VSD and PSE: forming partnerships with the private sector

Why and how
to partner with the private sector
for Vocational Skills Development

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HPC

KEK CDC | ANALYSIS CONSULTING EVALUATION

Background

SDC has been partnering with the private sector for a long time. SDC has been active in Vocational Skills Development for a long time too.

Partnerships are very heterogenous, being shaped by their origin, their context and their purpose.

This document aims to provide **an overview** of the various forms of partnerships, and to give **tips based on experience**, why and how to form partnerships **in practice** with the private sector in the context of Vocational Skills Development

Experienced SDC program managers and managers of implementing organizations have provided valuable insights when being interviewed by the authors.
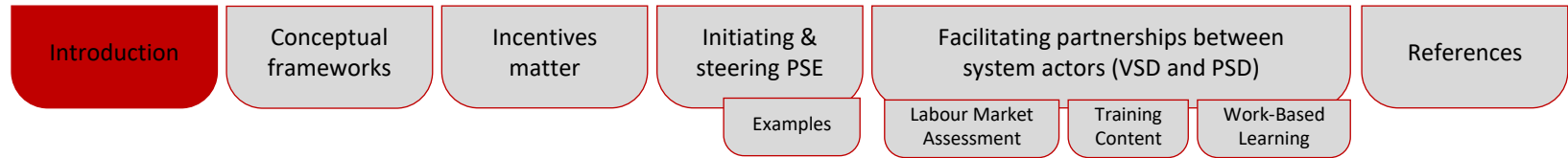
Content

First, a few conceptual frameworks are introduced to clarify some concepts such as **Vocational Skills Development and Private Sector Engagement**.

Secondly, tips are provided on how to form partnerships in light of **Private Sector Engagement** followed with a few examples to inspire creativity.

Thirdly, tips are provided on how to form partnerships in light of **VET institutions and VSD programs**, followed with tips for partnerships to assess **Labour Needs, Developing Training Content and Work Based Learning.**

Last not least, **references** to programs and other publications are provided

Content

Conceptual frameworks

Focusing on both SDC staff and program staff

Incentives matter

PSE: How to initiate & steer

Focusing on SDC staff, although its also interesting for program staff

In these two chapters lessons learned from a number of interviewed project managers are summarized.

How to facilitate partnerships between system actors

Focusing on program staff, although its also interesting for SDC staff

References

Introduction	Conceptual frameworks	Incentives matter	Initiating & steering PSE	Facilitating partnerships between system actors (VSD and PSD)	References

	Examples	Labour Market Assessment	Training Content	Work-Based Learning

VSD and PSD and FSD : what is what?

These components do not operate in isolation; **they have complementary objectives** and common approaches that reinforce each other, and they overlap.

All individual components have several objectives to achieve: **the most relevant objectives that reinforce each other** are those:
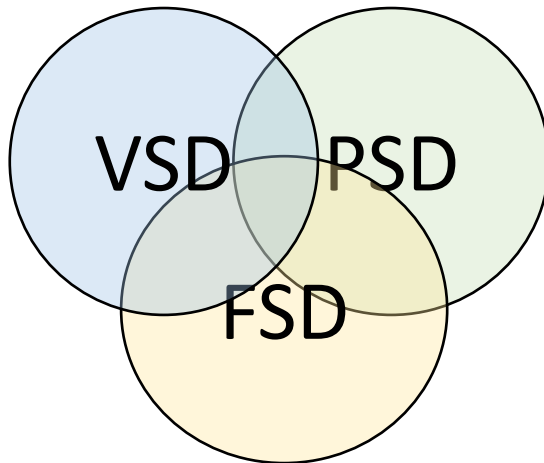
Among other objectives, **Vocational Skills Development** (VSD) aims to improve the supply of skilled labour.

Among other objectives, **Private Sector Development** (PSD) aims to increase the demand for skilled labour (employment).

Among other objectives, **Financial Sector Development** (FSD) aims to improve financial services to support the development of the private and vocational skills sectors.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning

VSD and PSD and FSD: overlaps

These components do not operate in isolation; they have complementary objectives and common approaches that reinforce each other, **and they overlap.**

For example, supporting the development of in-company trainings as a means to improve the supply of skilled labour, which in turn enables growth of the company. Overlaps between VSD and PSD
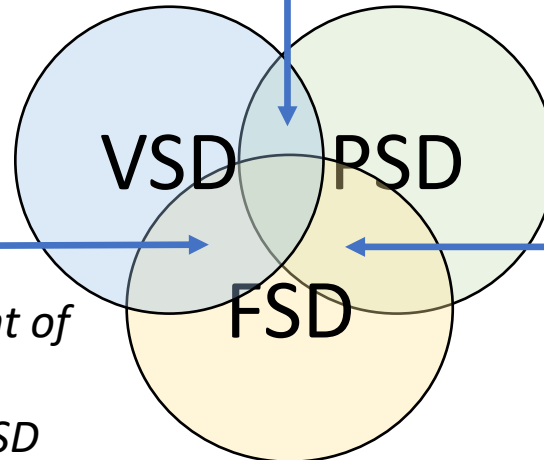
For example, supporting the development of financial services for start-ups for graduates. Overlaps between VSD and FSD

For example, supporting the development of financial services for companies to expand operations, hence offering employment opportunities. Overlaps between PSD and FSD

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| | | | Examples | Labour Market Assessment | Training Content | Work-Based Learning |

