Distinguished guests, ladies and gentlemen,

It is my great pleasure to speak at the WorldSkills Leipzig Conference, which is a wonderful opportunity to forge new ways to cooperate that will help us address the challenges of the global skills marketplace as we share insights, experience and best practices in Vocational Education and Training (VET) from around the world.

The Hong Kong Miracle

Hong Kong is located on China’s southeast coast, a strategic location that has made it one of the world’s most thriving cosmopolitan cities. According to the World Competitiveness Report 2013 just released by the International Institute for Management Development (IMD), Hong Kong is ranked in the top ten globally after the US and Switzerland. With over 7 million people living in just 1,100 square kilometres, Hong Kong is one of the most densely packed areas in the world, with 6,400 people per square kilometer, but despite its small size and high population density, Hong Kong has been the beneficiary of dramatic economic developments that have made it one of Asia’s miracles.

In 1800, Hong Kong was a small fishing village. Since then it has been transformed from a sleepy backwater into a region dependent upon
low cost manufacturing and then to a financial and high-tech powerhouse with exceptional earnings from the service industries, especially finance, the arts and hospitality. The city is one of only three worldwide chosen by Art Basel for its annual international art fairs. The global wine auction industry now has some of its most successful wine sales in Hong Kong, which has developed a specialty in the storage and transportation of fine vintages. The recent opening of the Kai Tak Cruise Terminal in Hong Kong further strengthen its position as one of the most attractive destinations in the world. And high technology is driving rapid growth in Hong Kong’s design, gaming and toy industries. The World Competitiveness Report defines Hong Kong as one of 35 out of 166 that is now “innovation driven”, a remarkable achievement that has been driven in part by the depth and quality of the city’s VET programmes.

To meet the challenges of such fast moving change combined with increasingly intense competition, Hong Kong’s labour market has been forced to become ever more flexible, a goal that has been achieved as China resumed sovereignty over Hong Kong under the “one country, two systems” principle in 1997, which allowed Hong Kong to retain its established system under a high degree of autonomy. The principle works well. Hong Kong remains a liberal and open economy as in times past, while benefitting from economic and financial integration between Hong Kong and Mainland China that has created abundant business opportunities.

Development of VET in Hong Kong

Vocational training in Hong Kong can be traced back to at least 1863, when an Italian missionary provided instruction in carpentry, tailoring, shoemaking and printing to 12 boys. The first Technical Institute was founded in 1907 to provide elementary technical education in areas of shorthand, building construction and field surveying. Further progress in the field of technical education was made when the first Government post-secondary technical institution was opened in 1937.

However the expansion of institutional training could not keep pace with the increasing needs of industrialisation, especially in the 1970s. New impetus was provided by the Hong Kong government’s establishment of the Vocational Training Council (VTC) in 1982 with a mandate to provide structured, organised and systematic VET in order to upgrade the quality of manpower. The VTC is an autonomous and statutory body that has an advisory function and an executive role. Over the past three decades, VTC has come a long way and grown from a fleet
of 5 technical institutes of 35,000 students in its formative years to become the largest VET provider in Hong Kong, offering training to a quarter of a million young people and in-service workers every year. Each of our 13 member institutions is responsible for a portfolio of services for different industries such as Design, Hospitality, Maritime Services and Cuisine.

But these numbers, impressive as they are, don’t reveal the vibrant reality. For that we look to the extraordinary fashion and design talent coming out of the new award winning Hong Kong Design Institute. Unleashing their creative power, our design students have continuously clinched awards at renowned international design competitions such as the red dot design award and the Remix International Fur Competition in Milan. Another example is the wonderful new hotel staff emerging from our training hotel, T-Hotel, which is ranked the top on Trip Advisor by visitors to Hong Kong. The programmes we offer are transforming the lives of our students, as surely as our students’ achievements are transforming Hong Kong’s reputation in the design, technological, hospitality and multi-media industries.

VTC’s Pathways to Opportunity

Under the Hong Kong education system, all students are entitled to 12 years of free education, including the vocational courses run by the VTC for junior secondary graduates who choose not to pursue academic-oriented education.

