WORKING GROUP FOR INTERNATIONAL CO-OPERATION IN VOCATIONAL AND TECHNICAL SKILLS DEVELOPMENT

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Donor Policies in Skills Development

Reforming Education and Training Policies and Systems

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INTRODUCTION

The fourth meeting of the Working Group for International Cooperation in Vocational and Technical Skills Development was held during April 1998 in Geneva. Hosted by the International Labour Office and supported by Austrian Cooperation and the Swiss Agency for Development and Cooperation, this meeting in many ways marked a transition in the life of the Working Group, as is reflected in this discussion paper.

As in the two previous meetings there were a small number of presentations of policy by bilateral and multilateral agencies and these are again a major element of this discussion paper. As on the previous occasions, these presentations were to a greater or lesser extent influenced by an overall theme to the meeting. On this occasion the theme was “Reforming Education and Training Policies and Systems”. However, a crucial point at which this meeting and this discussion paper depart from the path of their predecessors is in the appearance of two case studies focusing on specific countries from the South. In this first such focus the two countries chosen were Indonesia and South Africa. The two cases proved very enlightening for those present and a further series of such case studies are planned for the next meetings of the Working Group.

Whilst research has been presented at the previous meetings of the Working Group, this discussion paper is the first to carry a report on such presentations, a trend that is likely to continue in subsequent papers in the series. On this occasion, it was appropriate that it was a member of staff of one of the host organisations who presented a valuable synthesis of the findings of a major research programme on the reformation of training systems.

The case of the South African presentation was significant in other ways too. The Working Group benefitted greatly from the attendance of a senior policy maker from that country. Her presence highlighted again the importance of the Southern role in this series of meetings and the desirability of moving to a more partnership-like relationship with Southern colleagues. Nonetheless, it was clear that the nature of such a relationship would need further exploration as the Working Group enters into its next phase of development. The Geneva
meeting also raised some of the other key issues for the future of the Working Group: the nature of its activities, particularly its ability/willingness to support projects and research; the structure of the Secretariat and of Working Group membership; and the Working Group’s role in capacity building within its member agencies. As the Group looks forward to its next meeting, in Copenhagen during June 1999, these issues about future development will play a central role in its deliberations.

This paper has been edited by Simon McGrath (University of Edinburgh).
FINLAND

1. Finnish Development Cooperation

The Finnish Decision-in-Principle of 1996 places development cooperation within the broader ambit of Finnish foreign policy. In keeping with broader trends and agreements between OECD countries and development agencies, this identifies the following goals for development cooperation:

- poverty reduction
- sustainable development
- promotion of human rights, good governance and equality.

Finnish bilateral operations are based on long-term relationships and partnerships. Nonetheless, the intention is to review and extend the range of partner countries. The Finnish Government is committed to raising the development cooperation budget to 0.4% GNP by 2000 and remains focused on the longer term target of reaching 0.7%.

2. General Principles for Support to Education and Training

In the education sector Finland is concerned to:

- channel assistance expressly into the development of the human resources and independent capabilities of developing countries. In this Finland seeks to act as a catalyst for development.

- emphasise basic education as crucial to the empowerment of poor people to be included in development

- increase efforts to strengthen the participation of women in the wide range of social and economic activities, for instance through the extension of basic education provision to women and girls

- draw particular attention to the status of disabled people in developing countries.
3. The Extent of Finnish Bilateral Activities in Education and Training

Assistance to the education sector amounts to c4% of the development budget. Although, spread across a number of sectoral portfolios, disbursements on training probably amount to a similar percentage. It is anticipated that the Decision-in-Principle will result in an increased share for education of the total budget.

Finland continues to work with its “traditional” educational partners: Ethiopia, Mozambique and Zambia. In addition, it has commenced cooperation with Nepal, Nicaragua, Tanzania and West Bank and Gaza. It is possible that other countries may be added to this list in future.

3.1 The Sectoral Development Programme Focus

Finnish aid is now organised according to the project approach, although there is a discussion underway about the possibility of moving towards sector-wide development programme approach with more emphasis on budgetary support.

3.2 Education Sector Activities

Under the heading of education would be included support to the Asia Institute of Technology for the development of departments in telecommunications and pulp and paper engineering. Cost sharing and private sector participation have been central elements of both programmes. In the latter there has been a major focus on environmental issues.

In Zambia Finland has been involved in the promotion of a demand-driven vocational education system. This has included support for a pilot project on the development of competency-based modular training. This process has involved local employers’ associations, particularly in the construction industry.

3.3 Education and Training Activities Classified under other Sectors
The programme Support to Agricultural Training in Mozambique (SATIM) is classified under the agricultural sector. However, its content is entirely in the area of education and training. This programme has been aimed at developing the curriculum and strengthening teacher education. The experiences under SATIM have been highly relevant for the subsequent attempts of the Government of Mozambique to reform the whole vocational and technical education system.

The Rural Integrated Programme Support (RIPS) in Tanzania is a multi-sectoral participatory development programme covering Mtwara and Lindi regions. Since 1993, when RIPS began, there has been a strong education and training element. On-the-job training has been provided for fishermen, carpenters, blacksmiths, etc. and vocational subjects have been piloted in both general and technical secondary schools. Similar examples have occurred in rural development programmes in Nicaragua, Vietnam and Zambia.

4. Finnish Commitments to Multilateral Development Cooperation

In addition to bilateral activities and concerns, Finland is seeking a more active role in multilateral activities. This means a desire to move beyond contributions to multilateral funds and support for multilateral agreements. Active development of new modalities and partnerships is being sought. Support to the Association for the Development of Education in Africa and for the special programmes of UNESCO are an integral part of the Finnish education programme.
THE INTER-AMERICAN DEVELOPMENT BANK

1. A new Training Strategy

The Inter-American Development Bank is in the process of developing a new strategy for its support to training. This will spell out the position of the Bank regarding the usual range of issues and controversies in the area of training and will form the basis for lending in this sector.

