

Status of the Private Qualification System

01 The Need for Analysis and Analysis Materials

| The need to manage the quality of qualifications has been pointed out following the rapid increase in the number of private qualifications.

- As of 2015, 16,078 private qualifications¹ were registered in KRIVET, and the number has been increasing rapidly each year.
 - The number is approximately 30 times the national technical qualifications registered (526), accounting for around 96% of all qualifications in Korea².
- The quantitative growth of private qualifications has led to concerns of over-issuance and the quality deterioration of qualifications.
 - A study on the status of the private qualification registration system and national certification system (certification system) is necessary to ensure the virtuous cycle of private qualification creation → registration → certification → utilization.

| Analysis Materials

- Registration data in the private qualification information portal (www.pqi.or.kr) (2008-2015)
- Internal data in the "Study and Research Project for the National Certification of Private Qualifications (2000-2015)" by KRIVET

02 Overview of Private Qualification Registration and Certified Private Qualification System

| Private Qualification Registration System-Implemented in 2008

- The private qualification registration system was implemented in 2008 to limit the unchecked creation of private qualifications and build a private qualification DB to provide the information to citizens.
 - Any corporate body, organization, or individual (private qualification manager) can create, manage, and operate a private qualification except in an area where it is prohibited and must register the created private qualification with the ministry having jurisdiction (Article 17 of the Framework Act on Qualifications and Article 23 of its Enforcement Decree).

| Private Qualification System-Implemented in 2000

- The certified private qualification system is the system of the state (individual ministry) for certifying outstanding private qualifications that meet social requirements. It was launched before the registration system was enacted.
 - KRIVET examines the registered qualifications operated by corporate bodies and issues national (individual ministerial) certification (Articles 19 and 20 of the Framework Act on Qualifications).

| Footnote |

- 1) A "private qualification" is a qualification operated and managed by a non-governmental party.
- 2) The analysis included 149 national qualifications under individual laws, 526 national technical qualifications, and 16,078 private qualifications. The private qualifications (in-house qualification, etc.) operated by enterprises but not registered in KRIVET were excluded (as of July 30, 2015).



- Before the private qualification registration system was implemented in 2008, private qualifications issued three or more times a year for one year or longer could apply for certification.

Footnote 1

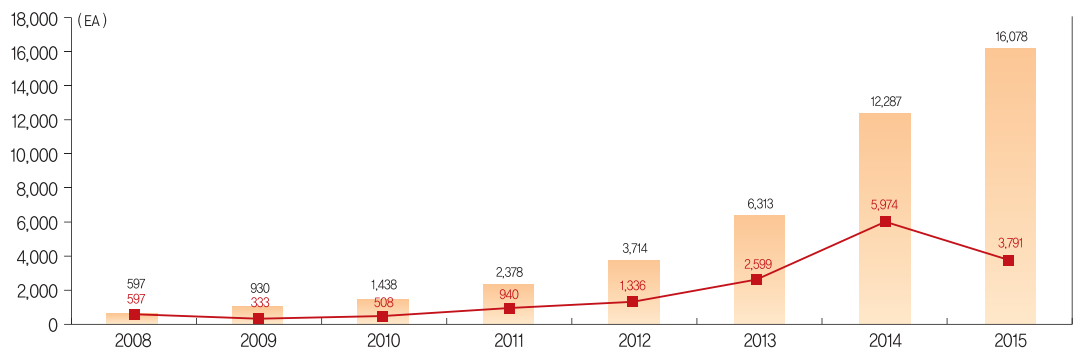
3) A "certified qualification" is the private qualification certified by the ministry having jurisdiction in accordance with Paragraph 1, Article 19 of the Act.

- A certified qualification³ is regarded as equivalent to a national qualification and is granted exclusive use of the qualification name.

03 Status and Problems of the Private Qualification System

The number of registered private qualifications is rapidly increasing, but the qualifications in the certification system are low.

- Although the number of registered private qualifications increased from 597 in 2008 when the registration system was introduced to 3,714 in 2012 (the year following the preliminary registration system), since then the number of registered private qualifications has increased to 16,078 as of 2015.
- A total of 1,296 private qualifications had certification applied for between 2000 and 2014, and 119 private qualifications were certified until 2014, for a certification rate of 9.2% in 15 years.



