

COLLABORATING WITH THE PRIVATE SECTOR IN VOCATIONAL SKILLS DEVELOPMENT (VSD)

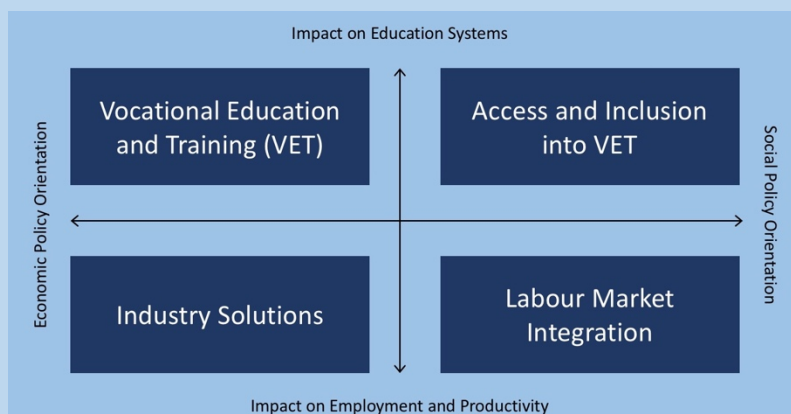
VSD TYPOLOGY TOOL (TOOL 3/3)

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Purpose of this paper

Vocational skills development (VSD) is a cornerstone of the Swiss development cooperation, with a substantial increase of resources foreseen in the Federal Council's Dispatch 2017-2020. Another key area of this Dispatch concerns partnerships with the private sector and diversifying sources of funding for sustainable development. This paper outlines how the SDC's operations in VSD can intensify their collaboration with the private sector and manage their projects and project portfolio accordingly. It builds on a first VSD Typology Tool and focuses a) on the role of the private sector in VSD, b) on SDC's Engaging with the Private Sector (EPS) modalities and c) on the concept of dual Vocational Education and Training (dual VET).

RECAPITULATION: VSD TYPOLOGY TOOL (TOOL 1/3)



As explained in the first VSD Typology Toolⁱ, there is no one-size-fits-all approach in VSD. Skills development serves different purposes and pursues different, sometimes conflicting objectives. Therefore, different types of VSD activities with different outcomes should find their place in the VSD portfolio of the SDC, according to the context and the specific challenges to be addressed. The VSD typology tool (see Figure 1) structures the landscape of VSD interventions and supports the identification of project types.

Figure 1: VSD typology tool

VSD and the private sector

Today, most countries aim to organise VSD so that it matches labour market needs. This implies that training is provided in relevant economic sectors or respective vocational fields (*quantitative match*) and that it meets the expectations of employers and/or customers (*qualitative match*). An important element to more labour market-oriented VSD lies in the involvement of the private sector in its planning, organising and financing. Therefore, effective VSD programmes and systems build on partnerships between the private and the public sector. Such partnerships aim to achieve overarching social, economic and educational goals (e.g. better access to employment and income, increased competitiveness of the national economy, higher educational achievements and social inclusion) in collaboration with individual firms and other private economic actors.

The involvement of the private sector in VSD projects can be structured based on its functional role in the planning and organisation of Vocational Education and Training (VET) systems (for more details cf. Maurer, 2015ⁱⁱ). Key functions of the private sector therefore include:

- Private sector as stakeholder in the governance of VET systems
- Private sector as co-financer
- Private sector as host of training
- Private sector as a client of training (i.e. as future employer of skilled workers)

ROLES OF THE PRIVATE SECTOR IN THE FOUR QUADRANTS

In accordance with each project's focus, very different dimensions of private sector involvement can be identified (figure 2):



Figure 2: VSD typology tool: Roles of the private sector

THE SDC'S ENGAGEMENT WITH THE PRIVATE SECTOR (EPS) MODALITY

Engaging with the Private Sector (EPS) is the SDC's modality to develop partnerships at eye level with Swiss, international and domestic companies, social enterprises, impact investors and grant-giving foundations. The definition of EPS refers to joint activities of the SDC and the enterprise sector with a formal collaborative arrangement, based on a set of shared values where both partners are held accountable for their delivery related to the agreed results. Both partners (SDC and the private sector partner) share financial risks and costs and contribute substantially (in-kind and financially).

Therefore, even if the private sector is involved in most VSD projects of SDC, only few of them fulfil the abovementioned criteria to be considered as EPS projects. EPS projects in the field of VSD refer to interventions where both partners are involved in the steering and financing on an equal footing, aiming at the achievement of defined development goals.

A good example for EPS in skills development is the *Public Private Partnership to Improved Sanitary Education in Ukraine*ⁱⁱⁱ. This partnership, based on a contract between the Swiss Cooperation Office in Ukraine and the Swiss company *Geberit*, aims to improve vocational training in the field of sanitary technology in Ukraine. *Geberit's* main motivation is to promote better quality standards in the sector and to ensure that its products can be installed properly. Therefore, a new training model, curricula and teaching material have been developed, based more on practical training. This model shall now be enlarged to include other companies and sectors and is being rolled out across the country with support from the Ministry of Education.