2. Traditional Programmes of the Inter-American Development Bank

The IDB has gathered considerable expertise in the vocational and technical training. This has been organised along three lines.

2.1. Technical Schools

Traditional technical schools have been caught between operating as a route to higher education, a provider of technician training and a producer of skilled labour. IDB’s proposed future policy would seek to move away totally from old style technical schooling. The IDB has sought to reorient these institutions. This has taken two forms. First, the explicit job preparation focus is downgraded and attention is focused instead on education with some broad occupational direction. Second, the level of provision is moved from the secondary phase to the post-secondary one.

2.2 Technical Training Institutions

IDB’s support to training under national providers such as SENA and SENAI has not been so clearly defined historically. Nonetheless, a variety of small projects have been supported. Of particular promise are those which have sought to support certification and basic skills. Given high overheads inherent in IDB programmes, such projects should be catalytic with a strong concern for innovation and experimentation. IDB will consider loans designed to support the reform of traditional training institutions. Whilst such loans will be focused on individual country needs, they will have a common goal of achieving better relevance and efficiency.

2.3 Youth Insertion into the Labour Market
Based on the successful Chile Joven programme, IDB has developed a concept for targeting youth who are either unemployed or who have low levels of education. This is grounded in two key concepts. First, training is subject to competitive contracting from the relevant Ministry of Labour and is not directly provided by the Ministry. Second, such contracts contain the condition that there should be a job or internship available for the trainee.

3. General Principles Underpinning IDB’s Training Strategy

It is proposed that a series of general principles will underpin IDB’s future support to training:

- well focused training is investment in human capital at its best
- discrimination in training must be eliminated
- special attention must be paid to the inclusion in programmes of groups which are socially disadvantaged
- training programmes should develop environmental awareness among students
- training is not a form of social assistance and is only justified when there are jobs at its conclusion
- IDB projects will support systematic reforms rather than individual projects
- policy dialogue between all stakeholders is a precondition for support
- solutions must be tailored to specific circumstances
- training interventions by IDB should complement other strategies and priorities of the Bank

4. Priorities for IDB Funding

As well as this broad series of principles which will inform IDB’s support to training, there are a number of key priorities for the Bank in funding training.

4.1 Reforming Training Institutions
The number one priority is the reform of training institutions. Latin American institutions in this field have an outstanding historical record but have failed to keep pace with changes in the economy and the labour market. Whilst some would wish to see them disappear, this is not realistic and attention must instead be given to encouraging them to reform in ways which strengthen, rather than undermine, them.

4.2 Understanding Training Institutions

For training institutions to be helped to reform themselves, it is necessary for careful institutional and political analyses to be undertaken in order to critically examine possible scenarios for change. Equally, it is essential that the market for training be analysed, for instance through tracer studies. It is unlikely that major projects could precede these kind of analyses.

4.3 Supporting Internal Change

Institutions are not changed from the outside. Multilateral agencies can support change. They cannot promote or initiate it. Strong internal commitment to change and genuine dialogue between stakeholders are necessary if Bank supported reform programmes are to succeed.

4.4 New Delivery Technologies

Given the discrepancy between the large numbers of workers requiring training, particularly in the informal sector, and the relatively modest capacity of training providers, it is essential that new delivery technologies be developed. There is a strong Latin American tradition of distance education and the Bank will respond favourably to requests which seek to build upon this and which could offer wider coverage, lower costs or improved impact.

4.5 New Organisational Patterns

The IDB supports different organisational patterns which permit lower costs. Involvement of NGO and private-for-profit providers is worthy of promotion. Franchising and radical decentralisation of training are also proposals of interest to IDB.

4.6 Insertion of Basic Skills into Training Programmes
As occupations become more complex, the ability of workers to write, calculate, draw and work in teams increases greatly in importance. Latin American education has largely failed to respond adequately to this pre-condition. IDB acknowledges that the changing of curricula, materials and instructors to cope with this is expensive and not viable at large scales. However, it is supportive of reforms aimed at contextualising training, producing “applied academics” and generating key skills.

4.7 Youth Training Programmes

Levels of youth unemployment are very high and many youths have inadequate levels of education and training. Lessons learned from Chile Joven and Proyecto Joven (Argentina) will be deployed in similar projects elsewhere, whilst due attention will also be paid to local realities.

4.8 Certification

Once the monopoly of the large training institutions is eroded, certification becomes more important, since neither trainees nor employers have the mechanisms for readily evaluating the quality of provision from diverse institutions. In order for decentralisation and promotion of private providers to succeed, issues of quality control via certification must be addressed.

4.9 Stimulating Training

IDB will seek to promote provision by a diverse set of providers and will also encourage self-learning. This will be done through a series of stimuli including financial and regulatory tools. The record on financial tools internationally is mixed and any reforms must be treated cautiously. Of more central importance may be regulatory reforms such as new apprenticeship wages and contracts.

4.10 Post-Secondary Level Provision

In keeping with IDB’s Primary and Secondary Education Strategy there will be an emphasis on developing post-secondary technical courses. In most cases these will replace the largely unsuccessful secondary technical schools.
1. Japan’s Development Assistance Priorities

Japan’s Official Development Assistance (ODA) Charter, established in 1992, states clearly the following major policies:

- global issues such as the environment and population
- basic human needs
- human resource development and research and other cooperation for improvement and dissemination of technologies
- infrastructure improvement
- structural adjustment.

Human resource development has a strong priority and it is within this area that TVET projects and policies are discussed.

2. Declining Development Assistance Funds

The Government of Japan has decided to decrease its aid budget each fiscal year during the current intensive reform period, with a shift in emphasis from quantity to quality. The total ODA budget for the fiscal year 1998 has been cut by 10%. Another 10% is expected for the following year. Japan's budget deficit is at the worst level of all major industrial countries today.