VSD and PSD and FSD: interlinked systems

This is our simplification of systems as development practitioners, but actors in those systems don't use our typologies: they operate in 'their own system', which is a mix of private sector systems, financial sector systems and vocational skills systems.
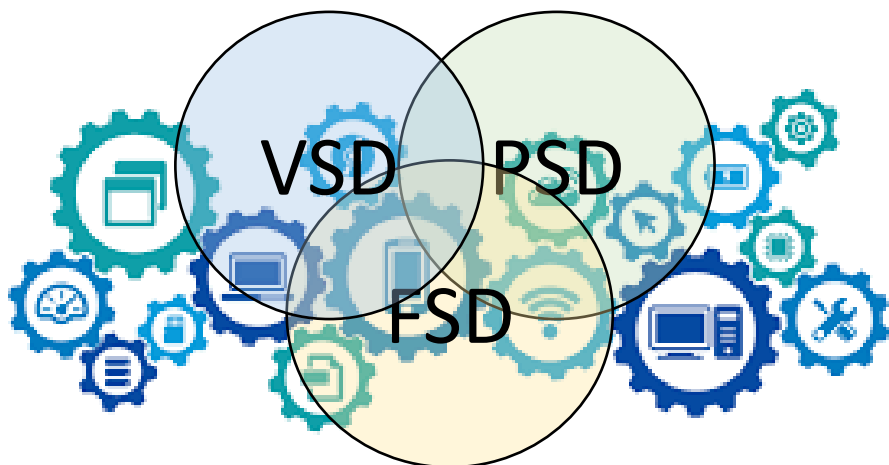
Think in systems – don't get stuck in development typologies

PSD programs may also aim to improve vocational and educational systems, for example when the lack of a skilled labour force hampers expansion of a certain industry.

VSD programs may also aim to develop the private sector, for example when they support private sector initiatives to develop skills training centers and thus develop the service industry.

VSD and PSD and FSD – and Private Sector Engagement (PSE)?
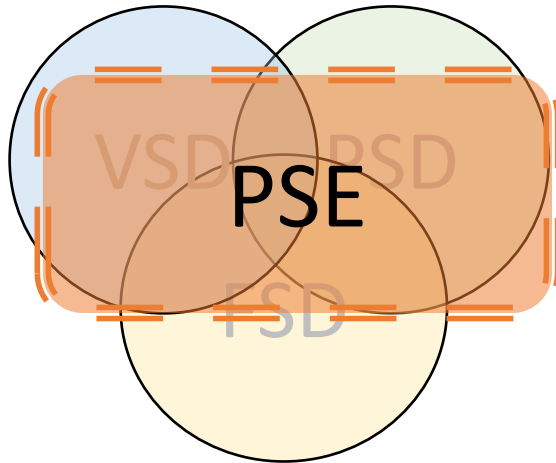
Private Sector Engagement (PSE) is not a thematic cluster (like VSD, PSD and FSD) but **more of a modality**: Engaging the Private Sector to jointly address certain system constraints.

This implies **co-initiating, co-creating, co-risking, co-funding, co-steering and co-implementing**.

How and where PSE fits with VSD/PSD/FSD is visualized hereafter:

1. the first graph shows how **VET providers partner** with the private sector (not considered PSE)
2. the second graph shows how (SDC funded) **VSD programs partner** with the private sector (delegated PSE)
3. the third graph shows how **SDC partners** with the private sector (PSE)

Graph 1: How **VET institutions partner** with the private sector

Systems

also known as "the real world"

Vocational Skills Systems

Partnerships between system actors

Private Sector Systems

These systems are also referred to as *Partner Country Systems*

Graph 1: How **VET institutions partner** with the private sector

Systems

also known as "the real world"

Vocational Skills Systems

Partnerships between system actors

Private Sector Systems

These systems are also referred to as *Partner Country Systems*

These are partnerships between public and private sector actors, not partner-ships between SDC and public or private partners, and *thus **not considered as PSE.***

*For example, partnerships between public VET institutions and companies offering Work Based Learning. **Such partnerships are at the basis of every dual VET system.***

These partnerships – these linkages and relationships - between actors are part and parcel of 'the system', whether clustered as either Vocational Skills, Private Sector or Financial Sector actors. Sometimes, these new partnerships are **the result of our development initiatives**.

Most VSD projects of SDC (and other donors) fall into this category: These projects are not themselves signing MoUs with the private sector, but they are facilitating long-term (sustainable) cooperation modalities between the VSD system and the Private Sector /Financial Sector system.

Graph 2: How (SDC funded) **VSD programs partner** with the private sector *(delegated PSE)*

Graph 2: How (SDC funded) **VSD programs partner** with the private sector *(delegated PSE)*
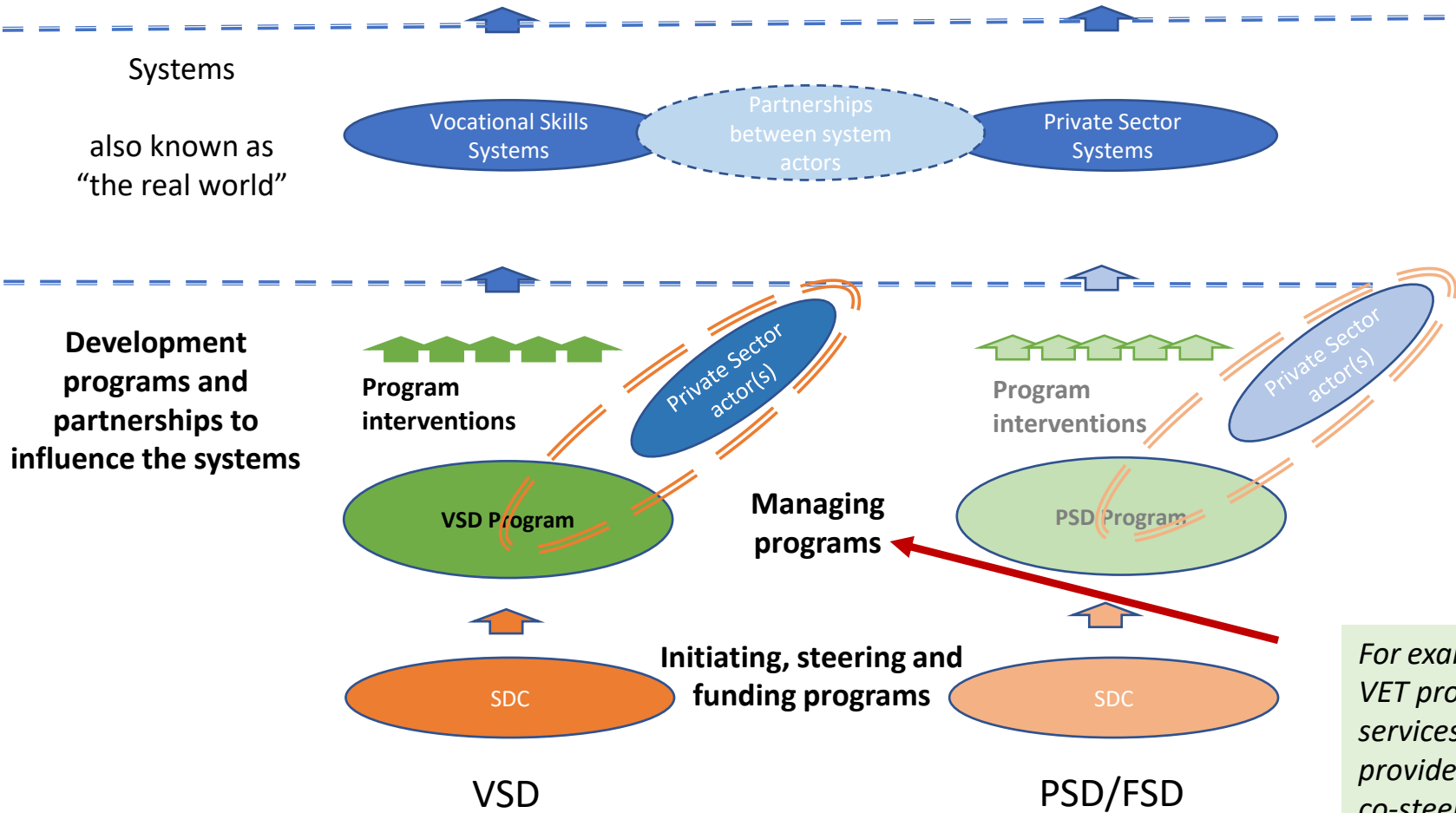
Partnerships with private sector actors within a development program that is funded by SDC are **also called delegated PSE**.

