



7TH INTERNATIONAL CONFERENCE

Actual Economy

SOCIAL
CHALLENGES
AND FINANCIAL
ISSUES IN XXI CENTURY



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National Human Resource Development Strategy in context of ACE formation

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Abstract

By the end of 2015 ASEAN realized the ASEAN Economic Community - AEC, an initiative to achieve a single market and production base. With the realization of ACE, ASEAN would allow the free flow of goods, services, investments, and skilled labor, and the free movement of capital across the region. With a population of over than 600 million people, ASEAN have the potential to be a market that is larger than European Union and North America. To allow the free movements of skilled labor, ASEAN has agreed on the Mutual Recognition Arrangement - MRA. With the implementation of MRA, skilled workers would just need to pass one exam to have their skilled recognized for all ten ASEAN member countries. Albeit significant progress has been achieved in setting out the blue prints, evidence suggested that enterprises, labor force and education institution are neither fully aware of the challenges that would be presented nor are Thailand Government are prepared to facilitate the society to capitalize on the potential opportunities. At present, more than 50 per cent of Thailand workforce indicated that they have not fully understood the impact of AEC. This paper will highlight the issues and challenges that is faced by Thailand to accommodate the demands of the business and industrial sectors in the terms of labor in addressing the ASEAN Economic Community, and how the implementation Technical and Further Education into the development of vocational education and training would help address the problems.

Key-words ASEAN Economic Community, AEC, Human Resource Development Strategy, Vocational and Education Training, Thailand

Introduction

Data from the Ministry of Labor shows that in October 2014, there are only 389 National Competence Standards (NCS) for Works available out of the thousands of working sectors in Thailand. Although NCS is expected to be used as a tool to measure working skills, only a small numbers of skills in the working fields were standardized. By being certified with NCS, Thailand's workforce skill would be recognized, thus ensuring increase of competitiveness.

Data from Statistics shows that although there were oversupplies of job seekers, a significant number of jobs were still left vacant. To illustrate in 2012, there were 628.603 vacancies, and only 58.22 per cent or 365.947 of them were being filled, leaving 71.83 per cent from a total of 1.299.377 job seekers being unemployed. As of 2014 the job seekers were still unable to fill up the existing vacancies. From 816.505 vacancies only 76.57 per cent or 625.197 were filled. Although 51.72 per cent or 669.962 from 1.295.149 job were unemployed, these people were still unable to fill in the 191.318 vacancies. The numbers show that there still exist significant gaps between the needs of industrial and business sectors, with the manpower provided through the education and vocational education sectors. Ideally, at the very least, the supply of manpower should be able to fill up the existing job vacancies.

In average, it is hard for vocational high school to find a job. It is said that due to the little relevance of vocational high school to the needs of the labor market. Teaching in vocational high still tends to be more "academic" instead of portraying working condition. Moreover, there is usually little to no cooperation between schools and companies as neither seems to be interested in cooperating with each other due to a deeply rooted mistrust.

The paper will highlight issues and challenges that Thailand faces to accommodate the demands of the business and industrial sectors in terms of labor to address ASEAN Economic Community, and furthermore we would like to show that through the implementation Technical and Further Education in the development of vocational education and training would help address the problems.

Literature review

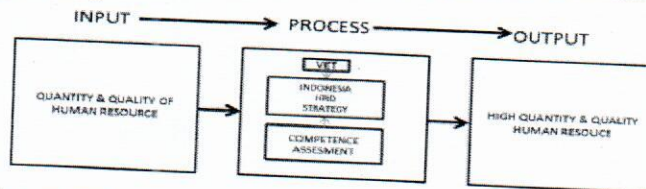
Skills demands from employers are not limited to technical skills. Packard et al (2014) finds that employers report that cognitive, behavioral and technical skills are all important for the workforce. For an example, in Thailand business emphasize skills on thinking and behavioral skills meanwhile in Malaysia, computer, presentation, problem-solving, and writing skills are all associated with a higher wage premium. Economic transformation and global integration are increasing the demand for an educated workforce and for relevant skills.

York in Surya (2012) defines employability skills as “a set of achievements — skills, understandings and personal attributes — that make graduates more likely to gain employment and to be successful in their chosen occupations, which benefits themselves, the workforce, the community, and the economy.” The UK Commission for Employment and Skills report ‘The Employability Challenge’ in Surya (2012) has drawn on the most commonly used definitions of employability: “We take employability skills to be the skills almost everyone needs to do almost any job. They are the skills that must be present to enable an individual to use the more specific knowledge and technical skills that their particular workplaces will require”.

Skills acquisition is a complex process. While the report focuses on education and training, it is important to acknowledge that skills are produced in many different ways involving pre-employment education and training (formal and informal), on-the-job training (formal and informal), work and life experience, and learning from peers at school and work. Skill acquisition is fundamentally a cumulative dynamic process starting at birth with parental education and continuing through school education, training and experience. While skills can grow over time, they can also decay if possibilities for life-long learning are not well developed. Additionally, a share of the population can be excluded from effective skills acquisition if alternative “second chance” skill development pathways do not exist for vulnerable youth.

Methodology

The paper was formulated using the methodology of literature review and conceptual framework. Based on the problem identification, a conceptual framework was formulated to address the issues.



To ensure Thailand labor competitiveness in dealing with AEC, we would need to properly identify the potential growth of labor and vacancies, and the quality that would be needed by the market. It is vital for Thailand to do so. By properly identifying the quantity, the government would be able to reduce over or undersupply of labor to fulfill the economy growth. In terms of quality, there are needs to realign the needs of skills and competence of the market, and the institutions that produce the labor. Therefore, ensuring link and match between the labor development and the market needs.

In order to ensure that the graduates do possess the ability to complete their tasks, Thailand government should conduct a competence assessment. The assessment should be done with reference to the standards of quality that was previously identified. The government should also take heed to AECs’ MRA in setting the competence standards. By doing so, Thailand would better able to prepare its labor to pass the MRA and at the same time increase the competitiveness of human resource.

Finally, through the framework Thailand will not only be able to achieve high quantity of human resource, but Thailand would be able provide qualified labors with standard competence and skills to accommodate the demands of industrial and enterprise sectors.

Conclusions

Thailand faces challenges in the implementation of AEC. Not only in improving economy condition of its member states, AEC also offers opportunity for Thailand to improve the quality of human resources and manpower through proper development.

The main deficiency on Indonesia manpower quality are the life skills ability. It is imperative that Thailand put priority in dealing with the implementation of AEC. Existing facts shows that policies in the development of human resource are not aligned between the education, industrial, and labor sectors. This is the main reason that although we have more supply of labor compared to the vacancies, the vacancies are still not able to be fulfilled by the job seekers.

By adopting the best practices from Australia, creating an agency independent from the education and manpower sectors, the agency would bridge the education, manpower, and industrial in order to answer the needs of employment sectors. The agency would direct and coordinate the related parties to ensure competencies needed by the employment sectors are being fulfilled by modern institutions.

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