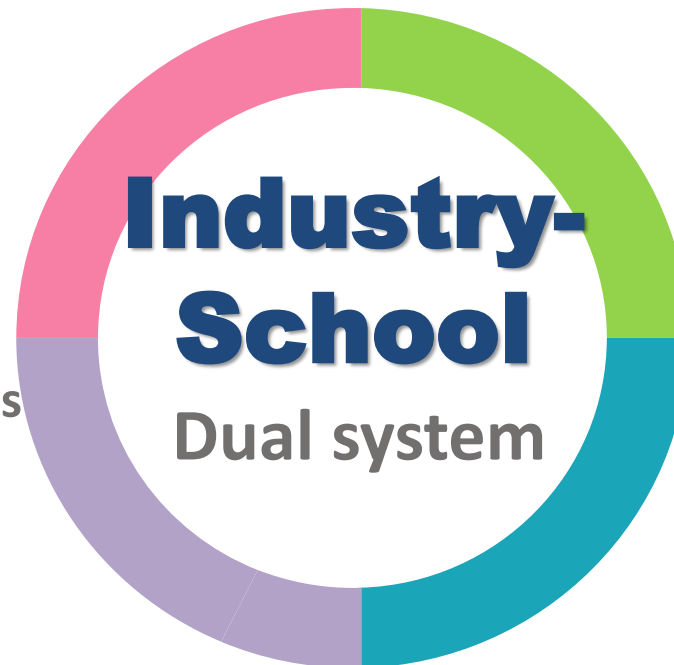
# ➤ Expected Benefits and Impacts of Industry-School Dual program

## Apprentices

- Skills development
- Employment.
- Shortening moratorium period

## Training center, schools

- Improving capacities for better skills development



## Companies

- Recruiting employees with skills needed
- reducing retraining costs
- increasing labor productivity.

## Korean society

- Reducing private spending on education
- Alleviating the overemphasis on academic degrees.

# ➤ Challenges of Dual System in Vocational High Schools

- Quality assurance of OJT / lack of understanding in firms
- Stronger link between Off JT and real work in company
- Coordination between the national curriculum and OJT
- Coordination between two Ministries and Strengthening the whole-of-government commitment
- Ensuring development of core competencies that are expected to develop in high school.
- Protecting apprentices from poor working conditions and low prospect of working in SMEs