The VSD (or PSD/FSD) programs form several partnerships with private sector actors. These partnerships are thus a means to implement the program. **They are also known as interventions or components of a program**.

For example, VSD programs that supports commercial VET providers to develop IT training or online matching services for school leavers: the program and the providers have a shared vision and thus co-fund, co-risk, co-steer the development of the services.

Graph 3: How **SDC partners** with the private sector *(PSE)*

Systems

also known as "the real world"

Vocational Skills Systems

Development programs and partnerships to influence the systems

Program interventions

VSD Program (100% PSE modality)

Managing programs

Initiating, steering and funding programs

SDC   Private Sector Actor

PSE

Graph 3: How **SDC partners** with the private sector *(PSE)*

Systems

also known as "the real world"

Private Sector Engagement (PSE). These are partnerships between private sector actors and SDC. These partnerships are co-initiated, co-funded, co-risked and co-steered. The contractual arrangement is between SDC and the partner(s). See also SDC's PSE Format Finder

Development programs and partnerships to influence the systems

The partnerships target a specific change in the Vocational Skills System.

For example, a company and SDC together initiate, fund and steer a project to support VET institutions to revise training content and offer training that meets the demand of the modern market.

Vocational Skills Systems

Program interventions

VSD Program (100% PSE modality)

Managing programs

Initiating, steering and funding programs

SDC   Private Sector Actor

PSE

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

Incentives are crucial when partnering with the private sector

It's all about understanding and building on incentives, so we need first to answer these questions:

Employment and income for the target groups

Private sector benefits for companies and for sectors

Skilled Labour Force

Vocational Skills Systems change and perform better

← **time & money**

Partnerships target specific changes in the Vocational Skills System

← **time & money**
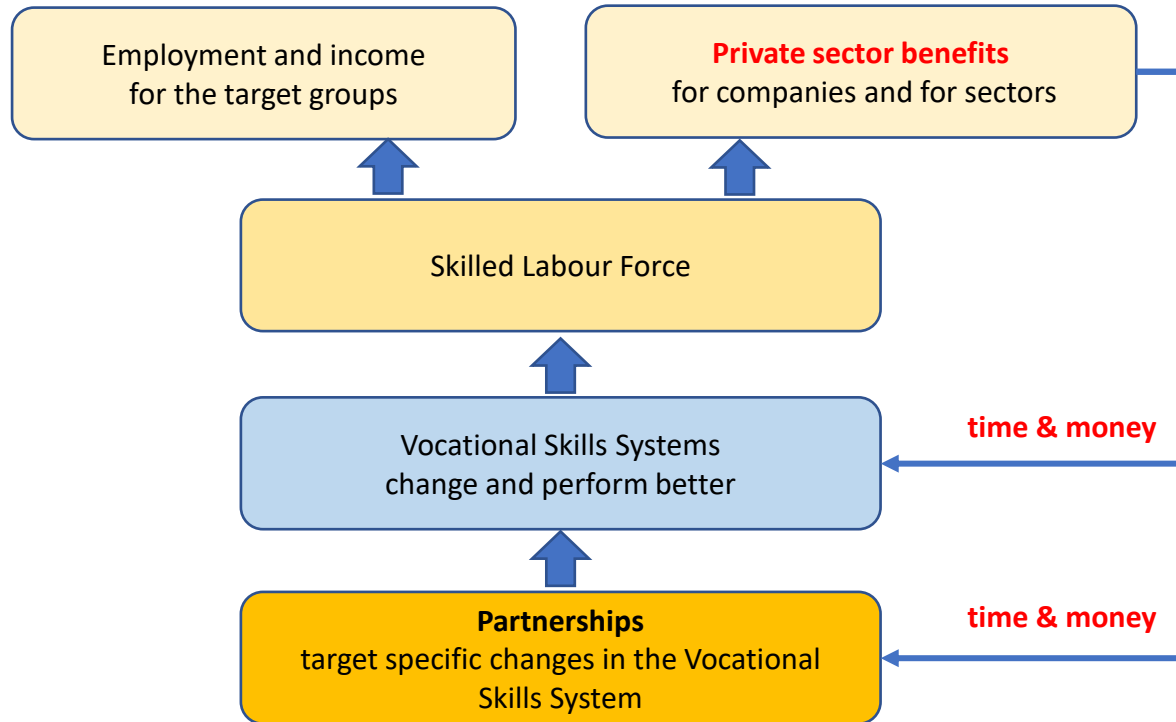
Why would companies form partnerships and invest their time and money?
- when will they benefit?
- and how will they benefit?

