Workers and Job Seekers
Skills Development Policy
in Korea

HRD Korea Cambodia EPS Center
Ministry of Employment and Labor
Republic of Korea
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I.N.D.E.X

1. Introduction of HRD Korea
2. What is EPS?
3. What is Skills?
4. Skills Development Policy in Korea
5. Skills Development Contents for Foreign Workers
6. Suggestions
Introduction of HRD KOREA
HRD Korea

The central organization to support the development, evaluation, and utilization of human resources.

Major Functions of HRDKorea

Since its establishment, HRDKorea has recognized the importance of having a competence based and highly skilled society.

Vocational Competence Development

Vocational Competence Assessment

- Supporting Foreign Workforce Employment
- Helping Overseas Employment of Korean Youths
- Skilled Crafts Encouragement
HRD Korea

**History**

1981.12. Promulgation of law of Korea Vocational Training Management Corporation
1982.03. Established Korea Vocational Training Management
1989.07. Established Korea University of Technology and Education
1994.04. Transferred 8 Joint Vocational Training Institutes to the Korea Chamber of Commerce and Industry (KCCI)
2001.01. Acquired Central Employment Information Service
2006.03. Transferred 23 Vocational Technical Colleges to Korea Polytechnics
2008.01. Established an institution for national qualification tests and integrated other qualification tests
2010.01. Established of Work-TV
2013.03. Established GIFTS for skills transferring and international cooperation
HRD Korea

HRD Korea at a Glance

Mission and Vision

<table>
<thead>
<tr>
<th>Mission</th>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieving a competency-based society through development, assessment and utilization of human resources</td>
<td>Becoming a central supporting organization encouraging development, assessment and utilization of human resource to raise the value of people and workplace</td>
</tr>
</tbody>
</table>

Staff and Budget

<table>
<thead>
<tr>
<th>Staff (Persons)</th>
<th>Budget (KRW 100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013: 1,108</td>
<td>2013: 8,679</td>
</tr>
<tr>
<td>2014: 1,177</td>
<td>2014: 10,293</td>
</tr>
<tr>
<td>2015: 1,203</td>
<td>2015: 11,937</td>
</tr>
<tr>
<td>2016: 1,280</td>
<td>2016: 13,255</td>
</tr>
<tr>
<td>2017 (Year): 1,313</td>
<td>2017 (Year): 13,659</td>
</tr>
</tbody>
</table>
HRD Korea
What is EPS?
What is EPS?

**EPS** is a policy that allows small and medium-sized enterprises lack of workers to hire an adequate number of foreign workers.

**Government to Government (G2G) system**

Legitimate employment in South Korea

No discrimination, equal protection as domestic workers

<table>
<thead>
<tr>
<th>Sending Countries</th>
<th>16 countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permitted Sectors</td>
<td>Manufacturing, Construction, Agriculture &amp; Livestock, Fishery, Service</td>
</tr>
<tr>
<td>Labor Quota</td>
<td>Determined based on economic conditions, labor market developments, overstay rate</td>
</tr>
<tr>
<td>Number of Workers Permitted</td>
<td>5 foreign workers for 1<del>10 local workers, 10 foreign workers for 11</del>50 local workers</td>
</tr>
<tr>
<td>Employment Period</td>
<td>3 years (maximum 4 years and 10 months)</td>
</tr>
</tbody>
</table>
What is EPS?

**Background**

- **Dec. 1993**: Industrial Trainee System (ITS) was implemented (Trainee status).
- **August. 2004**: Employment Permit System for Unprofessional workers was implemented.
  - Jan.1, 2007: ITS was abolished and unified into the EPS.
What is EPS?

Key advantages of EPS

- According to the demand of Korean SMEs, the number of immigrant workers will be adjusted flexibly every year to prevent damage to the Korean labor market.

- 한국 중소기업의 인력 수요에 따라 외국인 노동자의 입국인원을 매년 탄력적으로 조정하여 결정하여 한국인 노동시장 피해를 방지한다.
What is EPS?

Key advantages of EPS

- Preventing workers' injuries by negative broker intervention in the process of sending foreign workers to Korea, Managing all process directly by the government to government.
- 외국인노동자의 한국으로 송출과정에서 브로커 부정적인 개입을 차단하고 정부가 직접 관리함으로써 노동자의 피해를 예방함
What is EPS?

Key advantages of EPS

- To ensure the basic human rights of foreign workers, they are protected by labor-related laws on an equal basis with Korean workers.

- 외국인 근로자의 기본적 인권을 보장하기 위하여 한국인 근로자와 동등하게 노동 관련 법률으로 보호한다.
What is EPS?