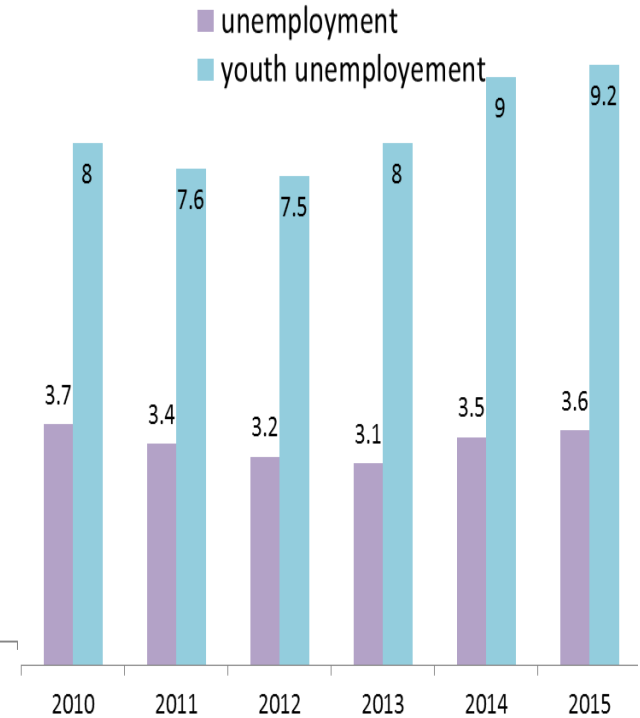
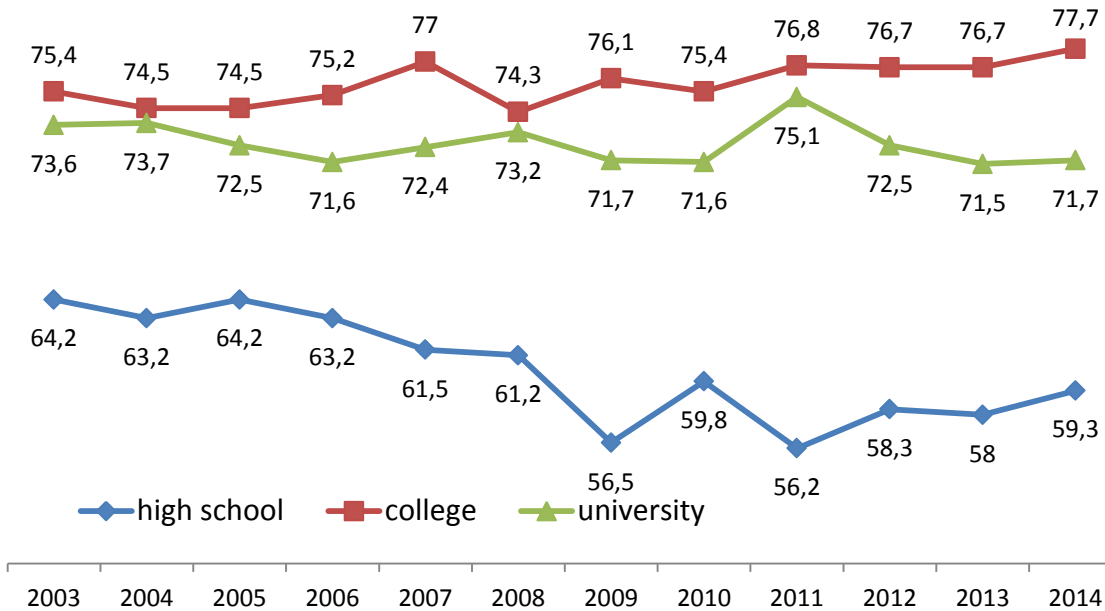
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## Economic and Social Outcomes of Reforms for Strengthening the Linkage between VE and Labor Market

# ➤ Limited Labor Market Outcome\_1

■ Employment Ratio of youth by education (age 15-29)

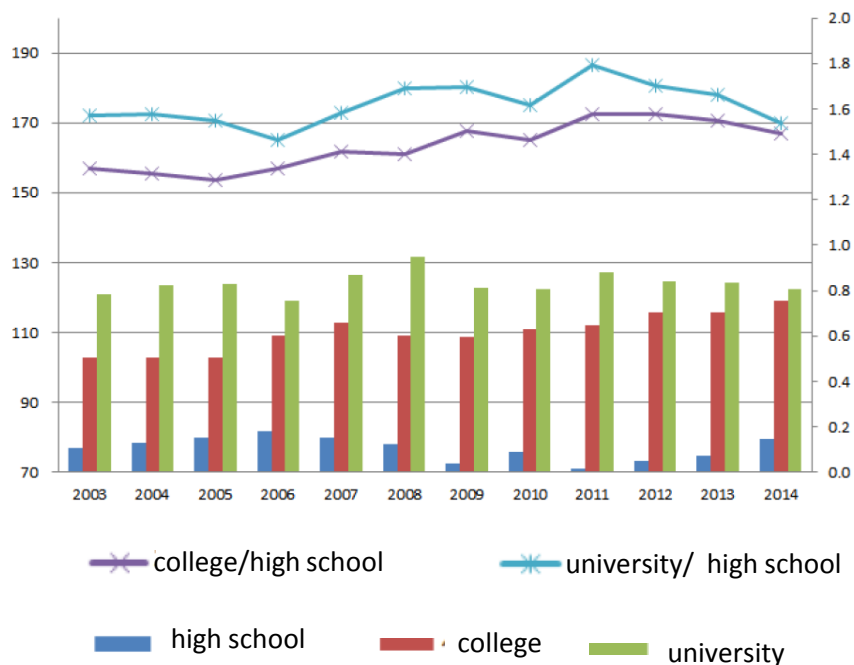
■ Has youth unemployment decreased?



