



**UNCTAD XIII**  
**21-24 April 2012,**  
**Doha**



***“Governance Policy and Mechanisms to ensure labour market linkages between supply and demand – A Case Example”***

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# Human Capital Investment



- Is considered a “must” for the sustainability of any economy
- *However, requires coordinated effort and policy coherence to achieve desired results and productive outcomes*
- Youth unemployment, especially the educated youth = strong signal of
  1. **labour market misalignment** between supply and demand, and
  2. **insufficient absorption capacity** of the economy.

# Sustainable Intervention Requires Cross-sectoral undertaking (vertical & horizontal)



- Need for inter-ministerial coordination (demand side)
- **Need for private, public and stakeholder partnership (demand side)**
- Need for consensus and ownership by all stakeholders
- **Need to build capacities for HCI governance (micro & macro)**

# A case example



- How to move from input-output administration mode to:
  - Managerial mode, focusing on efficiency and effectiveness
  - **Governance mode, focusing on inclusiveness, equity, transparency, accountability, and responsiveness.**
- The case example shows Taiwan's mission of continuously upgrading skills levels and of reducing structural unemployment while striving for the governance objectives

# Why Urgent



- Changing global & regional economic patterns and on-going economic crises in the major markets
- Skill deficits in the middle/technical or operational levels of Taiwan's workforce while number of university graduates continues to rise
- ± Changing demographic trend for the coming 15 years (aging society with one of the lowest birth rates, 8.9 per 1000)

# Why Urgent ?



- Taiwan is short of competent workforce in strategic core occupations and sectors
- Result: economic diversification to high value added production and services is not at the desired pace
- At same time, number of university graduates continues to rise...time bomb...  
(TW = 23 million population, over 100 institutions of higher education, 66.7% entrance rate!)

# Challenges faced by TW Government



1. Continued mismatch between workforce demand and supply
2. Increasing competence gaps, i.e., “last mile”, of new entrants to the labour market
3. Increasing demand from the employers for importing of critical skills in the manufacturing sectors
4. Stagnating salary income of university graduates

# New Workforce Characteristics -

- Unique
- Competitive
- Agile
- Creative
- Mobile
- Tech savvy
- Entrepreneurial







2004

**LAUNCHING THE PROJECT TO  
STRENGTHEN THE IMPACT OF  
ADULT LEARNING &  
DEVELOPMENT INVESTMENTS  
MADE BY THE GOVERNMENT**

# Preliminary Findings- Existing QA Measures



- TVET is primarily a seller's market
- Quality is mostly bundled with “trainer's” qualification, experiences and teaching/interaction style
- In a few cases, QA is partially stabilised by standardised training material
- Evaluation of trainees satisfaction only
- Q-Control of training service (logistics, support, facilities and attendance)

