The role of private sector in human capital and skill development in Thailand

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I. Introduction

- World Bank (2008): one of the reasons why industries in Thailand had low investment in innovation was the availability of capable workers.
- Polpirul and Rukumnuaykit (2014): employers unsatisfied with workers’ skills in English (95%), information technology (85%), mathematics (60%), and creativity (52%).
- Skill mismatch: vertical and horizontal
- Limitations of govt.: burdens, resources, capability
- Private sector as key stakeholder
Problems in basic education (1)

- Access: Compulsory education (Primary to junior high)

- Primary: 100%
- Junior High: 88%
- High School: 72.7%
- Uni: 56.3%

- 31,955 schools
- 11,615 schools

12% (300,000)
Problems in basic education (2)

- Quality: Trends in International Mathematics and Science Study (TIMSS), Programme for International Students Assessment (PISA), and Ordinary National Educational Test (O-Net)

Mathematics scores of Thai students in TIMSS and PISA, 1991-2015

Average O-Net scores in mathematics, science, and English language, 2012-2015

Source: Trends in International Mathematics and Science Study (TIMSS), and Programme for International Students Assessment (PISA).

Source: National Institute of Educational Testing Service (NIETS)
A social enterprise aims to improve education in Thailand by using e-learning.

Offers teaching software for mathematics and science.

Fully-integrated into school’s curriculum and is in line with the national guideline.

Pre-tests and post-tests.

Learn on one’s own pace.
O-Net Results of schools with LearnEducation

Source: LearnEducation, https://www.learneducation.co.th/results/
Donation money: potential source of funding for social investment

Source: TDRI calculation based on the Household socio-economic survey conducted by the National Statistical Office
Who will manage donation money (aka. bearing transaction cost)?
Higher vocational certificate holders who majored in industrial craft/technician

- 14% worked as craftsmen/technicians
- 47% worked in positions that pay lower than the average salary of craftsmen/technicians
- 20% unemployed
- 19% continued education
- 10% could not perform to the standard of such positions

Source: National Statistical Office (NSO) 2013
Dual vocational program (DVP)

- To prepare students with practical knowledge and skills for employment by moving the classroom into the workplace.
- Pros: learning-by-doing, decide about future job, know future employer, earning while learning.
Long history but slow progress

Number of vocational students who join the dual vocational program in Thailand

Ratio of vocational students who join DVP to total vocational students in selected countries


Note: Students participating in dual vocational program means vocational students who receive training in workplaces for no less than 25% of their school time.
Reasons for the slow progress

- Risk of free-riding
- Tax deduction of 200% of actual expenses: too difficult to redeem (must be approved by the Revenue Department and Skill Development Department).
- Interrupt work schedule and process
- No systematic quality assurance
- Several parties
Facilitate the establishment of intermediary agency that will take care of transaction cost in each issue.