That needs to be clear, be perceived as realistic and as fair. Otherwise, partnerships don't work!

See also the VSD Typology Add On for more information

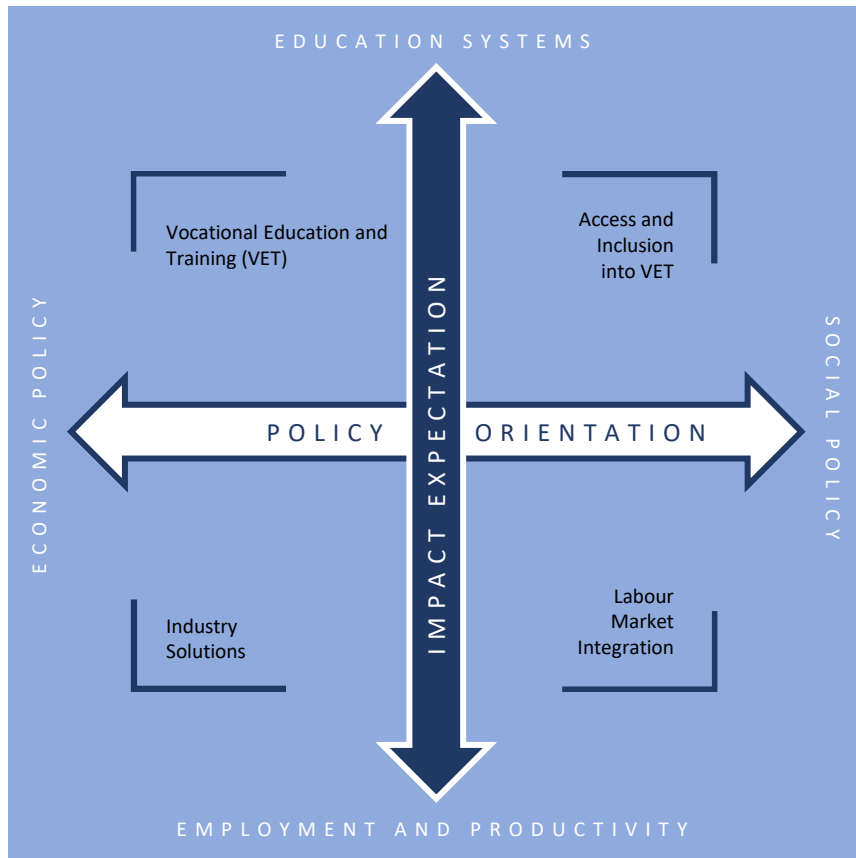| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | | | References |

Examples   Labour Market Assessment   Training Content   Work-Based Learning

Swiss Agency for Development and Cooperation SDC

e+i | employment and income network

Incentives differ according to project type and approach

EDUCATION SYSTEMS

Vocational Education and Training (VET)

Access and Inclusion into VET

ECONOMIC POLICY

POLICY ORIENTATION

SOCIAL POLICY

IMPACT EXPECTATION

Industry Solutions

Labour Market Integration

EMPLOYMENT AND PRODUCTIVITY

Partnerships between the SDC /its VSD programs and the private sector can in general be developed and implemented in each of the four quadrants. The difference between the different level of Private Sector Engagement is how these partnerships are initiated and managed.

However, the incentives for the private sector differ and are expected to be higher in the lower left quadrant than in the upper right quadrant of the typology (see graph).

For more information and examples check out the VSD Typology Add-On's on private sector roles & interests and PSE on the e+i shareweb and the shareweb of the Competence Centre for PSE (CEP/KEP).

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Dis-Incentives are also crucial:

Donor Distortion: don't take over, but address dysfunctionalities in systems

Skills development is a function in any market: somebody has to pay for it. That could be :
- users: the people that are being trained
- end-users: the (potential) employers
- the public sector

Donors / projects should in principle not pay companies to fulfill their role e. g. in Work-Based Learning / Apprenticeship training.
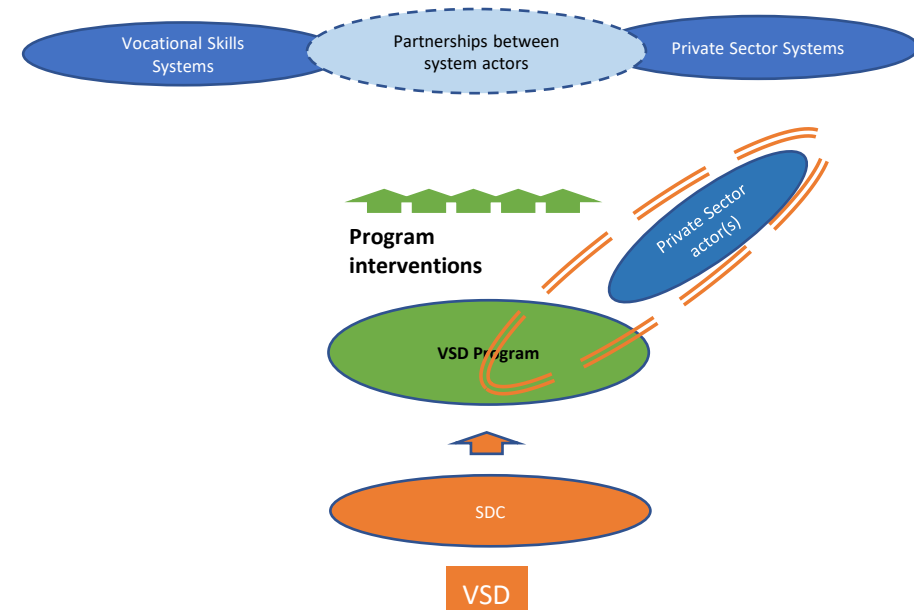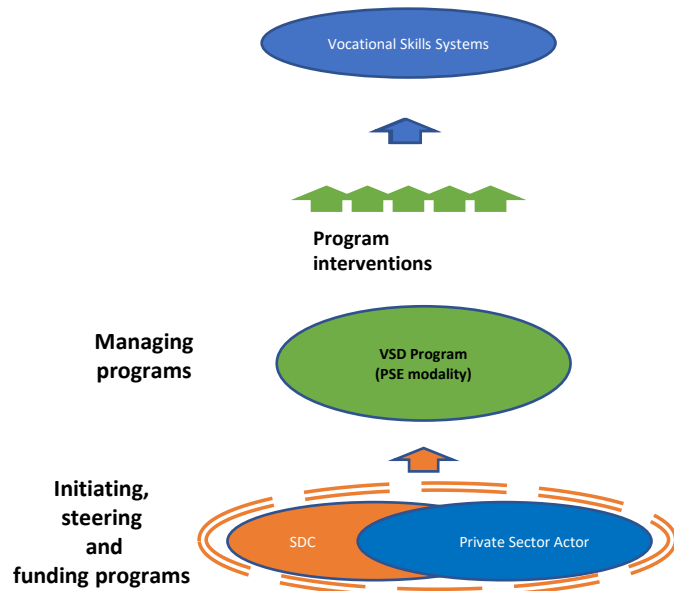
When it comes to classroom training, there is a need for more public funding in most systems. Instead of just chipping in, donors should rather aim to create the conditions for the public and private training market to function. How to do that, depends on the context.