3. Japan’s Complicated Aid Administration

The Japan International Cooperation Agency (JICA) is not the sole agency responsible for technical assistance. Only half of Japanese technical assistance is carried out by JICA, with many other ministries also involved. Aid to TVET involves various ministries such as the Ministry of Labour, the Ministry of International Trade and Industry and the Ministry of Education, in addition to JICA and the Ministry of Foreign Affairs.

Apart from TVET projects in developing countries, for which JICA is responsible, there are two different major programmes in terms of

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1 This paper was compiled by Nobuhide Sawamura, Hiroshima University
skills development. One is training programmes offered by the Ministry of Labour and the Ministry of International Trade and Industry to accept trainees at technical and vocational training centres and other enterprises. Those programmes are not classified as technical education but training. This reflects the clear distinction between training and education that is made in Japan.

The other programme is for foreign students at technical colleges. These are short-cycle higher education institutions. Scholarships are provided by the Ministry of Education. Technical and vocational education is offered at secondary schools and technical colleges. Those who graduate from technical colleges can be transferred to the third year of the undergraduate programs of four-year degree granting universities. Many foreign students are actually admitted through these transfers.

These policies and programmes for foreign students are also classified under the heading of ODA, although some of the students are actually from developed countries.

4. Skills Development Policy

Japan’s traditional level and structure of support to TVET is undergoing a reorientation.

4.1 A Shift towards Basic Education

Japan’s ODA Annual Report (1997) argues that although Japan has been giving the weight of its technical cooperation to projects for higher and specialised technological education, it is now necessary to place greater emphasis on projects which contribute to basic education. Japanese aid policy is becoming rather negative about TVET. Nonetheless, TVET projects are still dominant on the ground as far as Japanese educational aid is concerned.

4.2 Japan’s Lack of a Systematic TVET Policy

Japan is often criticised because, unlike other donor countries, it has not formulated a systematic aid policy for TVET. A JICA study report on education (1994) only states that it should employ a demand-driven and country-specific approach. This lack of a coherent policy is largely due to the structure of the Government.
JICA is an executing agency of Japanese technical assistance under the jurisdiction of the Ministry of Foreign Affairs and is not allowed to formulate aid policy. There have been fewer debates on TVET issues than on general education policies in Japan. There is a significant gap between education and training in the national bureaucratic system even if the two concepts have converged in a real sense.

Although JICA has not generally placed a major emphasis on research projects, there are three task forces at the moment to integrate JICA’s experience in specific fields, which will help formulate effective projects. One of them is concerned with TVET.

5. Trends in Japanese Assistance to TVET

Japanese TVET projects, which are largely institution-based, have been major components of aid to human resource development. They target a wide range of skilled workers including artisans. There is a shift in the area of cooperation from basic skills to advanced skills such as computer engineering. There are some vocational training projects which have been transformed into technical colleges and universities. Higher education in the field of technology can be a continuation of so-called TVET, which is often seen as a first step towards technological development. Transforming skills into technology may be a uniquely Japanese approach to TVET.

The JICA Task Force on TVET reports the trends in Japanese assistance to TVET as follows. Until the late 1970s Japanese TVET projects mostly included physical construction of institutions. However, since the late 1980s more than half of the projects have made use of existing buildings. Now more emphasis is put on capacity and institutional building including management than on the transfer of specific technical skills. There are few projects targeting traditional manual skills like metalwork.

6. Implications for the Future

As described above, the very nature of TVET including inter-ministerial complexity has hindered policy formulation by JICA. However, it is a reality that no Japanese agency other than JICA has
as rich an experience of implementing TVET projects in developing countries.

The TVET Task Force comments that the current bias towards the informal sector and enterprise-based training may actually disrupt future development of the formal sector and national skills development leading to industrialisation. The improvements of TVET aid policies and implementation may be concluded as follows.

First of all, it is indispensable for JICA to do research on indigenous and formal systems of skills development in a recipient country itself and to sort out critical problems of skills acquisition.

Secondly, it is essential to discuss the importance of TVET development, beyond the point at which it is a possible countermeasure to unemployment.

Thirdly, it is also necessary to produce a comprehensive TVET policy for national development in the formal education system where there is a greater impact on the improvement of skills capacity than private training.

Finally, it is important to develop such TVET programs that encourage the people to learn fundamental attitudes toward technology, and basic knowledge about the nature of changing society and technology. They should be prepared adequately for such rapidly changing technology and industry even in developing countries.

7. Sources of Further Information


JICA (1998) JIGYO KEIKEN TAIKEIKA KENKYU: SHOKUGYOUKUNREN SHOKUGYOUKYOUIKU (Integration of Japanese Aid Experience in TVET), JICA, Tokyo. [This is written only in Japanese.]
UNITED STATES OF AMERICA

1. Overall Strategic Objectives

The United States Agency for International Development’s mission is to contribute to U.S. national interest through supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world. USAID has identified six strategic objectives:

- encouraging broad based economic growth and agricultural development
- strengthening democracy and good governance
- building human capacity through education and training
- stabilising world population and protecting human health
- protecting the world’s environment for long-term sustainability
- saving lives and reducing suffering associated with natural or man-made disasters and re-establishing conditions necessary for political and/or economic development.

Human capacity development became an Agency strategic objective in 1997. Whilst basic education is the central concern of this objective, it also provides for refocused American support to higher education, skills development, training and information technology.

2. The Centre for Human Capacity Development

Each of the six strategic objectives has a centre in USAID’s Global Bureau responsible for the development of global programmes, field support and research. The Centre for Human Capacity Development focuses on:

- helping nations and USAID field missions to improve education and training systems
- applying proven human resource development techniques creatively
• promoting new learning technologies.

2.1 Centre Structure

The Centre is organised into four teams:

• basic education
• higher education, including skills for employment
• training
• information technology policy and applications.

3. Participant Training

Training in USAID traditionally referred primarily to the training of host country “participants” in the United States. There is an extensive use of American support for providing training for persons involved in development projects and programmes. Historically, large numbers of students have come to the United States to study for degrees. In-country and third country training have also been included in the concept. In recent years, however, the numbers being trained in the United States have declined substantially.