Figure 3 below outlines some illustrative EPS modalities in VSD. However, there are many more and the SDC's Competence Centre for Engaging with the Private Sector (CEP) is ready to support you in the development of your specific EPS project.

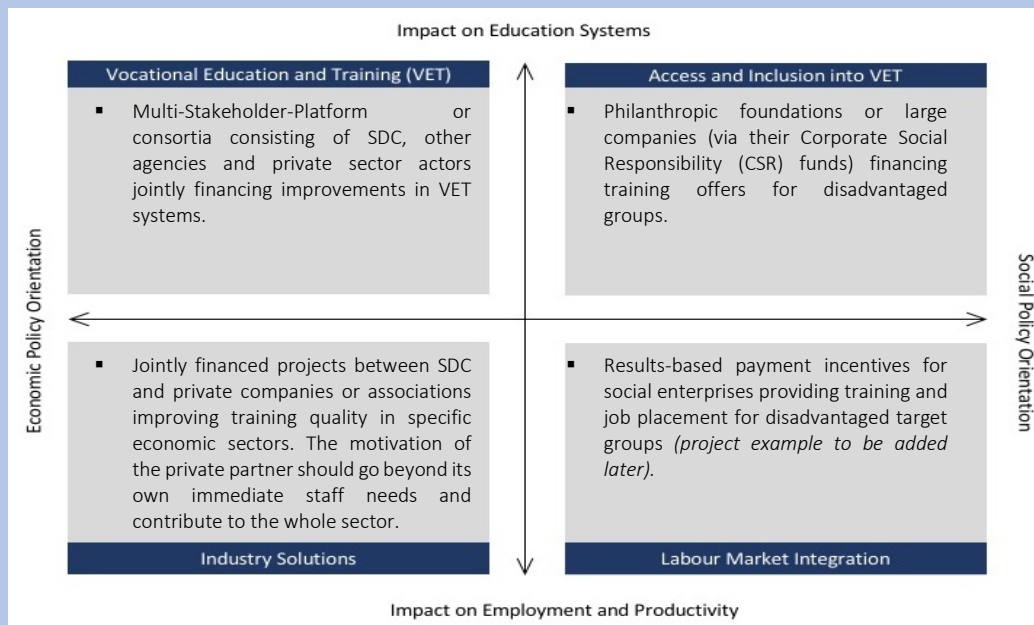


Figure 3: VSD typology tool. Illustrative EPS modalities in VSD

Dual VET in development cooperation

In Switzerland and other countries such as Austria, Germany and Liechtenstein, VET is predominantly based on the so-called dual system. This system is characterised amongst others by a strong collaboration with the private sector – through individual companies and professional organisations. The dual VET system has always been an inspiration for the SDC's activities in VSD. The Donor Committee for dual Vocational Education and Training (DC dVET) with SDC as one of its founding members highlights three dimensions of dual VET (the dimensions are explained in the first quadrant of Figure 4 below):

- *The Organisational - Institutional Dimension (dual VET system)*
- *The Pedagogic Dimension (the dual concept)*
- *The Societal Dimension (the professional concept)*

In the projects of SDC, the concepts of dual VET are adapted to the conditions in the partner country, taking existing structures into account – without wanting to transfer the Swiss dual system one to one. Depending on a projects focus, this may take very different forms. Some approaches are shown in Figure 4 below^{iv}.



Figure 4: VSD typology tool: Dual Elements and Principles

ⁱ [https://www.shareweb.ch/site/EI/Documents/VSD/Tools/SDC_VSD_Project_typology_tool_V2_2018-5_\(en\).pdf](https://www.shareweb.ch/site/EI/Documents/VSD/Tools/SDC_VSD_Project_typology_tool_V2_2018-5_(en).pdf)

ⁱⁱ [https://www.shareweb.ch/site/EI/Documents/VSD/Topics/Engagement%20with%20the%20private%20sector/SDC-Paper-The%20role%20of%20the%20private%20sector-2015\(en\).pdf](https://www.shareweb.ch/site/EI/Documents/VSD/Topics/Engagement%20with%20the%20private%20sector/SDC-Paper-The%20role%20of%20the%20private%20sector-2015(en).pdf)

ⁱⁱⁱ https://www.eda.admin.ch/dam/deza/en/documents/aktivitaeten-projekte/projekte/factsheet-ukraine-public-private-partnership-to-improved-sanitary-education_EN.pdf

^{iv} A study commissioned by the DC dVET further elaborates on how the private sector can be addressed and motivated to engage in dual VET: <https://www.dcdualvet.org/wp-content/uploads/DCdualVET-STUDY-Working-Tool-Engaging-the-Business-Sector-EN.pdf>

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