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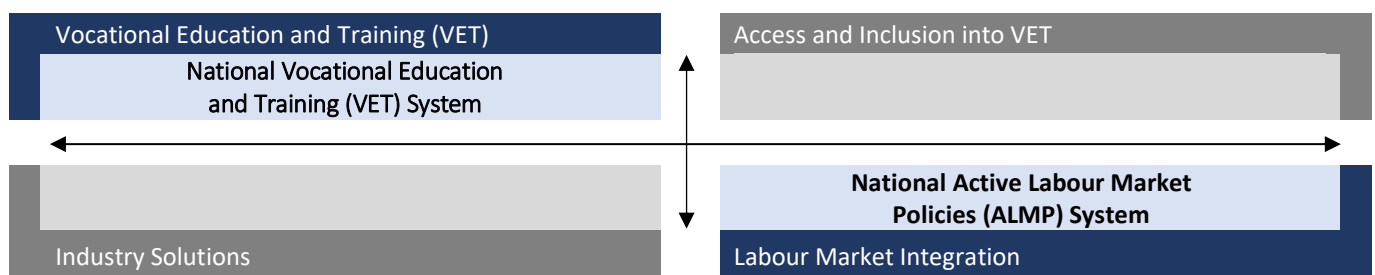**Swiss Agency for Development
and Cooperation SDC**

VSD TYPOLOGY ADD-ON:
GOVERNANCE ISSUES IN VOCATIONAL SKILLS DEVELOPMENT

The *Dispatch 2017-2020*[i] of the Federal Council stipulates that governance is a mandatory transversal theme in all SDC thematic priorities. Subsequently, SDC has developed two practical guidelines, one on the SDC approach to governance[ii], and one on Governance as transversal theme[iii].

VSD usually requires multi-stakeholder cooperation, because it involves different Ministries and the private sector, thus governance is a particularly challenging issue in this domain. This add-on to the *VSD Typology* highlights selected Governance issues in vocational skills development (VSD). The application of the complete *SDC approach to Governance as transversal theme* in VSD will have to be dealt with in a separate paper.

Structural and regulatory framework

Vocational skills development as understood by SDC usually concerns at least two different national systems, namely the Vocational Education and Training (VET) System, and Active Labour Market Policies (ALMP) System. This paper focuses one these two systems, as they are for Governance issues the most important ones:

Vocational Education and Training (VET)	Access and Inclusion into VET
National Vocational Education and Training (VET) System	
Industry Solutions	National Active Labour Market Policies (ALMP) System
	Labour Market Integration

VET is often fragmented and supplied by different Ministries and private providers. Each Ministry has the tendency to develop its own regulatory framework and its own delivery structures. This leads to duplications and – considering the usually scarce resources for vocational training – to underequipped and underutilised facilities. The governance challenge would strive towards an overarching legislative framework and delivery structures serving different types of skills development and different Ministries. If understood and applied correctly, national qualifications frameworks (NQF) can be a core instrument in overarching regulatory and structural frameworks. However, sometimes such NQF have developed into very bureaucratic systems. Delivery structures serving different types of skills development and different Ministries require training providers with sufficient authority to develop training programs and courses at different qualification levels, of different duration for different clients and target groups.

ALMP are in most countries the domain of Ministries of Labour. ALMP is not only about vocational skills development, but comprise instruments like employment services (e.g. orientation, counselling and matching), temporary employment, qualification measures (vocational and life skills training, catch-up education), and support to self-employment and business creation. Ministries of Labour often run their own training centres, limiting ALMP to vocational skills training. At the same time, they lack structures for employment services and other provisions at grassroot levels. Good governance in ALMP requires service providers that are close to the people, and with the capacities to not only provide training, but to accompany job-seekers on their path into employment. ALMP service providers should be able to adapt their services flexibly to changing needs. This usually exceeds the capacities of existing public employment services and training centres in most developing countries. Thus, good governance would urge Ministries of Labour to provide financing and to cooperate with training providers belonging to other Ministries and the civil society (NGOs and grassroot organisations).