A significant rise has been observed in the numbers receiving in-country training. Approximately 1.5 million training events took place in-country in Fiscal Year 1997, although this figure includes a vast array of different types and qualities of training activities. Agency training programs seek improved individual performance and increased effectiveness of host country organisations.

4. Workforce Development

Programmes for workforce skill development currently fall under the broader area of higher education. The term “workforce development” describes an interdependent system of linked policies, strategies and actions that create an enabling environment where demand responsive learning institutions and processes enhance workplace skills and competencies. Based on field experiences and a study of 20 workforce development models world-wide, emphasis is placed on the following program elements:
• fostering policies that support public/private partnerships and training initiatives matched to workplace demands

• promoting community based assessments and collaborations for decision making

• encouraging credit access and business training linked with opportunities

• helping design systems for rapid workplace skill adjustments in transition situations.

Results being sought in USAID-assisted nations include:

• increases in the employability and job retention of local workforces

• increases in business and entrepreneurial skills

• improved employment policies

• enhanced productivity.

5. Multi-Disciplinary Concerns

Workplace development staff have been engaged in recent conversations with other USAID staff responsible for supporting emerging markets, small enterprise development, gender balance and the role of unions in enhancing worker rights. This has led to the creation of a multi-disciplinary coalition committed to sharing insights and promoting mutually reinforcing approaches and shared programmes for the full span of workforce development policy development and programming.
INDONESIA: TVET CHALLENGES FOR INTERNATIONAL COOPERATION

Manfred Diehl and Gerhard Kohn

1. Introduction

Indonesia’s transformation into an industrial economy is being supported by a transformation of its education and training systems. Although still under different administrations and supported by different donors, reforms in education and training are progressing in parallel.

2. Developing a new National Technical and Vocational Education and Training System

With the support of the Asian Development Bank, Australia, Germany and Switzerland, the Ministry of Education and Culture has set about the following series of on-going policy shifts:

OLD SYSTEM                                      NEW SYSTEM
Supply-side approach                             Demand-driven approach
Examinations-driven system                       Competency-driven system
Fixed entry and exit points                      Flexible entry and exit points
No recognition of prior learning                 Recognition of prior learning
Organised according to subjects                  Occupational focus
Formal sector oriented                           Oriented to formal and informal sectors
Strict division between education education and training
Highly centralised management of system          Integrated approach to education and training
Complex system of Ministry-driven and provided support for institutional development
Self-supporting institutions
3. German Support to Training System Reform

Since 1992 Germany has been involved in this reform process.

3.1 Objectives of the German Support

The German project of support to the new TVET system aims to:

• eliminate the increasing shortage of skilled labour in the Indonesian economy

• combat youth unemployment

• develop an appropriate strategy that can contribute to economic development, international competitiveness and social harmony

• conceptualise and implement a pre-tertiary nation-wide system of vocational education and training.

3.2 Implementation

Major elements of the German contribution are assistance to:

• development and implementation of vocational education and training elements such as curricula, teaching and training materials, specification of occupational profiles and examination standards for selected occupations

• selection of qualified pilot schools and training facilities and support from appropriate German actors, including industry

• development of a concept and strategy for the implementation of the new system at these pilot institutions

• support in basic and further training for teachers in the Sistem Ganda (see 4.1 below) and Apprenticeship Training System

• encouragement of employers to participate in collaborative training

• support for the establishment of the national system and a National Council for Technical and Vocational Education and Training
• cooperation with other donors supporting TVET activities in Indonesia

• promotion of the new system through marketing

• development of monitoring and evaluation procedures for the pilot projects.

3.3 Outstanding Challenges

The new system is very threatened by the massive crisis of the Indonesian economy. However, given the hope and expectation that this crisis will be short-lived, it is essential that development cooperation such as is exemplified by this project should continue. Although there is considerable agreement between the Ministry of Education and Culture and the Ministry of Manpower about the need for the reform and its basic nature, there remain significant challenges in maximising coordination. The German project in fact has a broad series of official Indonesian partners: Ministry of Planning, Ministry of Education and Culture, Ministry of Manpower, Ministry of Industry and Trade, KADIN, APINDO and other professional associations, employer federations and trade unions. The diversity of actors is also reflected on the donor side and practical cooperation must continue to be built on the foundations of agency sharing of common visions. A number of large employers have shown a great willingness to be involved in collaborative training but it is essential that the project constantly address the issue of how to increase such participation.

4. Swiss Support to Technical and Vocational Education Reform

Switzerland has more than 25 years of experience in supporting technical and vocational education in Indonesia. It is currently involved in supporting the programmes of the Ministry of Education and Culture in reforming and harmonising the TVE system.

4.1 Link and Match

In 1993 the Ministry of Education and Culture introduced the notion of “Link and Match” to address imbalances between the education system and the labour market. Linking refers to improving the relationship between these two domains. Matching indicates the
need for education to meet the qualitative and quantitative requirements of the workplace.

4.2 Skills Toward 2020

The collaboration process begun by the “Link and Match” policy further developed into a programme called “Skills Toward 2020”. This proposes the establishment of a national framework of outcome-criteria and related modalities of open access assessment and certification. National, provincial and school councils for vocational education are proposed with strong representation from the world of work.

4.3 Dual Education System

Link and Match and Skills Toward 2020 are both supposed to cover all levels of education, a specific reform programme has been developed for the senior secondary cycle. This reform is called Pendidikan Sistem Ganda (Dual Education System). This system seeks to promote better articulation and collaboration between vocational senior secondary schools and employers through the provision of on-the-job training as a complement to vocational education.