SOURCE: Chai & Yang. (2015)

## > Limited Labor Market Outcome\_2

- Real wages and Ratios of wages by education ( monthly, age 15-29)



- In 2003(2014)The real wage of college graduates was 34%(49%) higher than high school graduates, and that of university graduates was 57%(54%) higher than high school graduates
- From 2003 to 2014, The wage gap between high school graduates and college graduates has increased while the gap between high school graduates and university graduates has not changed

SOURCE: Chai & Yang. (2015)

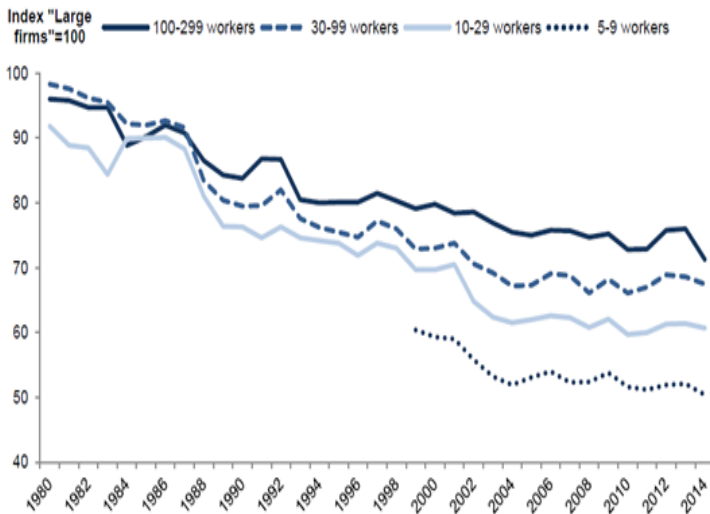


# ➤ Limited Labor Market Outcome\_3

## ■ Trends in wages by firm sizes

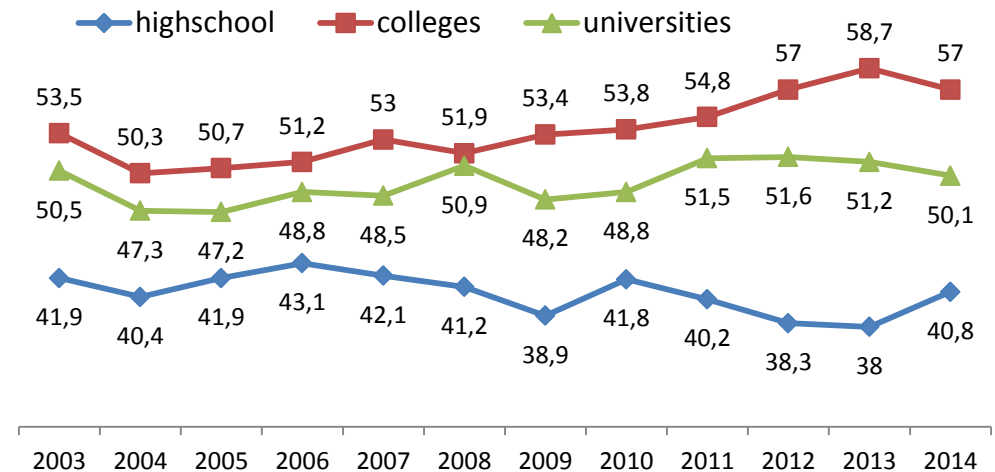
(1980-2014)