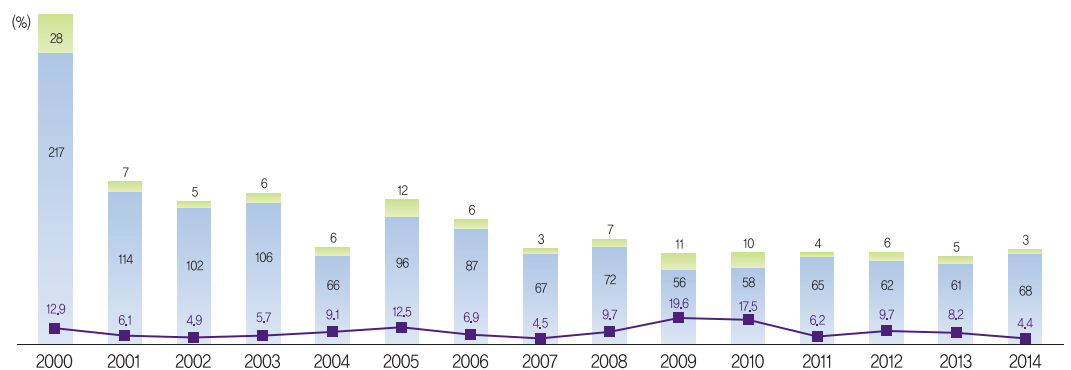
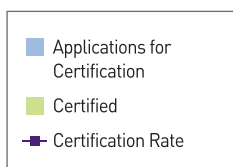
[Figure 1] Year-by-Year Trend of Registered Qualifications

Note 1

The Number excludes discarded and withdrawn private qualifications

- Excluding 22 qualifications that had their certification withdrawn or expire, 97 qualifications are currently certified (7.5% of certification applications).

- Unlike the rapidly increasing registration, the number of qualifications that had certification applied for is continuously decreasing.
 - In 2000, 217 registered qualifications had certification applied for, but the number decreased to 106 in 2003 and to 68 in 2014.
 - The number of certified qualifications began with 28 in 2000, and around 10 qualifications have been certified each year since then.



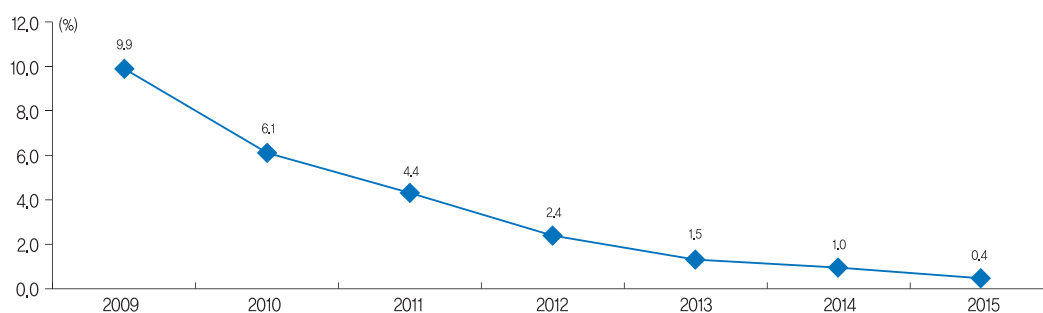
[Figure 2] Year-by-Year Trend of Certified Private Qualifications

Footnote 1

4) $\frac{\text{Number of applications for certification in the current year}}{\text{[Accumulated number of registered qualifications - Number of certified qualifications]}} \times 100$

- The rate of certification applications as registered qualifications⁴ has greatly decreased since the registration system was introduced from 9.9% in 2009 to 0.4% in 2015.

- The number of registered qualifications has greatly increased since the registration system was introduced in 2008, but the number of applications for certification remains at around 60.
- The low participation of private qualification managing agencies in the certification system implies a limitation in managing the quality of private qualifications through the certification system.
- The reason for the low rate of applications for certification is the public perception that the term "registered qualification" means public confidence. Thus, private qualification managing agencies do not have an incentive for applying for certification.
- The current private qualification registration system neither recognizes the quality level of private qualifications nor grants the exclusive operating authority of qualification. Anyone can create and register a private qualification if there are no grounds for disqualification of the private qualification manager (Article 18 of the Framework Act on Qualifications).
- The general public is not aware of it and is likely to judge that the term "registered" grants a kind of public confidence.
- Because of such lack of information, private qualification managing agencies just register the qualification and promote it among the qualification consumers to assure marketability instead of having them certified through a strict evaluation procedure.