4.4 Supporting Institutional Change to Transform the Vocational Education System

The Ministry of Education and Culture realised that the massive changes would have to be promoted and implemented largely by its own institutions. However, in large part it was the weakness of these institutions that was triggering the reform process in the first place. Not only were vocational secondary schools supposed to become self-managing and self-supporting but they were also expected to become active in bringing business into the system. Therefore, the Ministry decided to use the existing Vocational Teacher Upgrading Centres as catalysts for school level change. These upgrading centres were restyled as Vocational Education Development Centres (VEDCs).

4.5 Swiss Support to VEDC Malang
This institution had been established in 1983 with Swiss support. Previously both a pre-service and then in-service training provider, since the recent reforms began it has been reconfigured in order to be involved in conceptualisation and implementation of the dual education system. This has been pursued through a number of roles:

*change agent* VEDC Malang has assisted 38 “foster schools” which have entered into agreements with more than 2 000 employers to improve the delivery of vocational education.

*partner* at the meso level VEDC Malang cooperates with other VEDCs and the regional and provincial offices of the Ministry in developing procedures and products for the vocational education system.

*consultant* VEDC Malang has been a major executor of assignments relevant to national systems development for the Ministry.

*service provider* VEDC Malang also operates on a commercial basis, delivering products and services to private industries and customers. This not only has resulted in a net income equal to about 40% of core funding but has contributed to the development of professionalism and business like attitudes among staff.

### 4.6 Progress so Far

Implementation of the dual education system is reported to have involved 3 000 schools, 50 000 companies and 400 000 secondary students in a short period of time. However, the approach to date remains primarily school based rather than genuinely dualistic. Moreover, the programme so far has been overwhelmingly government driven through its institutions at all levels. School councils are still in their infancy. Development of the national council also is hampered by the existence of a parallel body under the Ministry of Manpower.

Large scale enterprises seem to be quite favourably disposed to the approach and many of them are active participants. However, even amongst these firms placement are limited in total numbers and very unevenly spread across the country. Whilst a Swiss supported Small and Medium Enterprise project supporting the implementation of the Dual Education System suggests there is scope for attracting small
and medium enterprises’ involvement in the reforms, much still remains to be done.

5. The Importance of the Meso Level

One of the lessons that appears to emerge from the Swiss experience is the vital role in such massive transformation of professionally competent and (semi) autonomous institutions at the meso or intermediate level. Even if a single national council were already in place, such institutions as VEDC Malang would be essential to the successful implementation of the reform. Thus, project support to meso level institutions may be an indispensable component of overall sectoral development support programmes.

6. Integrating Education and Training

Indonesia is poised at a fascinating point in its development of education and training. The attempt to combine a dual mode of VET with an open-access framework of qualifications is both interesting and challenging but further conceptual efforts are still required. If the Indonesian system reform succeeds it will have effected a novel combination of elements inspired by two of the most significant current international approaches to education and training: the Germanophone and the Anglophone.
SOUTH AFRICA: NATIONAL PERSPECTIVES ON TRAINING POLICY REFORM

Adrienne Bird

1. The Challenge of Overcoming the Past

South Africa has suffered immensely under the burden of a huge range of socio-economic polarities, enshrined under the Apartheid system. The eradication of these polarities is at the heart of the programmes of the Government and is reflected strongly in the activities of the Department of Labour. This has led the Department to stress the need to consider productivity and competitiveness simultaneously with equity and poverty alleviation.

2. The Recent History of Skills Development Policy

It is useful to sketch briefly the recent history of training reform in South Africa.

2.1 Before 1990

Training law in South Africa was an integral part of the Apartheid system. As a result of the challenges posed to the regime in the 1970s by first workers and then school students, the state began a process of reform of labour law. In 1981 the Manpower Training Act for the first time permitted apprenticeships for those classified as Africans. This Act also set up the National Training Board. However, in its first decade this tripartite body excluded non-racial trade unions and was totally white and male in its composition.

In the late 1980s the non-racial trade union movement, with the support of Australia and the Scandinavian countries, began to develop a pro-active strategy for skills development. As a result of agreements between white unions and employers, many white craft workers had become predominantly supervisors. Thus, although characterised as unskilled, many black workers had acquired significant skill levels.

They were, however, prevented from moving upwards in terms of wage and grade both due to the non-recognition of their skills as well as the Taylorist and racial hierarchies that prevailed. Thus the non-
racial trade unions developed a focus on reforming work organisation and grading linked to training and the recognition of prior learning as a means of improving the working lives (and wages) of their members. This in turn led on to an identification of the need to integrate education and training as illiterate workers were prevented from enjoying the benefits of the new approach.

2.2 From the Unbanning of the ANC to the First Democratic Elections

The 1990 unbanning of the ANC led to the restructuring of the National Training Board to include the non-racial unions. This resulted in the eventual rejection of the proposed National Training Strategy and the production of a new National Training Strategy Initiative (NTSI) document in April 1994, the month of the first democratic elections.

3. Developing a new Policy

With the assistance of donors such as Germany, Ireland and Japan, it has been possible to further the work of the NTSI. Projects managed by the NTB contributed to the development of the National Qualifications Framework and the passing of the South African Qualifications Authority Act in 1995. Whilst the Department of Education continues to develop its programme of transformation, the Department of Labour has been engaged in the development of legislation for Skills Development, with an Act expected in mid-1998. The Skills Development Bill addresses those aspects of the NTSI not addressed by the SAQA Act, such as financing and strategic planning and prioritisation of skills development for the labour market.

3.1 Learnerships

At the centre of this legislation will be a new skills development modality called learnerships. These programmes will be available at all levels on the National Qualifications Framework. They will bring together learning on-the-job in individual and clustered enterprises with formal learning programmes in education and training institutions. They will also allow for the possibility of the recognition of prior learning.
In order to overcome the polarities of South Africa’s uneven economic development, it is emphasised that learnerships are open to existing and potential entrants to the large business sector, the small and medium enterprise sector and the development (or survivalist) sector. Programmes will be developed by Sector Education and Training Authorities (SETAs) and will be registered on the National Qualifications Framework managed by the South African Qualifications Authority. Efforts will be made to ensure that all relevant social partners are included in SETA membership.