Searching for sustainable models is what it all starts with. Subsidizing models and hoping that when subsidies are withdrawn these models will become sustainable, has often proven not to work.

Instead: Invest in the development of the business models, not in the actual delivery of the services. To be sustainable, that model needs to be financed directly or indirectly by system actors.

Private Sector Engagement (PSE): The following tips and examples focus on how SDC (and SDC financed programs, i.e., delegated PSE) partner with the private sector in VSD.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

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PSE: Searching for partnerships

Initiative. Partnerships are probably more successful if they are initiated by the private sector partner. It shows that incentives and commitment are high.

Strategic. Partnerships are probably best part of your strategic plan (for the sector, for the country). They absorb a lot of time and energy to manage well: they should be part of your strategic plan to justify the extra efforts you'll need to put in.

Search. You need to search for potential partnerships: by sharing your strategic plans and informing why and how businesses may partner with SDC.

"You" in this PSE section refers to SDC staff – or program/project staff in the case of delegated PSE. In any case it's also interesting for program staff

Networks. Review which networks and which events you may use to share your strategic plans and options for partnerships. SECO and the business community; where do they meet, how do they meet, what is on their agenda? Join them, be there!

Swiss. The dual Vet system that is in use in Switzerland, Germany and Lichtenstein is of course more familiar to companies originating from these countries. Familiarity helps to form partnerships to address constraints in VSD.

Due Diligence. Make sure to assess the potential private sector partner and understand potential risks early in the process. It is easy to do and the KEP team will provide you with the support you need. *it's easier not to open a door - than to close that open-door later.*

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PSE: Developing partnerships

Keep your strategy in mind. The partnership should fit within your VSD strategy and objectives, it's not about solving the problems of your partner.
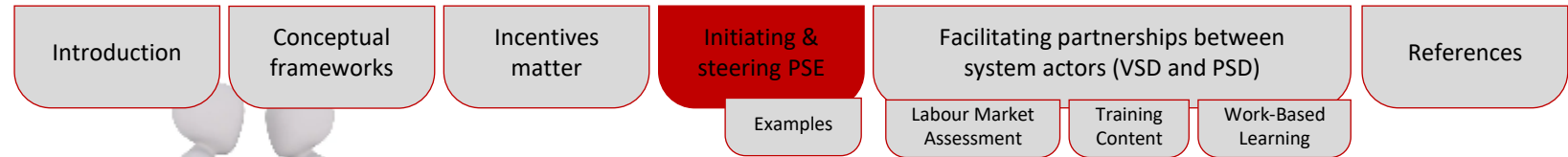
You need a shared vision. That is more than having two visions that apparently match. Ensure that you and your partner have the same understanding about the present status and of the desired status.

Less is more. Carefully assess who else should be part of the partnership itself: *avoid too many cooks in the kitchen*. Adding partners is easy, removing partners is risky. However, try to avoid market distortion.

Not working in isolation. Cooperate with crucial actors that need to be 'involved' for you to implement this strategy. That doesn't imply they have to be a partner in the partnership.

In Ukraine, the partnership was initiated by Geberit. In order to implement the strategy (improving the infrastructure, teaching and curricula of selected VET centres) SDC invited the Ministry of Education to join the partnership and co-steer that PSE program with Geberit and SDC. A decision taken with a strategic perspective.

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

PSE: Developing partnerships

Complementary Competences. Define 'who does what'. The steering is done together, yet SDC and partners have their own expertise and added value.

For SDC that is often the access to networks and resources that businesses don't have. SDC is often able to open doors and influence higher level policy changes. SDC is able to make connections, create linkages.

Businesses often have more insight and a deeper understanding of the sector, and of what is feasible and what is not realistic.

Co-funding. There are no blue books, and how much each partner contributes depends on ability, interest, risks and benefit. Proportionally and balanced are key criteria.

Program funding and activity funding. Often the PSE program is jointly funded by the partners and is often implemented by an implementing agency. Sometimes it's handy to agree that partners fund 'specific budget items', such as equipment or services that are provided by them. Do ensure that these in-kind contributions are realistically valued (see PSE guidance in SDC field handbook).

CSR budgets. If their Corporate Social Responsibility leans towards charity, it implies that there is no tight connection with their core business. This may provide funding, but with less engagement by the company.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning

PSE: Forming a good partnership takes time
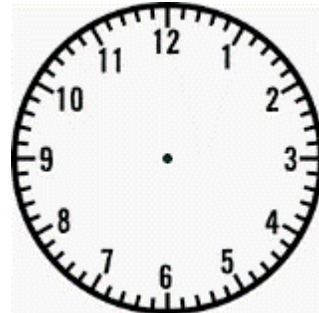
Take time – Give time

Don't flog dead horses.