**Current Situation**

- Sending countries: MOU was signed with the sixteen countries*
  - Vietnam, the Philippines, Thailand, Indonesia, Mongolia, Sri Lanka, Uzbekistan, Pakistan, Nepal, Cambodia, Bangladesh, Kyrgyzstan, Myanmar, China, Timor-Leste, Laos

- Total number of migrant workers received under the EPS from 2004 to 2019: **738,815 persons**
  - Cambodia: 72,976 persons
What is EPS? – Process

1. Decision on major policy including size of labor quota
   (Ministry of Labor of Korea ↔ Government of sending country)

2. Signing of MOU
   (Ministry of Labor of Korea ↔ Government of sending country)

3. Drawing up job seekers’ roster
   (Government of sending country ↔ Ministry of Labor of Korea)

4. Job referral and Issuance of employment permit
   (Ministry of Labor of Korea ↔ Employer)

5. Signing of labor contract
   (Employer ↔ Migrant worker)

6. Issuance of Certificate for Confirmation of Visa Issuance (CCVI)
   (Employer ↔ Ministry of Justice of Korea)

7. Receiving of workers
   (Employer ↔ Migrant workers)
What is Skills?
What is `Skills`?

Skills

- An ability to do an activity or job well, especially because you have practised it (Cambridge Dictionary)
- An ability to do something well, especially because you have learned and practised it (Longman Dictionary)`
```
What is `Skills`?

**Competency**

- **Skills** + Knowledge + Attitudes = **Competency**
- Think of **skills** as one of three Elements that make up a **competency**.
What is `Skills`?

Competency

“A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation”

- Lyle M. Spencer, Jr. and Signe M. Spence (1993)
What is `Skills`?

Competency

ICEBERG MODEL OF COMPETENCIES

- Knowledge: Information acquired in a particular area
- Skills: Demonstrated learned abilities
- Social Role: Attitudes and values projected to others (outer-self)
- Self Image: A person’s sense of identity and worth (inner-self)
- Traits: Why and how we behave in a certain way
- Motives: What drives us—the need for achievement, power, influence, affiliation
Skills Development Policy in Korea
Skills Development Policy
Skills Development Policy - Overview

- Vocational training that drove ‘The Miracle on the Han River’
- Key to rapid economic development is human resources development
Skills Development Policy - Overview

- With the enactment of the **Vocational Training act** in 1967, Korea’s vocational training policy was formally introduced.
- 1967년 직업훈련법이 제정되면서 한국의 직업 훈련 정책이 공식적으로 소개되었다.

- The framework of the vocational training policy was established with the enactment and enforcement of the **Basic Vocational Training Act** in 1976 which obliges employers to provide vocational training for their employees.
- 직업훈련 정책의 틀은 1976년 직업훈련 기본법 제정 및 시행으로 확립되었으며, 고용주는 직원들에게 직업훈련을 의무적으로 제공해야 했다.

- The main purpose of this obligatory vocational training was to provide the industry with skilled workforce.
- 이 의무적인 직업 훈련의 주요 목적은 업계에 숙련 된 인력을 제공하는 것이었다.
Skills Development Policy - Overview

- By training youths who do not go to higher education to become technicians in key industrial fields, the training system greatly contributed to Korea's economic development.
- 고등교육을 받지 않는 청소년들을 훈련시켜 주요 산업 분야의 기술자가 되었고, 훈련 시스템은 한국의 경제 발전에 크게 기여했다.
- Along with the introduction of the Employment Insurance system in 1995, a growing need to cope with the rapid change in industrial structure, highlighted the importance of upgrade training and retraining for job transfer for those who are already in employment.
- 1995년 고용보험제도가 도입됨에 따라 산업 구조의 급격한 변화에 대응해야 할 필요성이 커지면서 이미 고용중인 사람들을 위한 업그레이드 교육과 직업 이전을 위한 재교육의 중 요성이 강조되었다.
- Thus, it was necessary to shift the focus of vocational training from more technicians to life-long vocational competency development.
- 따라서 직업 훈련의 초점을 더 많은 기술자에서 평생 직업 능력 개발로 전환해야했다.
Skills Development Policy - Overview

- To that end, the government enacted the Vocational Training Promotion Act in January 1999, which replaced the Basic Vocational Training Act.
- 이를 위해 정부는 1999년 1월 직업 훈련 촉진법을 제정하여 기존 직업훈련법을 대체했다.
- With the new law in place, the obligatory vocational training system was abolished and an integrated program of skills development has been in force under the Employment Insurance system.
- 새로운 법률이 시행되면서 의무 직업 훈련 시스템이 폐지되었고 고용 보험 시스템 하에서 통합 기술 개발 프로그램이 시행되고 있다.
- In responses to the shift towards a knowledge-based economy and lifetime learning society, workers have to develop their job skills throughout their life.
- 지식 기반 경제 및 평생 학습 사회로의 전환에 대응하여 근로자는 평생 직업 기술을 개발해야 한다.
Skills Development Policy - Overview

- Recognizing this need, the government totally amended the existing Vocational Training Promotion Act on December 31, 2004.
- 이러한 필요성을 인식하여 정부는 2004년 12월 31일 기존의 직업훈련촉진법을 완전히 개정했다.
- The Act was renamed Workers Vocational Skills Development Act to the purpose of the amendment.
