

For Immediate Release

Thailand Should Adopt Technology-Focused Curriculum to Address Shortage of Technical and Vocational Workers: J.P. Morgan-SMU Study

To help close the skills gap, J.P. Morgan, in partnership with Education Development Center, launch workforce readiness program.

November 1, 2016 – Thailand faces a chronic and pervasive shortage of qualified technical and vocational workers across all industries, due to the challenges faced by both public and private tertiary education in keeping pace with industry demands as well as a cultural bias towards a more academic education.

These are among the key findings from a year-long study conducted by the Singapore Management University (SMU), in partnership with global financial services firm J.P. Morgan, on the skills challenges faced by the ASEAN economies of Singapore, Malaysia, Indonesia, the Philippines and Thailand.

The shortage of skilled workers is especially pronounced in Thailand’s key growth industries like the automotive, information communications and technology (ICT) and tourism sectors, the study shows. Addressing this shortfall is necessary if the country is to raise its productivity and realize its ambition of becoming a high income economy by 2027.

Currently, about 35 percent of Thai students are enrolled in vocational institutions, and of this group, a large number of graduates are found not to be industry-ready, the study shows. This suggests a need to improve the Technical and Vocational Education and Training (TVET) education in the country, especially in the face of a cultural bias against the field.

According to the study, the skills challenge is compounded by the fact that the curriculum in both public and private tertiary education institutions does not reflect the progressive needs of industry, such as the research and development work in the automotive industry or the fast-changing skills requirements in ICT.

In addition, low proficiency among the Thai workforce in foreign languages, especially English, poses a challenge for the country to compete effectively internationally.

“Thailand enjoys near full employment but there is an urgency for the country to adopt a more technology-driven and less labor-dependent growth strategy to attain its goal of becoming a high income economy in the next 10 years. Education and training programs need to be accelerated to equip the workforce with the necessary skill sets and communication skills such as proficiency in the English language,” said Arnoud De Meyer, President, SMU.

The study recommends policy incentives at the national level to attract more talent to train in technical and vocational schools, helping to mitigate demonstrated skills challenges. This needs

to be accompanied by a concerted effort by all stakeholders to improve the teaching of science, technology, engineering and mathematics (STEM) programs in schools.

The government should also explore more innovative ways to incentivize the private sector to take a lead in skills training programs, whether in collaboration with the government or with educational institutions, the study says. This will help to better align the curriculum to meet industry's skills needs.

Finally, efforts to strengthen the teaching of soft skills and the English language can be stepped up. The government can provide incentives to private educational service providers to work with the formal education sector to play a larger role on this front.

In response to the findings, J.P. Morgan and global nonprofit research and development organization Education Development Center (EDC) today launched a workforce readiness program that aims to bridge the skills gap. The Accelerated Work Achievement and Readiness for Employment 2 (AWARE2) project is an innovative program that helps young people in Thailand, Indonesia and the Philippines gain the technical and employability skills that employers are demanding in the region's dynamic digital economy.

“EDC’s goal is to develop a new model for demand-driven education that will prepare ASEAN youth for lifelong careers in the digital economy,” said David Offensend, EDC President and CEO. “We know that technology will create new jobs as well as replace them through automation. By preparing students with higher-level cognitive skills such as creativity, design thinking and applied analysis and problem solving we can ensure they will have the adaptive ability to anticipate and respond to the shifts in demand in the evolving technology sector.”

The program in Thailand will work with the AmCham Thailand’s ICT Committee and the Director of the Thai Institute of Vocational Education to adapt the curriculum with a focus on app development and jewellery design.

“Thailand has the ambition of becoming a key technology and knowledge-intensive production base for the region and J.P. Morgan is fully supportive of this goal. Clearly, a highly productive workforce is crucial to this end and J.P. Morgan is backing 14 workforce-readiness programs across the Asia Pacific region focused on ICT, including in Thailand,” said Chayotid Kridakon, Senior Country Officer for Thailand with J.P. Morgan.

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