Don't bribe them.
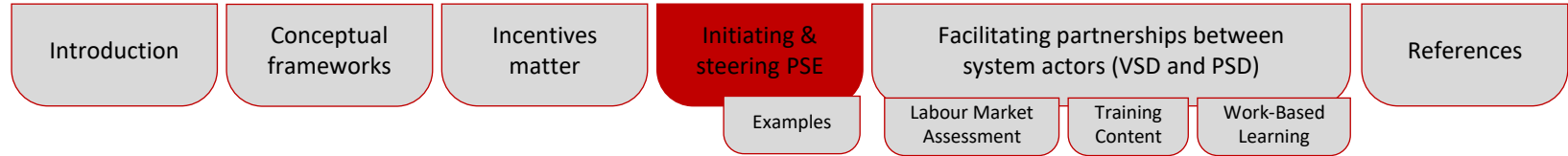
Many leads don't lead to partnerships:
it wasn't the right partnership, or the time wasn't right.

There are fortune seekers: alarm bells should start ringing when companies talk about reaching the poor and talk log frame targets

Partnering differs from funding: do they seek funding only, or do they seek to partner with you because of other reasons? What are these reasons?

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning

PSE: Contractual arrangements

Due Diligence. Seems not that challenging: use internet search engines and make us of your local networks. Yet, important, so follow the SDC PSE Risk Management Process (RMP) and ask the the CEP/KEP for support – the earlier, the better.

Sign MoUs. Agree and describe the objectives of the partnership, the process you foresee, and the roles and responsibilities of all parties.

Exclusivity. Never accept that, even if it looks like a gamechanger: it hampers your upscaling options.

Confidentiality. Respect copyrights and don't share sensitive company information. or better; simply avoid having it. Consult your CEP/KEP colleagues in case of doubt.
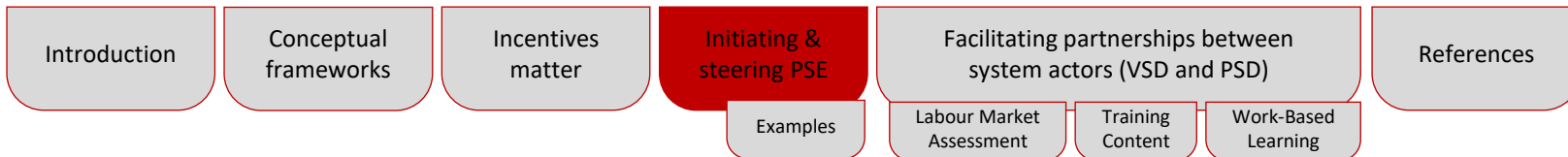
Put exclusivity and confidentiality on the agenda early on, and deal with it. Don't let it hanging as a dark cloud above your partnership. Consult the Hystra report for more tips.

Be aware of the perceived reputation that VET institutions may have in the private sector:
poorly governed bureaucratic public entities with limited resources

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

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PSE: Steering partnerships

You need a program organisation. It needs a professional agency that has a proven track record to manage such programs. Selecting them is crucial: the better they are at managing your program, the more you can focus on steering the partnership.

You need to be involved. It has been said that managing a PSE partnership and program is absorbing twice as much of your time than other programs that you may fund. It's pretty hands-on in terms of developing the partnership, developing the strategy and managing the implementation. Not as a funder, but as a co-funder, co-manager and co-initiator.

Board Composition: Crucial, balancing between high level people with authority and decision making powers within your partner's structure, versus the priority and time they will make available for this partnership.

Equal partnerships. Irrespective of the funding agreements: all partners are equal in terms of 'decision making'. *Avoid that some act as if they are more equal than others.* Agree how communication and decision-making will be organised.

get out of your office to learn and understand what is happening on the ground.

Avoid micro managing. You need to steer your implementing agency to manage your program

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | | | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning

PSE: Three examples of Private Sector Engagements:

- **Improved Sanitary Education in Ukraine**

- **Nestle introducing apprenticeships in Bolivia**

- **Social Impact Incentives financing a social VET entrepreneur**

GEBERIT

Nestlé Good food, Good life

SIINC

Examples that may serve as a source of inspiration for PSE in VSD

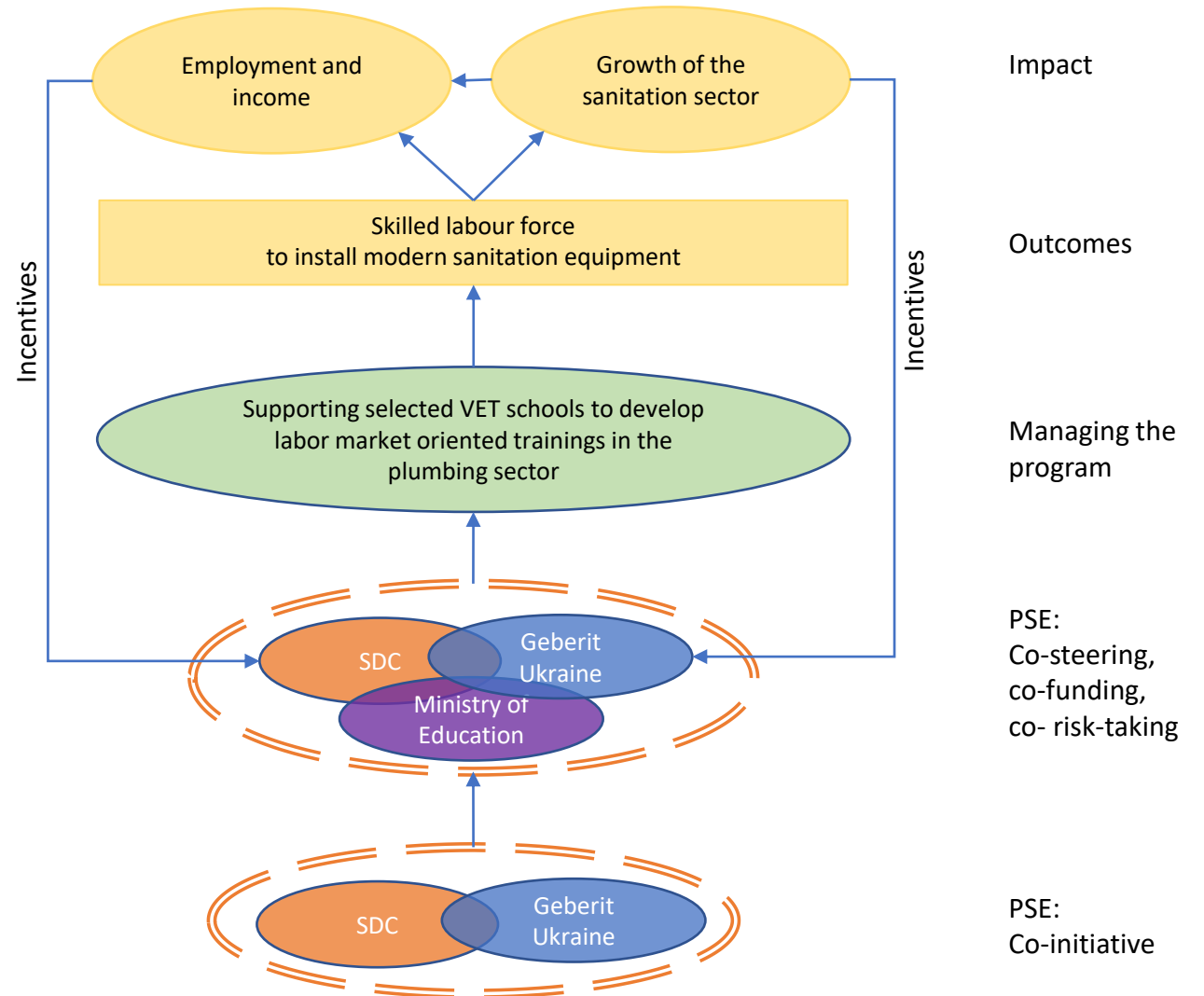They don't need to be Swiss based, they don't need to be multinationals.