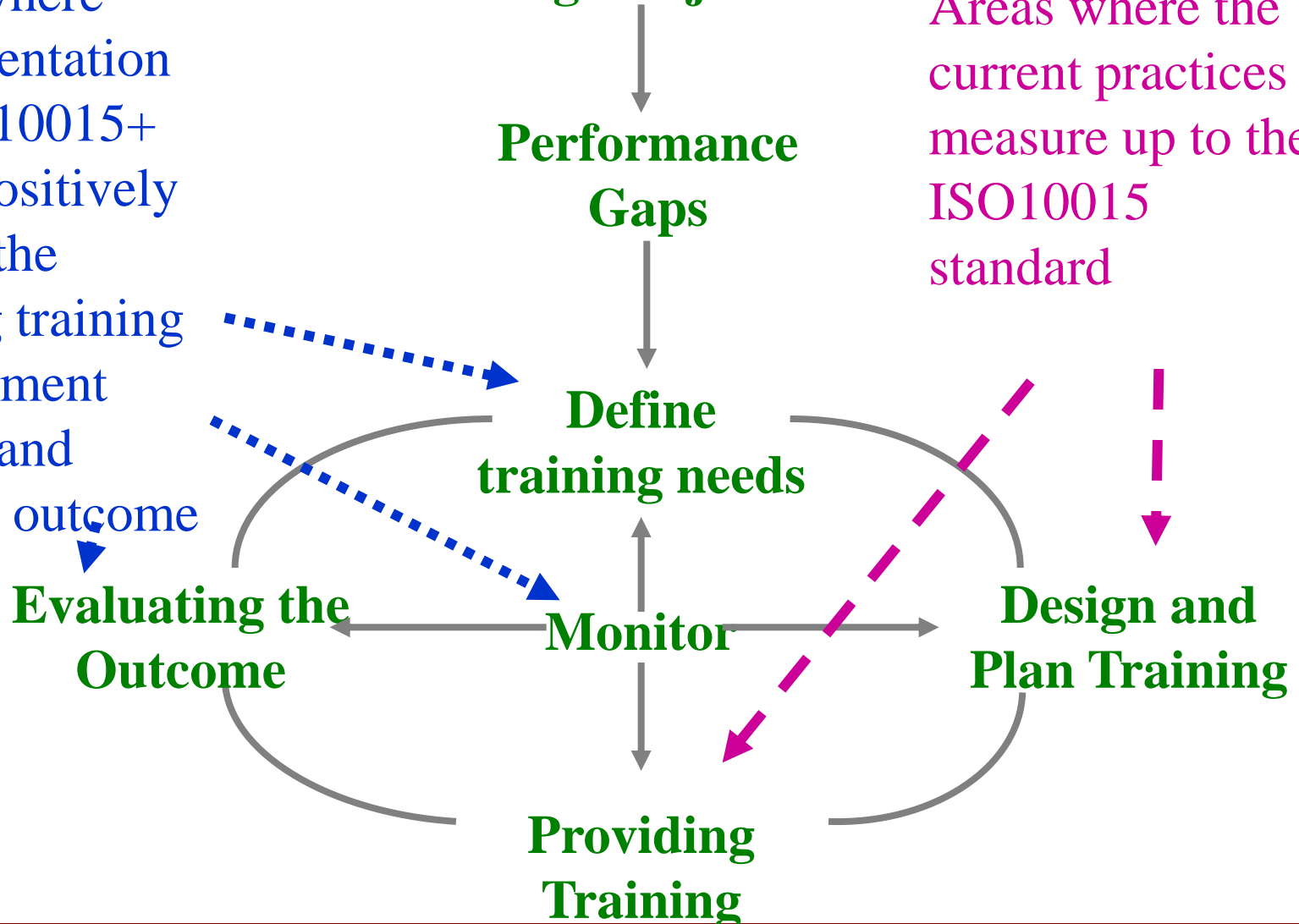
# Preliminary Findings



Areas where implementation of ISO10015+ could positively impact the existing training management system and training outcome