Under this VET system, we have built a clearly defined progression rising from craft and junior operative level to higher technician or para-professional at sub-degree level, and then to technologist at degree and professional level and onto lifelong learning, with learners having a choice to join or step off the path at different levels. They can choose to learn full time or earn and learn part-time at various stages of their educational and working lives. A key to our success has been this flexibility of approach, combined with a clear roadmap for secondary graduates, catering for their diverse abilities, interests and learning needs. VTC thus offers students a range of study options from a 4-year degree to a 2-year higher diploma or a 1-year diploma. Any new student can look ahead and see that they can travel with the VTC as far as their motivation and developing skills are able to take them.

This structure has been the key to Hong Kong’s success in Global Competitiveness Rankings. The 2013 Global Competitiveness Index
states that “Today’s globalising economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the economy.” Crucially the Index’s report goes on to say that in evaluating an economy they “measure secondary and tertiary enrollment rates as well as the quality of education as evaluated by the business community. The extent of staff training is also taken into consideration because of the importance of vocational and continuous on-the-job training—which is neglected in many economies—for ensuring a constant upgrading of workers’ skills.”

In Hong Kong the VTC exists precisely to ensure that the skills of the existing and future workforce are constantly upgraded and our member institutions are at the forefront of innovations in VET that has enabled them to fulfill their goals in Hong Kong, as well as marketing their programmes to other countries.

**VET for Today and Tomorrow**

In times past, VET training was provided mostly by the private sector at their workplaces, and often through a rudimentary system of apprenticeship whereby an apprentice learnt and picked up “tricks of the trade” following a “master”. This system had some benefits in a society where technological change took place slowly and a successful apprentice could look forward to a lifetime of employment performing tasks that changed very little from decade to decade. With technological advances, increased globalisation and shifting demands for a workforce with more varied skills, VET must now take on a new mission to prepare learners for a volatile and complex society that demands comprehensive and broad-based professional competency and the ability to adapt to a working environment where change and unanticipated situations are facts of everyday life. This calls for an inspirational approach to VET, with flexible course structures and approaches to learning that are supple enough to meet the different needs of students and skill seekers.

These changes have transformed VET in Hong Kong and our approach is geared to extending the learning process throughout the lives of our students, so that their skill sets remain fresh, ensuring that our learning environment develops all aspects of their personality and character and providing a learning experience that is based on what students will do with the knowledge they have acquired.
Today, in addition to solid technical know-how, we also nurture motivation, self-guidance, reflection, critical and cross-disciplinary thinking, teamwork, communication and problem-solving skills. Employers prefer to recruit people with a broad range of professional knowledge, who embrace the challenge of new skills and seek out ways to improve their interactions with colleagues. These three features have become our benchmark in Hong Kong and by adopting them across the board we have transformed the provision of VET and the quality of the city’s workforce.

**How Modern VET Works in Hong Kong**

VET operates in Hong Kong through a system of qualification standards, collaboration with other countries and an integrated model of delivery. The current Qualifications Framework was launched in 2008 to provide a 7-stage platform that promotes and facilitates lifelong learning. The 7-level hierarchy covers qualifications in the academic, vocational and continuing education sectors, with the general standards and requirements for attainment of each level of qualification clearly laid down. This enables learners, employers, employees and education and training providers to work with common benchmarks, which makes it easier for all parties to make smooth transitions between academic, vocational and continuing education.

Industries play a pivotal role in the strategic development of Hong Kong’s Qualifications Framework. They are involved in drawing up outcome-based standards for the key functions of each specific industry that serve as useful benchmarks for training providers to bridge the gap between the employers’ job requirements and skills level of employees.

The Hong Kong framework also allows for the recognition of knowledge and skills acquired at the workplace through a mechanism called Recognition of Prior Learning and Vocational Assessment. The mechanism provides an alternative route for practitioners to obtain recognised qualification, beside formal education. It is particularly useful to employees who have acquired substantial practical experience in industry without similar levels of academic achievement.