Private Sector Engagement:
Improved Sanitary Education in Ukraine

The quality of the Vocational Education and Training system in Ukraine is below international standards and has led the country into a situation of significant skills shortage and low productivity. **Most of the plumbers available on the job market therefore lack up-to-date knowledge on current technologies, standards, norms and regulations in the sanitary field**. This is hampering the growth of the sector and of Geberit, one of the leading companies in the sector.

Geberit approached SDC and together they initiated the partnership. SDC formed a partnership with Geberit and the Ministry of Education to jointly develop, fund and steer a program to address the constraint. The program supports a number of VET schools to modernize the curriculum, provide modern equipment and develop the capacity of the teachers.

This partnership has resulted in 25 selected VET schools offering training that meets the demand of the modern sanitation sector, hence enables growth of the sector and creates employment and income for graduates.

The first phase lasted 4 years (2014-2018) and the program recently entered a second phase (2018-2023). For more information see the project brief at the FDFA website.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | | | References |

| | | | Examples | Labour Market Assessment | Training Content | Work-Based Learning | |

Private Sector Engagement:
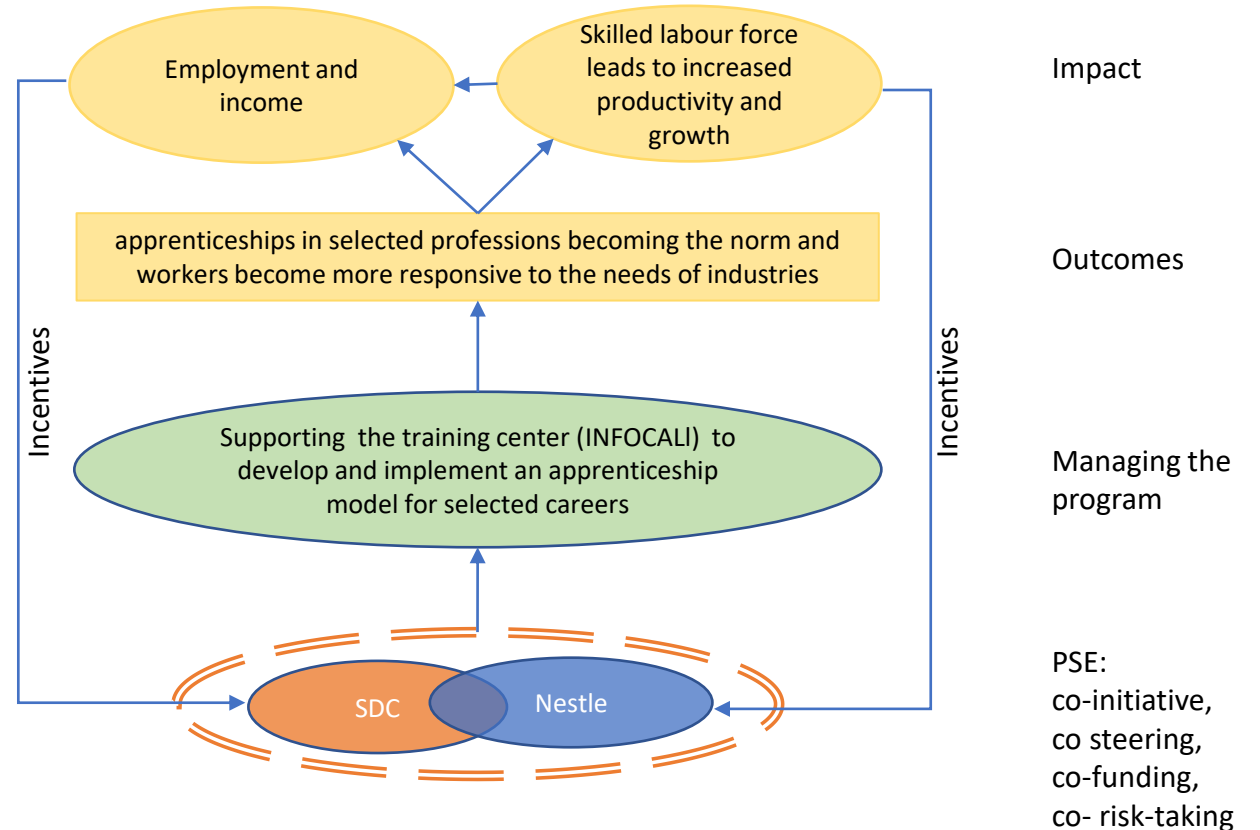# Nestle introducing apprenticeships in Bolivia

Nestle Bolivia and SDC initiated and jointly fund and steer a program that strengthens INFOCAL, a private non-profit institution created by the National Enterprise Chamber of Bolivia.