4. From Policy to Implementation

As the legislation nears agreement, attention increasingly shifts to the challenge of implementation. The learnership programme has already had some initial piloting in KwaZulu-Natal with Danish assistance. Later this year a major European Union supported Labour Market Skills Development Programme will begin.

4.1 The Labour Market Skills Development Project

This programme has been subdivided into six projects:

- enhancement of the Department of Labour’s capacity to deliver the new strategy
- creation of skills development information systems
- development of the learnership programmes
- promotion of enterprise-based skills development plans
- generation of institutional capacity within SETAs and the National Skills Authority (replacing the NTB)
- development of the financing mechanism.

4.2 Other Challenges

In addition to the concerns of this project there is an urgent requirement for mechanisms to be developed that will address the capacity needs of education and training providers. Such needs are in the areas of staff development, facilities, equipment and institutional management. Although the learnership concept is being developed by the Department of Labour, the vast majority of the
provider institutions fall under the jurisdiction of the national and provincial Departments of Education. It is intended that an Inter-departmental Committee will be established to foster cooperation at the national level.

A coordinated response by agencies to requests from the Department of Labour has greatly facilitated the process of transforming South Africa’s skill development strategy. Nonetheless, the range of agencies involved, each with their own project specification and reporting requirements, stretches the capacity of the Department to manage the process of development cooperation.
REFORMING VOCATIONAL TRAINING: LESSONS FROM AN INTERNATIONAL STUDY

Fred Fluitman

1. International Concerns with Vocational Education and Training Reform

Countries around the world are, for a variety of reasons, involved in reviewing and reforming their vocational education and training systems. This concern is often based in common concerns and raises common proposals and challenges. Nonetheless, in the apparent commonality, national specificities must not be forgotten.

2. The Roots of Reform

The roots of reform can be seen to lie in concerns about relevance, effectiveness/efficiency and budgetary constraints.

2.1 Relevance

It is commonly agreed that training should serve defined, useful purposes, particularly in terms of what people do or might do for a living. If training systems are no longer perceived to deliver such relevance then reform is likely to be widely supported. At the heart of such a concern will be the need to make training more responsive to demand.

The issue of relevance is particularly pertinent for countries seeking or experiencing rapid economic and social change. Demand-side pressures can emerge from a number of sources:

• structural adjustment
• new technologies
• competitiveness concerns
• attempts to promote labour market flexibility
• concerns with equity and discrimination
• high levels of unemployment.
Common symptoms include:

- obvious skill-related productivity problems
- persistent vacancies in some sectors whilst there are surpluses in others
- training for obsolete jobs
- curricula unrelated to workplace realities
- lack of training opportunities, particularly for those from disadvantaged groups.

2.2 Effectiveness and Efficiency

Effectiveness concerns are focused on the inability of the system to do what is set out to do. This is reflected in:

- employers’ complaints about the quality of training outputs
- employers’ complaints about the time taken for the system to respond to new demands
- limited portability of skills
- high drop out and low pass rates
- beneficiaries reluctant or unwilling, rather than unable, to pay for training.

Efficiency failures are reflected in the system’s inability to make the best use of resources at its disposal when carrying out its activities. Common symptoms of efficiency problems are:

- obvious underutilisation of staff or facilities
- excessive long courses with unnecessary content
- fragmentation and multiple sponsorship of public-sector supported training
- heads of training institutions complain of excessive bureaucratisation
• heads of training institutions complain of being unaware of real costs of training.

2.3 Budgetary Constraints

In many cases governments or other sponsors are no longer able to pay for training as previously. The public system may be underfunded or funded at an unsustainable level with regard to other claims on the national budget. Such problems are often manifested by:

• essential staff are not employed or are demoralised
• facilities and equipment are inadequate or cannot be repaired
• training quality is declining
• enrolments are declining.

3. The Nature of Reform

Reform measures usually emerge as intertwined packages. However, it is possible to identify three major strands: reorientation, reorganisation and refinance.

3.1 Reorienting the Training System

At the heart of successful training reform is getting the focus of the system right. Reorientation means responding to new purposes and priorities. This will typically lead to a need to provide new “products”, such as core skills, competencies and qualifications for new occupations. Equally, there are a growing number of countries in which there are pressing demands for training systems to reach socio-economically excluded groups, in spite of the generally disappointing results of these programmes. A new clientele of increasing importance is those in or about to enter the informal sector. Lifelong learning rather than once-and-for-all skill acquisition is increasingly finding favour with governments.

3.2 Reorganising the Training System
Once reorientation is in order, it is necessary to get the system functioning efficiently and effectively. Reorganisation can take the form of:

- developing alternative institutional structures
- establishing new management systems and administrative procedures
- improving product quality.

New relationships between education and training and between training and employment are central to any such reorganisation. Decentralisation of public provision and the encouragement of private providers are also standard mechanisms. Regulatory frameworks can be improved, reducing red tape and incorporating the wide body of stakeholders into governance systems. Staff development and measures in respect of skill standards, testing and certification may contribute to the promotion of training quality.

### 3.3 Refinancing the Training System

Serious budgetary constraints would normally give rise to a reduction in unit costs before overall expenses are tackled. Such a process is limited, however, and further measures are likely to become necessary. These are likely to include the scaling down of programmes and the exploration of new channels and sources of funding. New criteria for government financial support may be set, both for public and private providers.

Specific interventions can include:

- reducing the duration of in-school training
- reducing or eliminating boarding facilities
- devolving budgetary discretion
- exploring cost recovery modalities
- introducing levy/grant or similar schemes
- introducing training vouchers.
4. Obstacles to Reforming Vocational Education and Training

Many policies run into implementation problems. These arise from problems in the specification of the policy or its objectives, serious constraints in implementation or, more typically, a combination of these.