Organisation's strategic objectives

Areas where the current practices measure up to the ISO10015 standard



# Preliminary Findings – Gaps



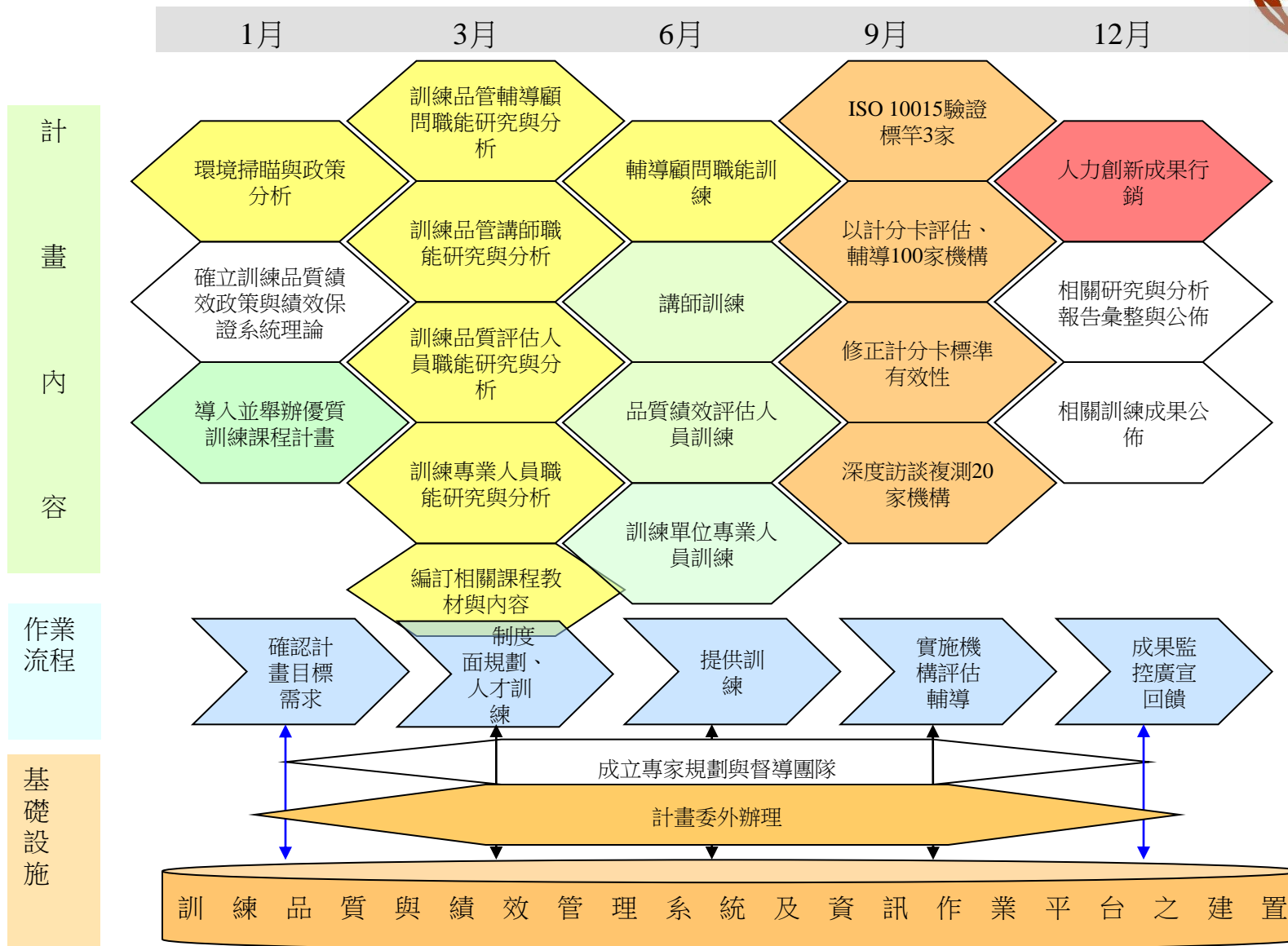
<b>Organisational Analysis (Training Context)</b>	<b>Organisational Performance Analysis</b>	<b>Ad hoc</b>
<b>Skill Qualification Analysis</b>	<b>Competence Requirements</b>	<b>Generic, University based</b>
<b>Training Needs Analysis</b>	<b>-Individual level</b>	<b>contingent</b>
<b>Training Design &amp; Plan</b>	<b>Rudimentary Design Function</b>	<b>Mostly off the shelf</b>
<b>Delivery training</b>	<b>Ensuring transfer</b>	<b>By some</b>
<b>Evaluation</b>	<b>Level 1 Level 2, 3, Level 4</b>	<b>All Some Rare</b>