[Figure 3] Rate of Certification as a Registered Qualification

| Specific private qualification managing agencies that dominate the registered private qualifications landscape

- Among 3,585 registered private qualification managing agencies, 680 (19.0%) manage more than 67% of all registered qualifications.

〈Table 1〉 Status of Registered Private Qualification Managing Agencies

(Unit: EA, %)

Type	Number of Managed Private Qualifications											Total
	100 or more	51-99	31-50	21-30	11-20	6-10	5	4	3	2	1	
Number of Agencies	4	24	40	66	182	364	140	195	338	556	1,676	3,585
(Accumulated %)	0.1	0.7	1.1	1.8	5.1	10.2	3.9	5.4	9.4	-5.5	46.8	-100

| Note |

The numbers in parenthesis are accumulated percentages.

- Of the 58 certified private qualification managing agencies, 4 operate around 30% of all certified qualifications, showing that specific agencies dominate the certified qualifications landscape as well.

〈Table 2〉 Status of Certified Private Qualification Managing Agencies

(Unit: EA, %)

Type	Number of Certified Qualifications Managed by Each Agency						Total
	12	8	6	3	2	1	
Number of Agencies	1	1	1	1	14	40	58
(Accumulated %)	1.7	3.4	5.1	6.8	30.9	100	100
Number of Certified Qualifications	12	8	6	3	28	40	97
(Accumulated %)	12.4	20.6	26.8	29.9	58.8	100	100

| Note |

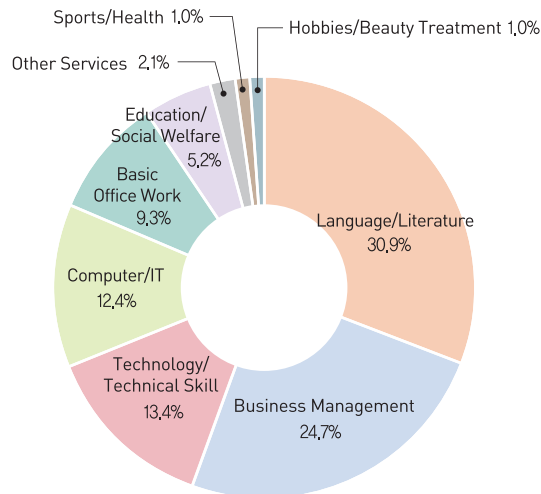
The numbers in parenthesis are accumulated percentages.

| There is an inadequate level of promotion of the certification system centered on occupational qualification.

| Footnote |

5) The qualifications related to basic work ability such as language/literature and basic office work can be categorized as literary qualifications.

- With respect to the areas of certified qualifications, the rate of literary qualifications⁵ such as language/literature and basic office work is around 40.2%.
 - Among the 97 certified qualifications, language/literature accounts for the biggest portion at 30 (30.9%), followed by the management field at 24 (24.7%), technical functional areas at 13 (13.4%), computer IT areas at 12 (12.4%) and basic clerical areas at 9 (9.3%).
 - The reason for the high rate of language/literature qualifications is that it is easier to get candidates than occupational qualifications and the content and level of examinations are relatively standardized.
 - Moreover, most of the candidates for certified qualifications are students who may use the qualifications in the literature area such as language and basic office work as resume credentials for admission to a college or for getting a job.



[Figure 4] Rate of Certified Qualifications in Each Area

04 Implications

- The registration and certification system introduced to manage the quality of private qualifications has not been very effective.
 - To improve the quality of private qualifications, it is necessary to link the "Survey on the Status of Private Qualifications Management and Operation" with follow-up management and system improvement.
 - The private qualification information portal needs to provide more useful information such as qualification demand for applicants and holders. Resolving the lack of qualification information can prevent the current situation wherein being merely "registered" assures the marketability of the qualification.
- Literary qualifications such as languages and basic office work make up a significant portion of private qualifications. It is necessary to expand the portion of certified qualifications to create jobs and develop occupational abilities.
 - Special management measures reflecting the characteristics of qualifications, such as a test in a basic literary form, and certified qualifications that may not be regarded as the domain of the private qualification system are needed.
- Since the private qualification market can be dominated by a few agencies, the promotion of competition and a policy of self-cleaning in the qualification market are necessary.

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