The wage gap between SMEs and larger firms has increased substantially



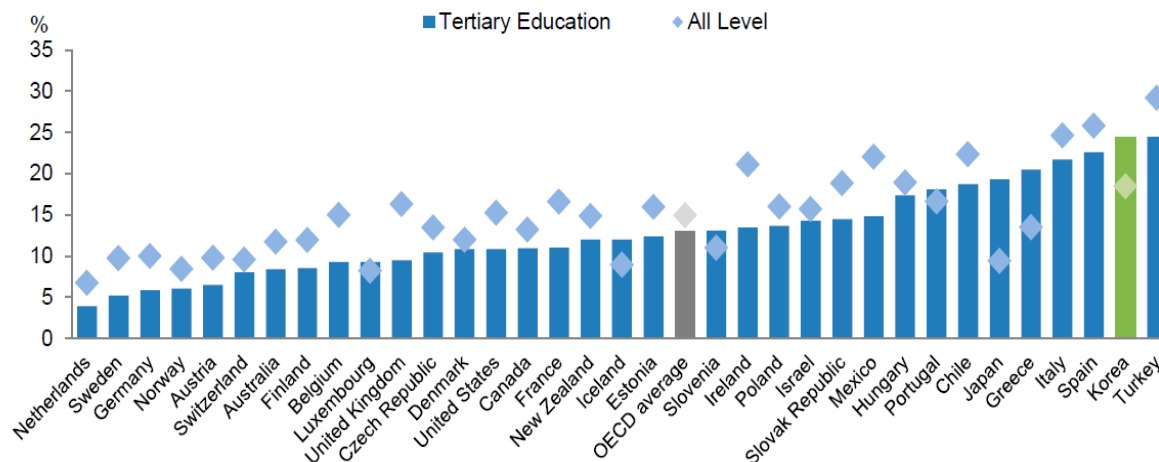
Source: OECD(2015) OECD SKILLS STRATEGY DIAGNOSTIC REPORT: KOREA p.38

## ■ Ratio of regular workers (age 15-29) by education



SOURCE: Chai & Yang. (2015). p.5

# ➤ Share of youth NEET, 2012 (age 15-29)



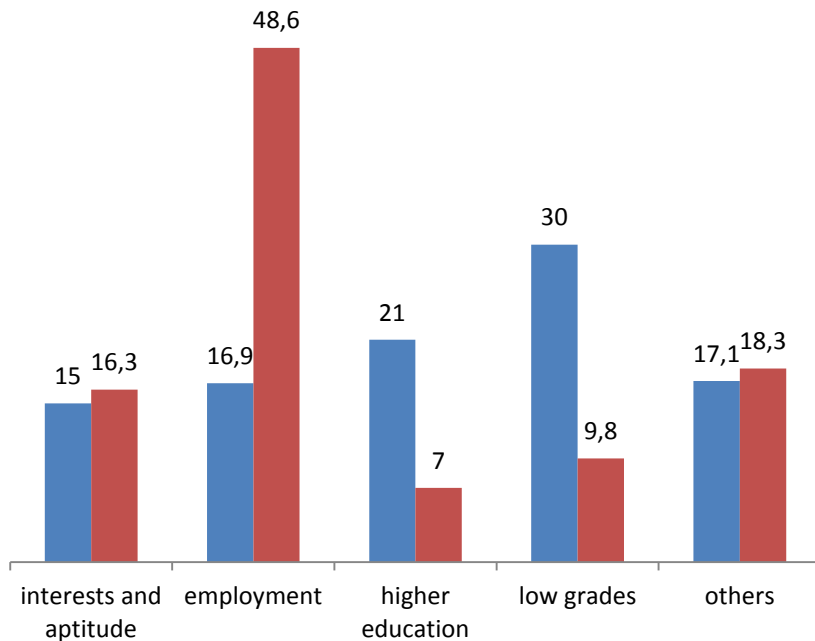
Source: OECD(2015) OECD SKILLS STRATEGY DIAGNOSTIC REPORT: KOREA

- Difficulties in finding jobs after graduation of higher education
- The share of NEETs among Korean youth with a tertiary education is almost double the OECD average (24% versus 13%), while the rate among all youth is only moderately above average (19% versus 15%).
- Showing over-supply of highly educated workers
- However, the fact that many NEETs in Korea are studying to prepare for recruitment tests and exams to work in the public sector or large firms should be considered
- 2012, Highest turn over rate among OECD countries, 2012, Temporary workers in Korea are , among OECD countries, the least likely to move to permanent(OECD, 2015)