**Collaborative Model of VET**

A flexible qualifications framework that can be understood and recognised across nations promotes greater international mobility among workers and opens up a world of opportunity for those with appropriate
certification. Hong Kong has begun to extend its international network in VET and is keen to strengthen its engagement with the qualifications frameworks found in other countries. We are now exploring the possibility of calibrating the Hong Kong Qualifications Framework against that of other economies to strengthen the portability of qualifications and the opportunities that Hong Kong students have to continue their education overseas.

One recent example is the Co-operation Framework Agreement with the Guangdong Province of China under which we have launched the “One examination multiple certifications” scheme in collaboration with the Guangdong Occupational Skill Testing Authority. The introduction of this new Scheme marks an important milestone in the efforts to raise the professionalism and competitive advantages of industry practitioners in Hong Kong, Guangdong and member countries of IPSN including Japan, Australia, New Zealand and Canada.

In 2011, we signed a Memorandum of Understanding with the Scottish Credit and Qualifications Framework Partnership to establish and strengthen collaboration in qualifications framework development. Meanwhile, a feasibility study has been conducted to explore the potential of referencing Hong Kong framework of qualifications with that of Europe. Initial dialogue has also been established with the ASEAN Member States on the possible participation of Hong Kong Qualifications Framework in the development of an ASEAN Qualifications Reference Framework.

In addition, we actively facilitate the development of cross-boundary cooperation with Mainland China and its huge market of more than 1.3 billion people. One classical example is the “dual qualification” programmes jointly offered with mainland institutions that enable Hong Kong students to gain the necessary credentials to work in Mainland China.

On another front, we continue to join hands with an increasing number of renowned overseas institutions to run top up degree programmes that offer students a clear route to extend and enhance their range of opportunities and personal development.

We also organise cross-boundary competitions with our counterparts and encourage our students to participate in international contests to extend their international outlook. And for us, the participation in the biennial Worldskills Competition goes beyond that of giving our young
contestants an opportunity to showcase their expertise and talents in the world arena. Taking part in this event also serves as an exchange of views and experience, and a constant reminder for us to benchmark our standards with our international counterparts in pursuit of excellence.

**Integrated Delivery**

The VTC has introduced an integrated model of VET as part of its broader programmes to meet the needs of learners and the reality of the labour market. A New Traineeship Scheme was launched in 2012 for the beauty care and hairdressing industry, which combines on-the-job training at the workplace and intensive and well-directed learning at a VTC campus. It enables the trainees to earn and learn – to master the required practical and vocational competencies through workplace training while at the same time acquiring the corresponding qualifications recognised by industry. We will further extend the Scheme this year to other industries including retail, elderly care services and catering industries.

The New Traineeship Scheme is a similar effort to revive the traditional apprenticeship for youth. Similar to the UK, Hong Kong has experienced a substantial decline in apprenticeship from over 10,000 registered apprentices in 1990 to 3,400 in 2012. In the UK, the Prime Minister David Cameron has pledged to make apprenticeship the “new norm” for school leavers as an attractive and rewarding alternative to university. He further suggested the UK should emulate Germany, where the majority of the teenagers either go to university or into an apprenticeship. By taking part in WorldSkills International’s Made in Germany programme, we have learnt more about Germany’s “dual training system” – a combination of workplace training and classroom learning – which is a good reference for Hong Kong and many other countries.

In Hong Kong we are also exploring ways to attract more young people to apprenticeships in areas where there is great demand. The system will have to be enhanced by building in more flexibility and more monetary incentives and better prospects for both academic progression and career advancement for the apprentices. It also calls for greater involvement of the employers in workplace training and working more closely with training providers to ensure skills and industry standards are met.
Close collaboration with industry also plays a significant part in our VET programmes other than apprentice training. VTC enjoys strong industry support in this mission. The 26 Training Boards and Committees of the VTC comprising representatives from the key industries in Hong Kong serve to facilitate our connection with the employment market. We seek inputs from industry partners to help us develop our curriculum, as well as valuable work-based learning opportunities for students. Since 2012, industrial attachment was formally included as a mandatory component in all our Higher Diploma programmes to prepare students for a smooth transition from study to work. The collaboration is a win-win as employers, in return, will be benefit from higher quality manpower and greater business productivity.