# Implementation of 10015+ QMS at level of Taiwan's workforce development level



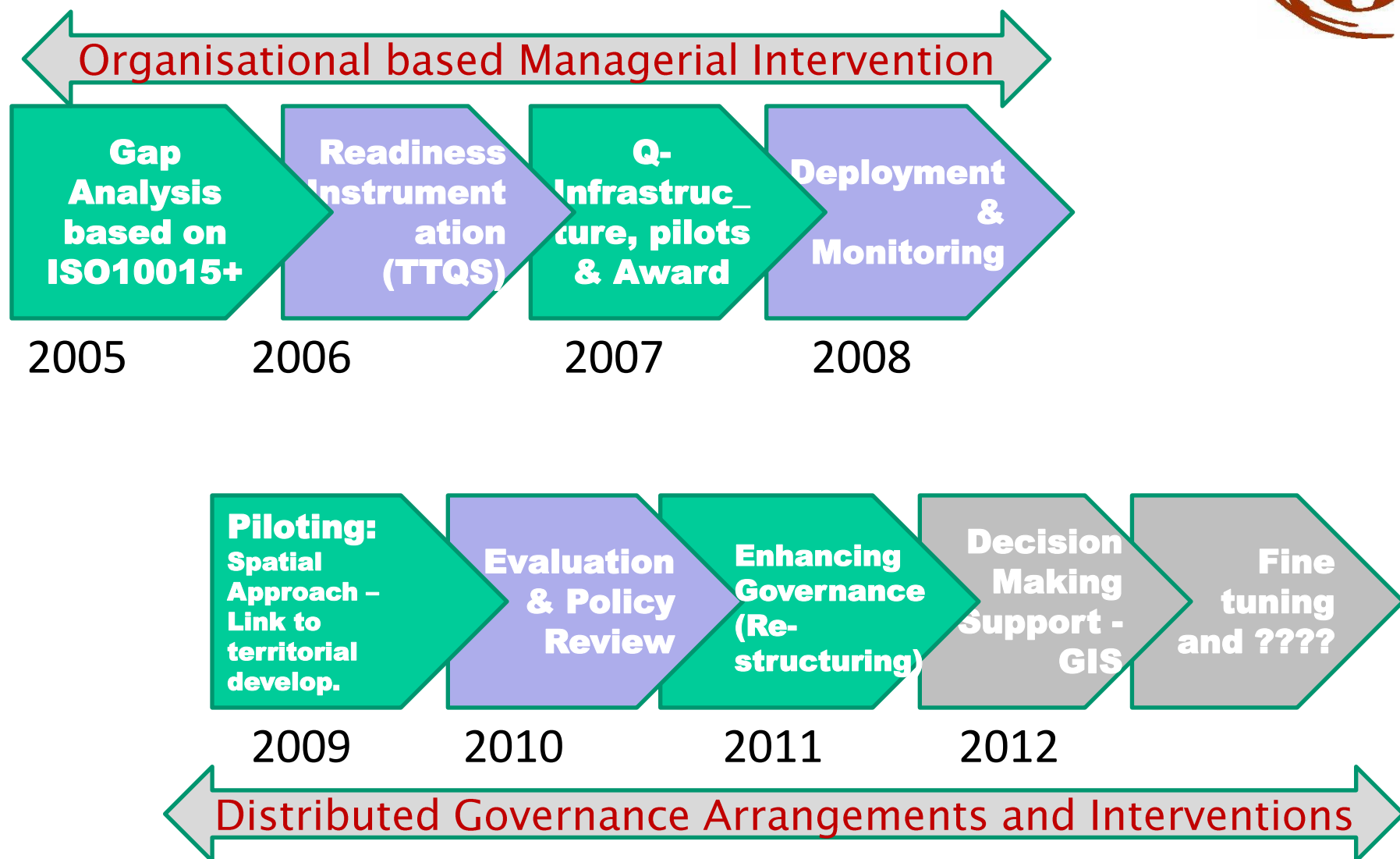
- **Vision & purpose**
- **Standards**
- **Instruments, tools, mechanisms**
- **Supportive culture**
- **Qualified human resources**
- **Incentives**
- **Leadership commitment**