# Tackling the Overemphasis on Higher Education

- Changes in the reason for choosing Vocational High schools

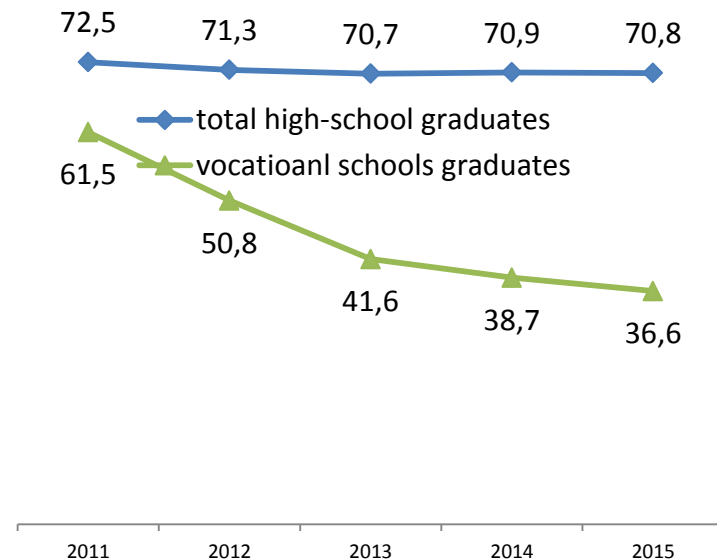
2006 2015



source: Lee et al.(2006)/ Lim et al.(2015)

- Has the enrolment rate decreased?

The Policies for recent 10 years have attenuated more or less the “Education Fever of Korean”, but not quite impressively, only within vocational track the entrance rate for higher education has decreased.

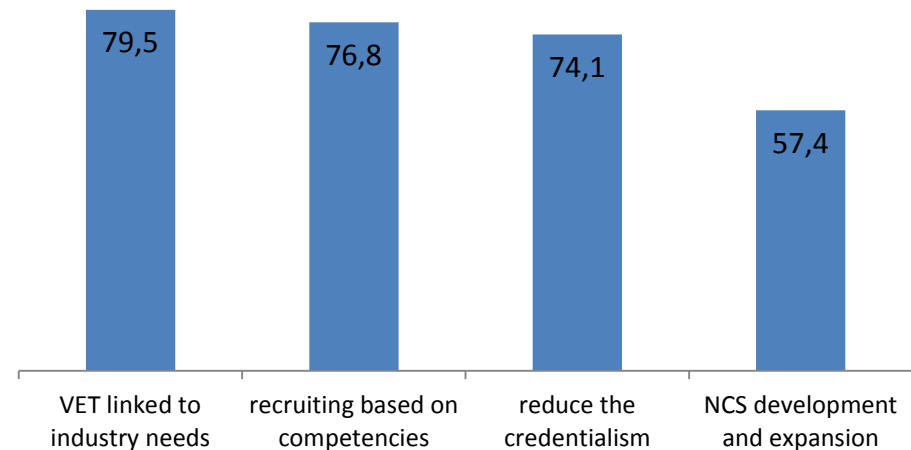


# ➤ Slogan of "Competence-Based Society":

Korean government's emphasis on the "competency-based society" with the National Skill Standards

## Ways for the Competence-Based Society

(percent of agreement)



Source: Jung(2016)

## Remained Issues for "Competence-Based Society"

- Considering the labor market dualism(gaps between large firms and SMEs, regular jobs and irregular jobs), still vocational education may not be the best choice as an individual throughout the whole life span.
- By emphasizing the positive possibilities of VE, there are possibilities of refraining career development of Vocational high school graduates who are mostly from less advantaged family within disadvantaged sectors.
- Developing decent jobs, mitigating the labor market dualism and increasing social welfare are needed

# CONFÉRENCE DE COMPARAISONS INTERNATIONALES

## #FormationPro

# ORIENTATION, FORMATIONS, INSERTION : QUEL AVENIR POUR L'ENSEIGNEMENT PROFESSIONNEL ?

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