4.1 Policy Level Failure

Policies may have been developed in haste and inadequately, based on partial or inaccurate readings of reality. Policy makers frequently misread the ability of policy change to address broader socio-economic objectives or the actual skill needs of the economy. There is also a tendency to remain focused on the needs of the formal sector, ignoring agriculture and the urban informal sector. Policies can also be based on wishful thinking, such as the desire to adopt high status foreign models of training provision. Furthermore, rapid economic, financial or political changes also often serve to invalidate original assumptions and data.

4.2 Implementation Level Failure

It is particularly difficult to design policies that take account of implementational constraints. Such constraints may reflect a lack of capacity to deliver or an unwillingness. Some typical examples are:

- insufficient implementers with expertise, experience and commitment
- essential information is not available
- key players are not sufficiently informed about the reform programme
- key players consider the reform unnecessary, inadequate or a threat to their job
- reforms are insufficiently funded
• administrative and regulatory procedures contradict the reform
• clients remain suspicious of change and prefer the old system.

5. Conclusion

It is clear that there are often good reasons for reforming vocational education and training systems in many countries. It also appears that there exists widespread interest in sharpening the training tool and this has increased over recent years. Experience dictates, however, that it should be underlined that there are no models, no recipes, no shortcuts. Training is far more heterogeneous than general education and there are few real examples of genuinely comparable national training systems. Nonetheless, there are common approaches which are being adopted and reforms are following similar trajectories in many cases. Equally it is apparent both that many of the obstacles to reform are shared and that they need not be insurmountable.
REFORMING TVET AND ITS BROADER CONTEXT

Simon McGrath

1. The Context for Education and Training Debates

A theme which has been apparent in the previous discussion papers but which comes to the fore here is the degree to which education and training debates must be placed within a broader context. Donors and recipient governments have a long list of areas to which they want to see education and training contribute. Here are just a few of these which emerge from the pages above:

- human rights
- good governance
- poverty alleviation
- environmental sustainability
- equity for women and the disabled
- better health
- lower population growth.

Whilst it is self-evident that education and training must be seen in their broader context, two particular concerns need to be raised here. First, by tying education and training so closely to a series of outcomes there is a danger that instrumentality overwhelms any more general sense of the validity of learning in itself. This could serve to narrow and impoverish learning and to raise the possibility of education being seen to fail if it cannot be shown to make a difference to the above variables. Second, it is increasingly perceived that education and training have proven very poor in delivering on core objectives, such as the development of skills for employability. Thus education and training are simultaneously being encouraged to deliver more across a broader range whilst observers are also calling for less ambition and tighter focus on the deliverable.

2. Remembering the Political and Economic Context of Policy Change
The inclusion in this paper of accounts of the skills development systems of two recipient countries provides some valuable insights. Though both Indonesia and South Africa are at the richer end of the recipient continuum, they both point up very powerfully another aspect of context: the political economy of policy reform. In South Africa at present the reform process in education and training is inseparable from political and economic transformation, as the above account makes clear. Moreover, it is the political context in which the reforms are being pursued that give such scope for major reforms. In Indonesia, the proposed reforms were conceived in a time of massive economic growth and optimism about the future. Whether or not the current East Asian crisis proves transient, it is evident that the political and economic turmoil of 1998 has been a major constraint on seeing the reform process through.

There is a practical issue to note here. Agencies make much use of tools such as ZOPPs and logical frameworks when planning project and programme interventions. It is clear that such tools have been of considerable value in inculcating a more rational and logical approach to the planning process. Nonetheless, it is apparent that one of the frequent weaknesses of these tools is that they allow scope for questionable assumptions to be worked into the framework which seriously undermine either the achievement of the stated goals or holding anyone to such goals. Whilst, events such as the East Asian crisis may well have been unforeseeable, it is worth agencies revisiting the issue of how differences in environment can affect the goals of cooperation.

3. Doing more with less

Whilst some donors, such as Finland, are committed to increasing their funding to development assistance, it is evident that there are serious downward pressures on the development budgets of others, not least Japan, currently the biggest net contributor to development assistance. Overall, there appears to be a clear sense of the need to do more with less. Moreover, there is a growing realisation of the enormity of the developmental challenges that still are to be faced. In the light of this it is not surprising to see two of the above accounts make use of the notion of assistance-as-catalyst.
Development assistance in this view must be seen as a means of kick-starting change. Its primary role is to promote innovation in practices and reforms of systems. This of course sits well with the notion of sectoral programmes.

However, doing more with less is also noted as potentially dangerous. Reduced funding, both internal and external, has been at the heart of many recent reforms of education and training systems. Whilst efficiency savings are often available, it is also true that reforms themselves are costly, particularly in short run. Too often efficiency-based reforms lead only to further budgetary pruning, which is ultimately counter-productive, as difficult reforms are undermined by further assaults on equipment, staffing and morale.

4. Going beyond Basic Education

This Working Group is primarily concerned with vocational and technical skills development. Although basic education is the dominant trend in current educational thinking, it is apparent that donor countries such as Finland, Japan and the United States, as well as recipients such as Indonesia and South Africa, continue to believe that basic education in itself is not the answer to the totality of skill development needs that the state should concern itself with.

At the heart of reforms to training systems is a desire both to revisit the appropriate role of states, whether donor or recipient, in training and to refocus the efforts of public training systems on attainable goals.

In many cases, the skills being talked about are largely couched in formal sector terms. Thus the debate does not squarely address the most pressing challenge of relevance: the ability of education and training systems to meet the competence needs of micro and small enterprises. As noted in the previous discussion paper, the performance of education and training systems in addressing their traditional goal of preparation for the formal sector, provides a health warning when considering a refocus on the informal sector. Nonetheless, for those concerned with skills development, with economic growth and with poverty alleviation, there is an urgent need to examine the relationship between the goals of basic education and the likely livelihoods of the majority of its recipients.
An emerging body of literature from the small enterprise development field argues that there is little benefit for enterprise performance in a small injection of basic education. Instead, the difference is made by significant amounts of secondary education. Such secondary education, according to such research, also appears to react synergistically with work experience. Thus, there is a challenge to consider how best to maximise access both to longer schooling and to workplaces in order to enhance both poverty alleviation and economic growth.