- 이 법은 개정된 목적으로 근로자 직업 기술 개발법으로 개명되었습니다.
- Under the revised Act, the Initiative of Innovations for Vocational Competency Development of April, 2005 and the Initiative of Innovations for Life-long Vocational Competency Development of May, 2006 have been actively implemented.
- 개정된 법에 따라, 2005년 4월 직업능력개발혁신 계획과 2006년 5월 평생직업능력개발 혁신 계획이 적극적으로 시행되었다.
Skills Development Policy - Structure

A. Ministry of Employment and Labor

- The Ministry of Employment and Labor is responsible for establishing and administering overall policies on vocational training, such as making and revising laws and regulations on vocational training; designating and managing training facilities; certifying and designating training courses; and subsidizing training costs and providing training allowances.

- The Ministry also develops a range of policy measures to expand training infrastructure, evaluate training institutions, operate public training institutions and foster private training market.

- 고용노동부는 직업 훈련에 관한 법률 및 규정의 제정 및 개정과 같은 직업 훈련에 관한 전반적인 정책을 수립하고 관리 할 책임이 있다. 훈련 시설의 지정 및 관리; 훈련 과정의 인증 및 지정; 훈련 비용 보조 및 훈련 수당 제공.

- 고용부는 또한 교육 인프라를 확장하고 교육 기관을 평가하며 공공 교육 기관을 운영하며 민간 교육 시장을 육성하기 위한 다양한 정책 조치를 개발합니다.
Skills Development Policy - Structure

B. Vocational training providers

- Vocational training providers conduct government-entrusted training for the Job Seekers; training for priority sectors (e.g. basic industries such as manufacturing); and employer-entrusted employee training.

- They receive government subsidies for the government-entrusted training courses.
Skills Development Policy - **Structure**

C. Employers and trainees

- **Employers offer their employees** training opportunities and receive government subsidies for the training provided.
- **고용주는 직원들에게 교육기회를 제공하고 제공된 교육에 대한 정부보조금 수령**

- **Meanwhile, trainees, including the Job Seekers, are qualified for training allowance** if they take vocational training after they have registered themselves as job applicants and received vocational counselling.
- **한편, 실직자를 포함한 훈련생은 직업 지원자로 등록하고 직업 상담을 받은 후 직업 훈련을 받는 경우 훈련 수당을 받을 자격이 있다**
## Skills Development Policy - Providers

<table>
<thead>
<tr>
<th>Type</th>
<th>Specific Character</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public organizations</td>
<td>• Public organization designated by laws operate training institutions&lt;br&gt; - Korea Polytech University (40); Korea University of Technology and Education (1); Korea Employment Promotion Agency for the Disabled (1); Korea Chamber of Commerce and Industry (8)</td>
</tr>
<tr>
<td>Local governments</td>
<td>• Local governments directly operate training institutions&lt;br&gt; - 5 in Seoul, Gyeonggi-do etc.: training for such occupations favored by local residents</td>
</tr>
<tr>
<td>Government agencies</td>
<td>• Central Government agencies operate training institutions&lt;br&gt; - Ministry of Justice is running 36 training institutions to develop job skills of inmates.</td>
</tr>
</tbody>
</table>
# Skills Development Policy - Providers

<table>
<thead>
<tr>
<th>Type</th>
<th>Specific Character</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training corporations</td>
<td>• Training facilities which are run by non-profit corporations under the Labor Minister’s permit for the purpose of the skills development program</td>
</tr>
<tr>
<td>Women Resources Development Center</td>
<td>• Established and run for women’s vocational competency development, in accordance with the Framework Act on Women’s Development</td>
</tr>
<tr>
<td>Providers designated by Labor Ministry</td>
<td>• Colleges/universities (including junior colleges), employers (employer organizations) or individual persons that have met certain requirements</td>
</tr>
<tr>
<td>Providers not designated by Labor Ministry</td>
<td>• Employers, employer organizations and schools and individuals under the Higher Education Act which are not designated as skills development training providers, but provide their recognized or designated curricula for vocational competency development training</td>
</tr>
</tbody>
</table>
## Skills Development Policy - Providers

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea Polytechnic University</td>
<td>• Build-up mid-level skilled workforce such as technicians (6-month~1-year) and multi-skilled technicians (2-year)</td>
</tr>
<tr>
<td>Korea University of Technology and Education</td>
<td>• Colleges, campuses and 4 specialized colleges in 7 regions (40)</td>
</tr>
<tr>
<td>Vocational Education &amp; Training Centers under KOGI</td>
<td>• Build up vocational trainers with theoretical and practical expertises (4-year course)</td>
</tr>
<tr>
<td></td>
<td>• Train youths who do not go to higher education to become skilled workforce for sectors suffering labor shortage</td>
</tr>
<tr>
<td></td>
<td>• 8 Centers across the nation</td>