In a recent case the Hong Kong Design Institute’s Fashion and Image Design department deployed their branding expertise to shape the name, image and launch part for Y-NOT, a new project involving iconic fashion designer Yohji Yamamoto and the home grown Chinese Fashion brand Exception, which is favoured by China’s First Lady Peng Li Yuan. Examples such as this prove that VET is vital to the social and economic development of any nation. We are continuously looking for innovations in our VET model to nurture our young people and meet the manpower development needs of industries.

Challenges Ahead

As we move into the 21st century, we are faced with accelerating globalisation which is changing the way we think about knowledge, skills and learning. Changes in the education and training landscape, and factors such as a mismatch in human resources, an increased appetite for university qualifications, employers’ expectation that staff will be better trained and people’s changing attitude toward work have posed challenges for the VET sector. Besides governments, employers and training organisations alike are confronting the youth employment challenge, which calls for immediate and urgent actions focused on young people. I believe an appropriate common agenda across countries would be to provide young people with adequate choices and opportunities in education, training and employment, assist them to develop careers commensurate with their ability and aspirations and enhance overall labour productivity.
To meet all these challenges, the VTC has embarked on a number of important initiatives in the past few years. Last year, we embarked on two new projects beginning with the establishment of the Technological and Higher Education Institute of Hong Kong (THEi) to offer vocationally-oriented Degree programmes. Without the addition of an in-house Degree awarding institute the upward progress of our students within the VTC umbrella would be blocked. The extension of VET programmes to the degree level shows that VET can be extended to the highest levels of competence, thereby better meeting the rising aspirations of young people for higher qualifications.

Our other bold initiative is to set up an International Culinary College with construction of a brand new campus to be completed by 2015 to develop a pool of professionally trained and qualified talent for the food, wine and tourism industries in Hong Kong and capitalise on the city’s edge as a place where East meets West to create a global cuisine centre. The teaching staff for the new college will be recruited internationally, distinguished master chefs from overseas will be invited as visiting fellows. The College will provide a fertile pathway that learners and in-service personnel can follow to pursue lifelong learning and career development, leading to awards from certificate to sub-degree level.

Internationalisation is fundamental to our core mission. In addition to admitting non-local students and developing a multi-cultural learning environment in the VTC campuses, we provide our students with plenty of opportunities to study abroad and participate in exchange programmes. These opportunities will enable students to broaden their perspective, develop skills that are relevant to the international marketplace and become well equipped and more competitive in the global employment market. Apart from enriching our curriculum with more international content, we also seek to encourage an international perspective among our staff and actively enhance our teaching capabilities and academic standards by inviting visiting overseas fellows and professors.

How to help teaching staff keep current with the latest practice in the respective trades is an issue in VET. We advocate that VET should embrace a certain amount of applied research, which is practice-oriented and adapts mature technologies to various trades for creating new industrial solutions and products. Not only does applied research offer valuable support to the industry, it also encourages teaching professionals in VET to work more closely with the industries through relevant programmes and projects, and exposes them to the latest industry needs and development. For instance, in terms of collaborative
research, our degree awarding institution, THEi has set up a renewable energy research and development centre with a Taiwanese photovoltaic manufacturer. Indeed we are making every effort to take VET to a higher level of international relevance and appeal.

Conclusion

As Hong Kong continues its transformation to a knowledge-based economy, education, vocational training and on-the-job training will be ever more essential for young people to equip themselves for future challenges. We will build the future of VET in Hong Kong by encouraging the world to do business with us, accessing our innovations and boosting the reach of our international collaborations. And we will seek an increase in partnership education, where we send our students to you and you send yours to us. We have already seen the benefits of this in our student exchanges with Japan and Singapore and we are sure it can bring mutually beneficial improvements to the labour forces in all the countries with which we work. And we will continue to find ways in which we can further increase the options that VET students have as they acquire additional qualifications and work experience, with the goal that a young person’s encounter with VET should become the most fruitful experience of their working life.

Finally, I would like to thank once again the organisers for making this meaningful Conference possible. I wish you all a most rewarding exchange and networking experience in this Conference. Thank you.