

## Summary VSD e-discussion week 1

The guiding topic of this first week of discussion was the “**private sector as a client of training providers**”. We asked you to share your experiences of cooperation between training providers and companies. Inputs have been rich, covering experiences from Latin America, the Western Balkans, South Asia, South Caucasus, and East Africa, and included sharing of many generic insights on the topic.

There seems to be a common understanding of all contributors that cooperation with the private sector and with companies is crucial for training providers who aim at employment and income generation for the participants of their courses. It also became obvious that successful cooperation is a demanding and complex issue and that the ways to establish and maintain fruitful cooperation with companies differs very much depending on the specific context. Nevertheless, there seem to be some generic conclusions that can be drawn from your contributions:

### 1. Cooperation is about communication

For talking to each other and for exchanging with each other, one needs a place to communicate, and a common language and understanding. We have received several statements about training providers, educational administration and projects not being able to adequately address the private sector, because they have no experience in it and do not know about the logics of making business. This results in difficulties because meaningful VET cannot ignore business needs. On the other hand, we have received contributions showing clearly that the problem is very often reciprocal, i.e. companies, and in particular the smaller ones, have difficulties to identify, formulate and express their skills needs, to think in educational terms, to imagine how an organised training could look like. The way forward could be to establish concrete places of (regular) communication, to facilitate dialogue, identify champions and innovators on both sides, go with them and make it a success, and talk about these success stories. When opting for systems reforms, as qualifications frameworks projects often do, we should make sure that VET remains meaningful and understandable to the world of work, or in other terms: we should keep it simple.

### 2. Cooperation requires professional providers

Training providers who want to establish and maintain cooperation with companies have to be able to act fast, flexible and resolute. This necessitates at least two things: a) a certain **autonomy of training providers**, and b) **competent management** of training providers. Both requirements are very often not fulfilled when working with public training centres, but also when working with private training providers. Here, the way forward is in working on VET systems governance (status of providers) and in management trainings and quality assurance.

### 3. Distinction between initial and continuous VET

When taking up the issue of cooperation with the private sector it is important to distinguish between **initial** vocational education and training (I-VET) and **continuous** vocational education and training (C-VET). While I-VET is a quasi-public task that serves both economic and social goals, C-VET could be conceptualised as doing educational business with companies that want to become more productive and, thus, more competitive. Traditionally, many donor-sponsored projects have focused on I-VET. However, there has been a shift towards more C-VET in the past years. In the latter case, we are talking about a real customer relationship between training providers and companies (or private sector associations) whereas market rules cannot be applied in I-VET (or pre-employment training) without running the risk of exclusion of vulnerable groups. The issue of target group selection has not been discussed in depth, but brought forward in some posts.

### 4. Labour market orientation as a must for I-VET

While everybody seems to agree that pre-employment training should not be conceptualised as a business with the companies as clients, the contributions made clear that I-VET providers nonetheless have to take the demand of the private sector into consideration. The participants and their parents expect receiving quality training that delivers competitive skills and qualifications recognised in the world of work. Therefore, training providers aiming at employment and income for their graduates have to be aware of what companies expect. The contributions mention a broad range of activities that facilitate labour market orientation. In general terms, there are two major strategies that training providers (or donor projects) apply in this regard. One approach is more academic, using labour market surveys, skills gap analysis, etc. to identify current and fu-

ture training needs. The other is more pragmatic and hands-on, establishing contacts with companies in the local environment, setting-up technical advisory boards and including them in issues like occupational analysis to develop job profiles, inviting them to send expert workers as instructors, offering labour exchange services, organising joint activities like trades fairs etc. These two approaches do not exclude each other; on the contrary, they can (and should) be combined as far as possible.

### **5. Productivity as entry point for C-VET**

Several contributors highlighted the need to identify productivity gaps in economic sectors or even specific companies in order for training providers to be able to offer tailor-made further training courses that generate immediate benefits for the companies in terms of competitiveness. In addition, several other requirements are necessary for a training provider to be attractive for companies: the duration of the courses should not be too long and the timing should be flexible according to the needs of the company and the trainees. Furthermore, the costs have to be reasonable. It goes without saying that appropriate state-of-the-art equipment and competent instructors are important success factors. It is obvious that not many training providers meet these requirements. Yet, according to some posts, it is possible and worthwhile supporting the development of training centres that aim at becoming competitive C-VET providers. However, as highlighted in the discussion, it cannot be the role of donors like SDC to financially support private training providers. Some posts also pointed to the problem of market distortions in C-VET (but sometimes also in I-VET), because there might be too much donor-sponsored course offers around.

### **6. Context-adapted strategies of cooperation**

Working with private companies differs very much depending on the context. As shown by a post from Bolivia, the traditional rural economic setting is often defined by smallholder farmers and family businesses, while in rural areas the world of work is much more diverse and heterogeneous, ranging from big companies in the formal employment market to small retail business and casual work in the informal labour market. Therefore, training providers have to understand and adapt to contexts. In rural areas, they have to become actors of rural development applying adequate strategies. In economic more diverse and active urban areas, they might opt for other collaboration modalities depending on the sector they are focusing on.

### **7. Working conditions are a concern**

Some contributions mentioned the issue of beneficiaries and working conditions, or in other terms: What is the price for cooperating with the private sector? Under what conditions should we opt for cooperating with the private sector? If cooperation is about learning at the work place, what are conditions for cooperation? What about the overall goal of our projects, employment? What kind of employment is acceptable? Is the concept of **decent work** ours? Asking these kind of questions brings us directly to the topic of the second week: companies as training providers.

Wolfgang Schlegel, Franz Kehl, Maria Bieberschulte and Katharina Walker  
Brussels and Zurich  
9.3.2015