</tr>
</tbody>
</table>
Training for job-seekers

1. Tomorrow Learning Card for job seekers:
   - 42.6 billion won (general), 153.6 billion won (employment insurance)
   - Training plan: 139,408 people

2. Training for national backbone and strategic industries:
   - 359.2 billion won
   - Training Plan: 72,275 persons

3. Training for human resources which lead the 4th industrial revolution:
   - 15 billion won (5 billion won of supplementary budget)
   - Leading training institute: 11, training courses: 24, participants: 626 persons

4. Specific training for those who are not enrolled in general high schools:
   - 49.6 billion won
   - Training plan: 5,742 persons

Private sector training:

1. Korea polytechnics: 28.7 billion won
   - Training plan: 25,010 persons (technicians and craftsmen courses)

2. Korea University of Technology and Education: 24.2 billion won
   - Training plan: 4,871 persons

Public training:

Skills Development Policy - Contents
Training for workers

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
<th>Training Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Training for employers (direct/commissioned)</td>
<td>274.9 billion won</td>
<td>2,320,000</td>
</tr>
<tr>
<td>2</td>
<td>Work and learning dual system</td>
<td>469.1 billion won</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of participating companies: 9983, No. of learning workers: 40,734 (Apr., 2017)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Support for organizing learning for SMEs</td>
<td>4.9 billion won</td>
<td>200 companies</td>
</tr>
<tr>
<td>4</td>
<td>Specific training on new technologies for SMEs</td>
<td>11 billion won</td>
<td>111,000 persons</td>
</tr>
<tr>
<td></td>
<td>(supplementary budget was allotted)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Future Learning Card System for workers</td>
<td>106.4 billion won</td>
<td>386,000 persons</td>
</tr>
<tr>
<td>6</td>
<td>Support for competency development of the self-employed</td>
<td>1.2 billion won</td>
<td>2,850 persons</td>
</tr>
<tr>
<td>7</td>
<td>Consortium for the development of national human resources</td>
<td>119.9 billion won</td>
<td>run 148 joint training centers</td>
</tr>
<tr>
<td>8</td>
<td>Regional and industrial specific training</td>
<td>85.7 billion won</td>
<td>57,000 persons (including basic ICT courses for the new middle-aged people)</td>
</tr>
</tbody>
</table>
Skills Development
Contents for Foreign Workers
Skills Development Policy - Foreign Workers
Skills Development Policy—Foreign Workers

Vocational Competency Development Training (2010 ~)

- **Foreign workers in Korea** under the employment permit system
- Enhancement of job ability and workplace adaptability
- Up to 22 occupations including welding and machine cutting
- Total trainees: **28,135 persons**
- Total budget: **6.9 Million US $** (by Government)
Skills Development Policy - Foreign Workers

Skills and Start a business Training for Returned Foreign Workers (2010~)

- Foreign workers who have been working in Korea for more than 3 years
- Enhancement of Skills and Start a business ability for re-employment or start a business when they go back to their countries.
- Up to 10 occupations including computer repair, hairdressing, and bakery
- Total trainees: 32,978 persons
- Total budget: 8.5 Million US Dollars (by Government)
Skills Development Policy - Foreign Workers

Foreign Workers Support Center Training

- For foreign workers in Korea under the employment permit system
- **Korean Language, Living Law, Korean Culture Education**
- Regular training at 34 foreign worker centers in Korea
- **Free**
Suggestions
How Improve productivity

Main Challenges in Skill Development for Immigrant Workers

- A lack of training opportunities
- Difficulty in accessing decent jobs
- Under-utilization of skills

( ILO, Policy Brief, 2017)
How Improve productivity

Suggestions

1. Need more **vocational training opportunities** for Return-workers.

- Korea and Cambodia have very different economic and employment conditions.
- Vocational training programs will help returning workers improve their Compedency to adapt to the Cambodian work environment.
How Improve productivity

Suggestions

2. Need for more employment information support for Return-workers.

- Cambodia can get productivity gains at the workplace through return-works after return-workers get a job.
- If EPS Center and NEA work together, it is possible to effective employment information support for return-workers efficiency.
How Improve productivity

Suggestions

3. Need **Skills partnership** to improve productivity between return-workers and non return-workers at workplaces.

- Learning Activities in the Workplace by Return-Workers.
- On the Job Training, Mentoring, Coaching
Better Skills, Better World.

HRD Korea
Thank you.