5. Building Systems through Building Institutions

Through the policy position of the Inter-American Development Bank, as well as the discussions of the reforms of the Indonesian and South African systems, a strong sense emerges that there is more to reform than getting the policy right at the macro level. As noted in previous discussion papers, much attention has been given recently to the need to develop local ownership of policy to ensure its subsequent implementation. These presentations point to the partial nature of such an understanding and focus our attention on that implementation process. They each highlight the central role of institutions, whether umbrella agencies of the Latin American type; meso-level support institutions as at Madang; or actual providers of skills development. Whilst these institutions have often been part of the problem in the past, it is made clear that they must also be part of the solution. Thus capacity building at the institutional level is afforded considerable importance in these discussions.

In some ways this focus on institutions as key agents in the implementation of policy reforms helps to provide a more sophisticated understanding of the apparent dichotomy that has emerged between sectoral programmes and stand-alone projects. This emphasis on institutions as agents of policy change, both as implementers and as innovative guides towards future changes, points to the potential for donors to support both overall sectoral policy development and strategic institutions. However, it seems likely that institutional support will increasingly be as part of a broader overview of sectoral support, there being considerable disquiet about the past poor performance of stand-alone projects.
Two of the key words which highlight concerns about the process of donor-recipient collaboration are capacity and partnership. The notion of “building systems through building institutions” also seems to go some way towards addressing these. The key institution or institutions may provide both local and expatriate staff with a vital learning place in which to develop their individual capacities to enter into policy level posts in the future. Moreover, the concrete knowledge gained about countries and systems through work in institutions is vital to strengthening agency capabilities to work with their partners. It is in such a process of learning together and shared capacity building that real partnerships have the best chance of flourishing.

In the light of a reemphasis of the importance of institutional capacity in recipient countries as an aspect of sectoral reform, it is worth noting the activities of Northern training providers in Southern location. The pro-market training reform policy being implemented in recipient countries has strong parallels in many donor countries as well. This has encouraged training providers in these countries to look for new markets overseas as a way of supplementing declining funding or maximising profits. Additionally, there has also been some degree of Northern government financial and logistical support to such export orientation. However, it is clear that there is some disquiet in recipient countries about this process. It is necessary to consider whether this hesitancy arises from old-fashioned protectionist ideas or is based in real concerns about the actions and impacts of these foreign providers.

This issue is, of course, complicated by the limited scope Northern governments have for regulating such activities. However, it also reiterates and expands the problem of articulation raised in the first paper in this series. There the challenges of both inter- and intra-agency articulation were raised. This issue, and the Japanese presentation above, point to a further dimension. Official development agencies are not the sole government agents involved in skills development activities with respect to recipient countries. Thus, the already muddied waters of coordinated development assistance are further clouded by the activities of a multitude of both state and non-state actors.

6. Fragmentation and Harmonisation
A potentially more fragmented system of training provision highlights a number of issues that were of little importance under older, more monolithic models. The Working Group is perhaps only at the start of its discussions of such issues, but it is worth prefiguring this debate briefly here.

6.1 Funding

Public training providers are increasingly in competition with private providers. Thus, it is necessary to consider the ways in which funding regimes give certain providers advantage over others. The focus on strengthening market forces in training leads to an understandable concern with ensuring that public providers no longer enjoy unfair funding privileges. Nonetheless, if the overall goal is that of strengthening training provision, then it is essential that consideration should also be given to the imperative of strengthening public providers. Such strengthening will not come from protection but from enabling them to reorient themselves towards a more market driven system.

A number of mechanisms for reformed training funding have been proposed. Voucher schemes have been proposed in many cases and implemented in some. However, at this point there remain considerable questions about their efficacy, particularly in cases where there are likely to be very major asymmetries of information between providers and clients.

There is some evidence from OECD countries that marketisation of training has had some negative equity implications. A greater market orientation of providers has encouraged them to reduce costs and maximise revenues. One of the negative elements of this has been a tendency in some cases to view high risk - high cost students as undesirable. These might be those whose physical disabilities imply the use of more resources to support their learning. In systems which are strongly funded by results they may be learners who are judged to have a high risk of failure. These students are likely both to be more expensive in terms of learning support and less likely to bring in income by successfully completing their studies.

There is also some evidence, this time from recipient countries, that private training provision tends to concentrate in low cost subjects
where barriers of entry are lowest. Thus the fact that training is not a homogenous product can result in certain types of training, typically highly capital intensive forms, being under provided according to other forms of needs assessment.

If these trends do hold true than it seems plausible to argue that public systems will be encouraged to fill the gaps the private sector leaves. If these are the higher cost areas then it becomes clear that the issue of funding mechanisms is indeed very complicated.

6.2 Certification

Multiplicity of training providers and marketisation of the training system also highlight the issue of certification. Although in the past there was notionally just the national system of certification in many countries, it was of course the case that certain international qualifications, such as Pitman for secretarial work, were available and valued in many cases. Nonetheless, it is apparent that the market in training provision and certification has exploded during the 1990s.

Whilst it would be possible to argue that a free market in training would ensure that all involved would quickly realise the quality and market value of the various qualifications offered, it is evident that few hold with this view. Rather, there has been an attempt in many countries to use accreditation as a means of promoting quality control. However, more interestingly a small number of countries are beginning to look to the creation of national qualifications frameworks as a means of providing structure and standards in a more market-led system of provision.

In its most ambitious form this approach has been developing in a number of OECD countries, most notably New Zealand, during the 1990s. However, the Indonesian and South African models represent perhaps the first examples from recipient countries of a similar ambition. The merits of such systems are still debatable and are hotly debated domestically. There are also particular concerns about their applicability to poorer countries. Nonetheless, their growing visibility and the increasing donor support for competency based modular training point to certification as one of the big issues for future working group deliberations.