Both VET and ALMP service institutions should strive towards an efficient and effective delivery of services and be equitable and non-discriminatory. They should equally provide transparent information on their functioning and performance, be held accountable by stakeholders and sanctioned in case of misbehaviour.

Stakeholders

Usually, the two main public VSD players, Ministries of Education and Ministries of Labour (but also some sectoral Ministries), have the tendency to establish their own qualification and delivery systems including buildings, infrastructure, equipment, staff, budgets and international project support.

Good governance would require inter-ministerial and inter-institutional cooperation, but also collaboration with the private sector at all levels (institutional, regional, national) and with the civil society (e.g. community organisations). In many cases, the systems would increase their delivery capacities if the central state institutions would delegate part of their authority, including both financial and human resources management to the local training institutions and service providers.

VSD along the six governance principles[iv]

Participation: In addition to the two main national players, i.e. Ministries of Education and Labour, VSD involves various other stakeholders at different levels, including the learners and their families. This makes participation in VSD a highly challenging and complex issue.

For the *VET system*, the state should define the overarching elements for a functioning system. This necessarily includes private sector participation at all levels including financial contributions.

In the *ALMP system,* the necessary cooperation for labour market insertion of less favoured groups expands from the state's social service to civil society and community organisations. This is particularly relevant in rural areas and in fragile contexts.

Equality and non-discrimination: Though equity belongs already to the core business of VSD as policy domain, this is not enough.

In the VET system, young school leavers in transition from education into the world of work, youth who left school before completion of compulsory education, unemployed youths and adults, those desiring to advance their career without having access to higher education, are the main clientele. However, participation of less favoured groups in mainstream VET requires special programs and instruments for positive discrimination like stipends, quota systems, bridging courses, etc.

In the ALMP system, labour market insertion of less favoured groups is the priority. It requires support beyond vocational skills training, e.g. employment services including counselling and coaching. This requires budgets from other sources than education, e.g. from social services and the involvement of specialised civil society and community organisations.

Transparency: Stakeholders and the potential clientele of VSD should have low-threshold access to relevant information through adequate channels and in understandable language at various levels. For the potential clientele it includes information e.g. on specific ALMP programs and its costs, on selection criteria and application procedures to courses and related stipends. For stakeholders it includes information e.g. on selection and assessment modalities for teachers and private sector partners, on public-private financial flows and on the processes and results of reforms.

Accountability: Depending on the type and objective of VSD programmes, returns can be in terms of increased productivity, quality or competitiveness; in terms of access to employment, income increase or career advancement; or in terms of labour market access of specific target groups. Good governance requires the definition of clear policy goals and related indicators, including the development of instruments and processes to measure the envisaged returns.

Effectiveness and Efficiency of State Obligations: The avoidance of parallel structures, duplications and underutilisation of available facilities requires inter-ministerial and inter-institutional cooperation, and the delegation of decision-making authority to the level of training and service providers. Core processes in the training value chain like the definition of skills standards, curriculum development, skills testing, accreditation and certification, and the qualification of teachers and instructors require well-defined national processes and well-performing institutions.

Rule of Law: The legislation regarding VSD and ALMP defines the legal framework, the integrity standards, and the links to other policy domains. It should be clear and concise, and allow for proper complaint and redress mechanisms. At operational level, sensitive processes prone to potential kick-backs and other corrupt practices should be addressed through law enforcement measures. This particularly relates to the selection process/enrolment in courses and classes, examinations and skills testing, access to support measures like stipends, access to post-training support, and access to internships or temporary employment.

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[i] https://www.eda.admin.ch/deza/en/home/sdc/strategy/legal-bases/message-international-cooperation-2017-2020/focal-areas-priorities.html

[ii] Governance in the SDC, Part 1, Conceptual Guidance, Definitions, Approach and Priorities, Bern 2017

[iii] Governance in the SDC, Part 2, Governance as transversal theme**,** A practical guide to integrating governance in SDC sectors and priority themes**,** Bern 2017

iv The six principles are defined in "Governance in the SDC, Part 1".