

## Private sector participation in Vocational Skills Development

*While the design of the national training policy and VET systems development is one of the core functions of the state, it is widely recognised that, in the interests of efficiency and effectiveness, this responsibility must be shared with private stakeholders in response to changing labour market requirements. Private sector involvement thus provides the basis for change from supply-driven and state-dominated VET to market-oriented VET. In addition, the nature of skills development today requires close links with the private sector because a well-functioning public-private collaboration is a prerequisite for high quality in-service and hands-on vocational training in companies.*

Private stakeholders can make important contributions to the design and development of national VET policies and systems. ILO in one of its publications on VET summarises these contributions as follows:

- *providing relevant and up-to-date information on labour market requirements and occupational information and guidance;*
- *reflecting private sector concerns in government policy and implementation strategies and in the relevant laws and regulations;*
- *ensuring the relevance of VET to labour market requirements;*
- *participating in the institutional framework for policy design and training delivery;*
- *determining the modes of training delivery;*
- *establishing standards for certifying the quality of training institutions, managers and teaching staff, and the level of competence imparted;*
- *co-financing VET;*
- *designing the content of VET in order to reflect labour market requirements;*
- *evaluating and providing feedback on the overall performance of the system.*

The impact of private stakeholders on designing VET policies and systems varies among countries and sectors. In many developing countries, their involvement is restricted to the presence of employers' and workers' representatives on training boards and committees. Their effectiveness in shaping VET policies and systems largely depends on the existence of a strong public policy in favour of private sector participation, the strength of the private sector institutions, and a participative culture. However, strengthening private sector involvement is a major concern of development initiatives not only in low-income countries but above all in the so-called transition countries (see "SDC's project experience" below).

### Special focus: In-service and hands-on vocational training by private enterprises

*„An important defining characteristic of vocational education in almost all countries is the existence of different learning places contributing to vocational development.“*

*(Jeroen Onstenk: VET Planning and Development, in Handbook of Technical and Vocational Education and Training Research, 2008)*

Ongoing taylorisation of work, the third industrial revolution, and the shift from industrial production to a service oriented economy in the second half of last century led to the assumption that learning potential and learning opportunities at the workplace would further decrease. Learning at workplaces was considered less and less justifiable not only for didactical but also for organisational and economic reasons. On the basis of experience with apprenticeship schemes for VET in the occupational field of

ICT, it was expected that practical and hands-on training in other crafts and industries would also become less important, if not entirely meaningless, because of the ongoing computerisation of production processes.

In contrast to these expectations, on-the-job learning in all economic and occupational fields has never lost its attraction and importance. On the contrary, the shift from curricular education and training to competence-based VET and to testing schemes focusing on key competences clearly enhances the importance of practical and hands-on training at workplaces in the real economy. Therefore, practical or industrial training all over the world is an issue and remains crucially important in development programmes focusing on VET or featuring VET components. There are a number of good reasons to reinforce the continued existence of practical and hands-on training as an unconditional requirement of VET:

- **Skills development.** The UNESCO thesaurus defines **vocational training** as *“training aiming at providing the **skills, knowledge and attitudes** required for employment in a particular occupation, or group of related occupations, in any field of economic activity.”* This generally accepted understanding of vocational training implies that all three elements play equal roles in training and are also part of the final examination. However, skills and attitudes can be imparted only to a very limited extent at schools and school workshops because they depend on an adequate work environment to become truly significant. As a result, a number of key competences cannot be taught or acquired at the schools at all. These include, for instance, appropriate and professionally competent communication with customers, partners, suppliers, authorities, etc. Yet these competences are of increasing importance in today’s work environment. The key question is how individuals can develop these key competences and what kind of learning settings and methods are conducive to their acquisition. Against this background, on-the-job learning, industrial training, and internships in companies will retain their specific function and stay in the focus of discussion.
- **Economic aspects.** Today’s production processes require modern machinery and equipment that needs to be updated on a regular basis. If training providers wish to offer labour-market relevant training, they need to keep up with this trend by purchasing of modern workshop equipment. Even in a rich country like Switzerland with a well-working funding scheme for the VET system, VET schools today find it impossible to permanently keep their training facilities up to date. The print and media industry may serve as example: no VET school or training centre in Switzerland can afford to purchase and operate the sophisticated facilities and equipment needed for the practical training of print workers and print machinists. For this reason, VET schools and training centres are increasingly forced to teach basic skills that can be trained with minimal infrastructure and basic equipment. Such training does not focus on industrial realities but rather teaches the practice and proper handling of tools, machinery and equipment in a purely exemplary manner.
- **Motivation of learners and trainees.** It is widely known that school leavers entering VET schools show more interest in occupational subjects after having experienced the meaning and importance of this knowledge in real life. Periods of practical work within the scope of vocational training are therefore of key importance for the motivation of the trainees and usually result in better learning performance, improved exam outcomes, lower drop-out rates, etc.

### Combined learning and work

To achieve such learning settings, the VET system must implement co-operation with the enterprises with the aim to design the various learning places in such a way that they contribute to vocational development. Co-operation and networking between different learning sites should include interactions between theoretical and practical knowledge acquisition without restricting training contents or

subordinating one learning process to the other. For the enterprise to be a place of learning, the trainees must be offered the opportunity to learn from and through their work. Not all enterprises are prepared to meet the required conditions and to comply with the respective regulations.

In practice, one of the following two situations usually prevails:

- a) The VET system seeks co-operation with businesses but cannot find willing partners or is rejected by the representatives of the private sector (management and HR responsables). This situation is typical of CIS countries and has resulted from negative experience with the former socialist state economy.
- b) Industrial enterprises may be willing to offer places for practical vocational training but the representatives of the VET system (VET authorities, VET school principals, teachers) oppose periods of practical training (internships), either because they fail to recognise their importance or because they feel that the employees at the enterprises are not competent enough to provide vocational training. This attitude among representatives of the VET system prevails in Eastern Europe and many Balkan states. In some countries, practical training at the companies is severely restricted by legal regulations which may permit only very short internships of three weeks, e.g. during the long summer holidays.

In some cases, both situations overlap, and the relationship between the public administration and the private sector is decisively impaired. Under such circumstances, co-operation between the two sectors needs to be created from scratch.

In each particular place, it is important to consider the specific economic, social, and historical background which plays a crucial role. There is no generally applicable formula for success; solutions must be devised that are adapted and optimised to local circumstances.

Good vocational training in our time can only be understood as a “*composite task*” involving the state, the private sector, and the professional associations. Consequently, programmes in development co-operation must also rely on, and promote, this kind of co-operation. Experience has shown that once this co-operation has been implemented and yielded positive results, mutual respect among the representatives of the various systems will grow and interest in more intensive co-operation will increase. The crucial link between the sectors is provided without doubt by the organisation and implementation of practical vocational training. This should therefore be used as a starting base for dialogue and for the development of co-operation: any type of industrial learning, on-the-job-learning or internship model increases co-operation between vocational education institutions, the private sector, as well as trade organisations and professional associations.