# 95年度推動培訓機訓練品質及績效 (High Performance Training Enhancement, HPTE) 促進計畫(草案)---系統架構圖





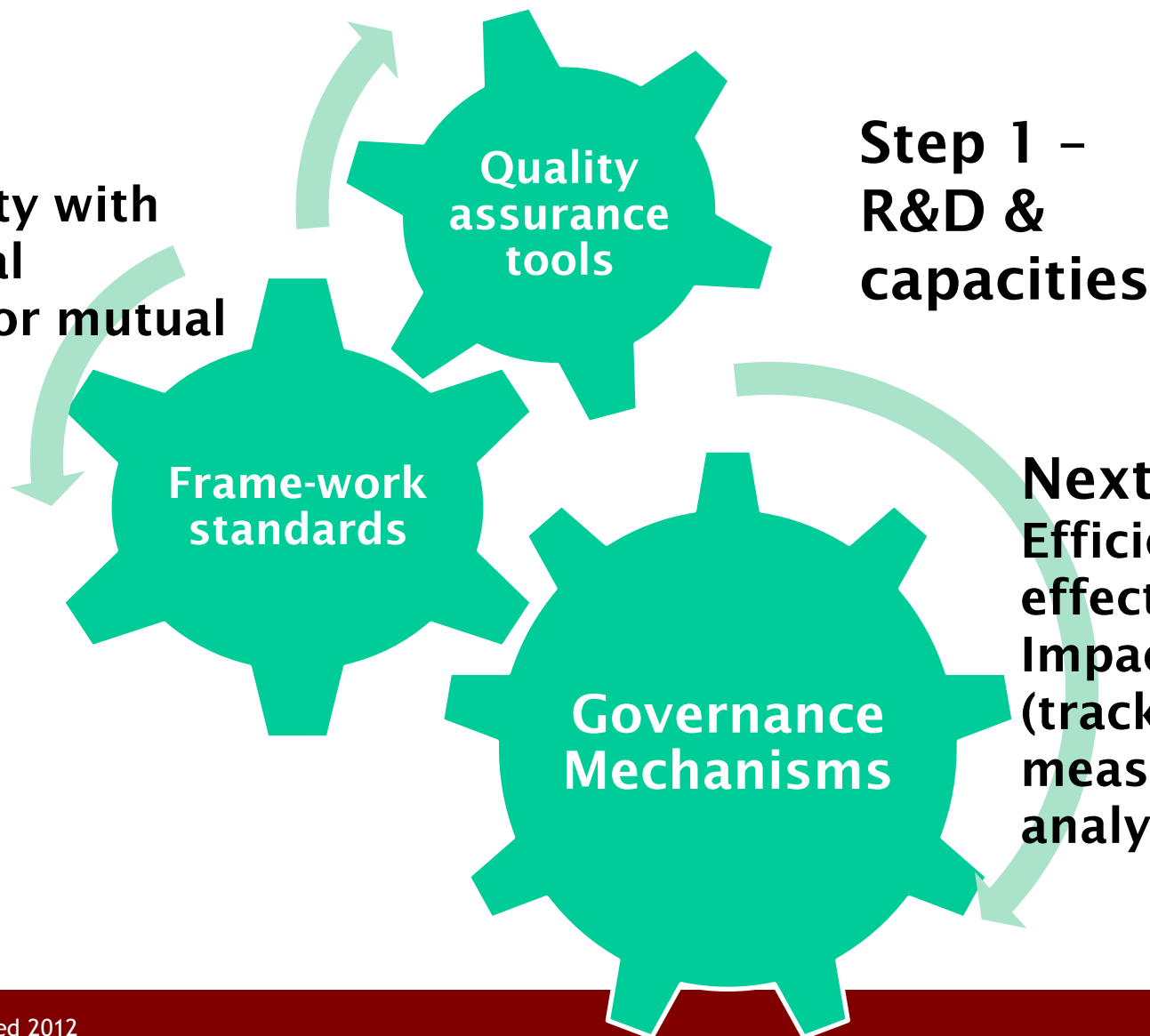
# Chronology of this Project





# Evolution (2004- )

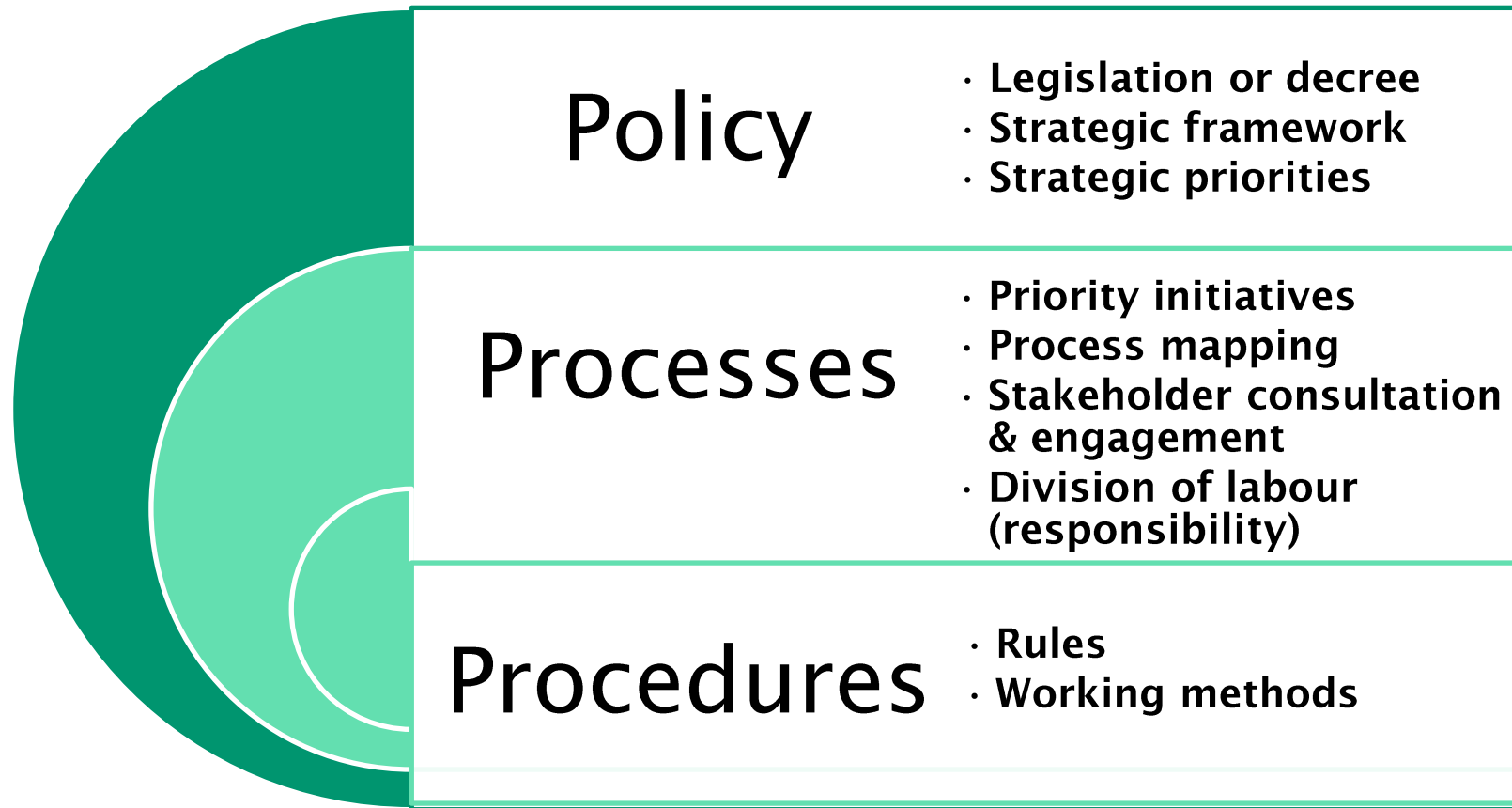
**Next Step:**  
Compatibility with  
International  
standards for mutual  
recognition



**Next Step:**  
Efficiency,  
effectiveness,  
Impact  
(tracking,  
measuring,  
analysing)



# What is A Whole Portfolio for Governance in Human Capital Investment?



# Aggregates of Institutional Arrangements



**Macro level regulatory environment & policy instruments**  
-stimulating higher returns through measurements and feedback loops, & horizontal and vertical integration



**-Sector level HCD coordination**  
-Intermediary actors & networks, e.g. Regions

**Firm level human capital development & quality assurance (TTQS)**





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**Thank you VERY MUCH**