They will develop and implement an apprenticeship model for two careers: industrial mechanics and industrial electrical mechanics for which there is shortage of skilled labour in the food sector.

Nestle is a sector champion and will drive and support the implementation in the sector through its network of suppliers and distributers. Nestle, a Swiss company, is familiar with the dual VET system. Nestle's initiative in Bolivia contributes to Nestle's global "Youth Initiative' which focuses on improving youth employability.

This partnership is to demonstrate the feasibility of the apprenticeship model and to lead to more apprenticeship models in other careers and sectors.

More information can be found here

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples

Labour Market Assessment | Training Content | Work-Based Learning

Social Impact Incentives (SIINC) is a funding instrument that rewards impact enterprises with time-limited payments for achieving social impact (currently implemented in Latin America and Caribbean region)
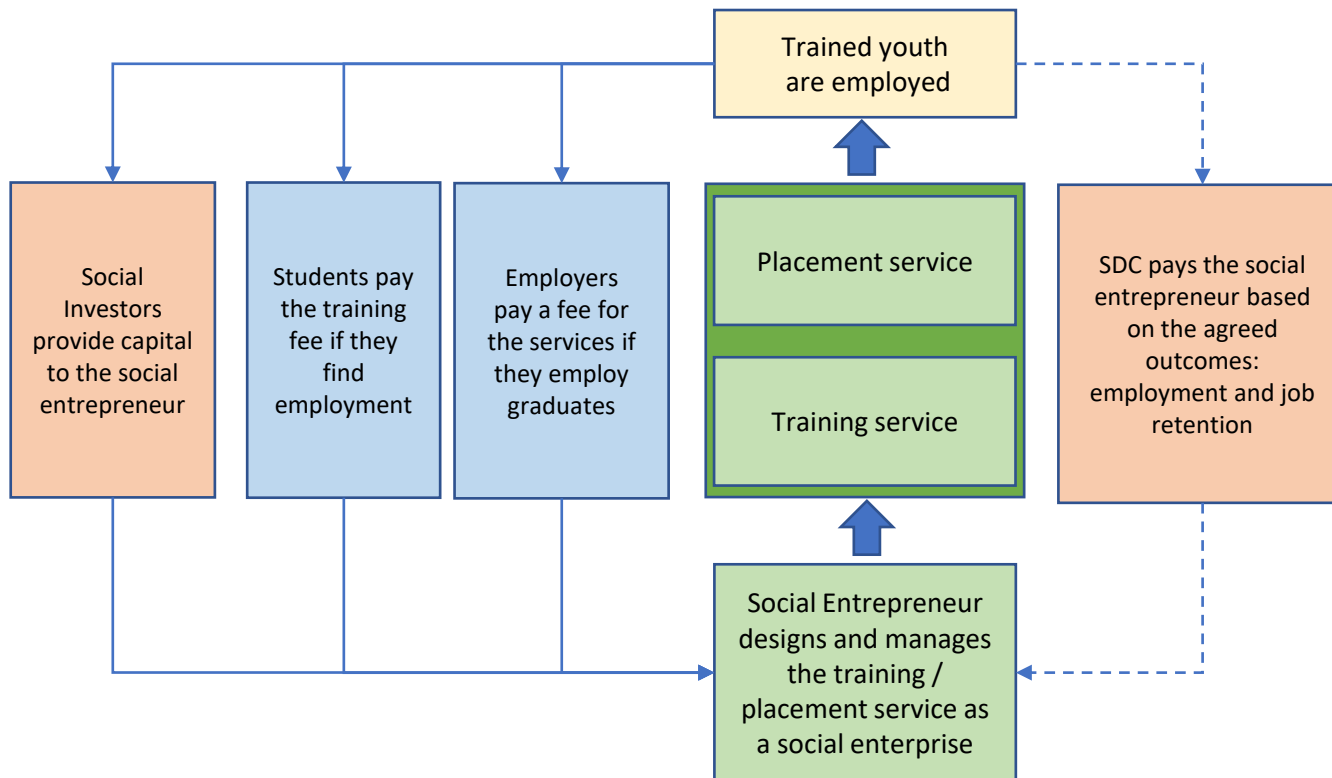
The social entrepreneur manages a private training centre, which has a social objective: equipping unemployed youth with future-proof skills and finding employment opportunities for them.
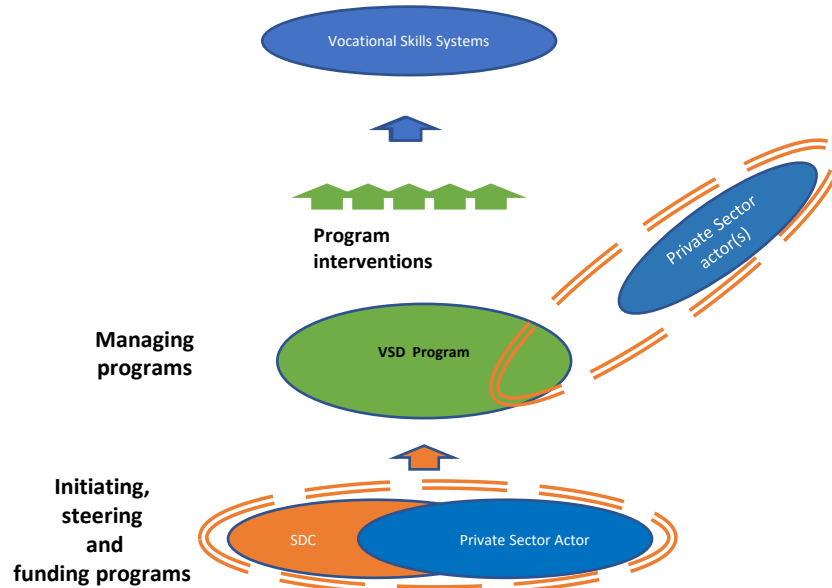
SDC pays a premium to the social entrepreneur that is based upon two outcomes: The number of most vulnerable youth who find employment and Job retention after 12 months

This outcome-based financing model drives the structure and process of the social enterprise. The placement service is called the *sales office*; its function is to find employment for the graduates. Moreover, the students pay for the training only if they find employment. That drives the training services: what and how should trainees be trained to increase the chances of employment?
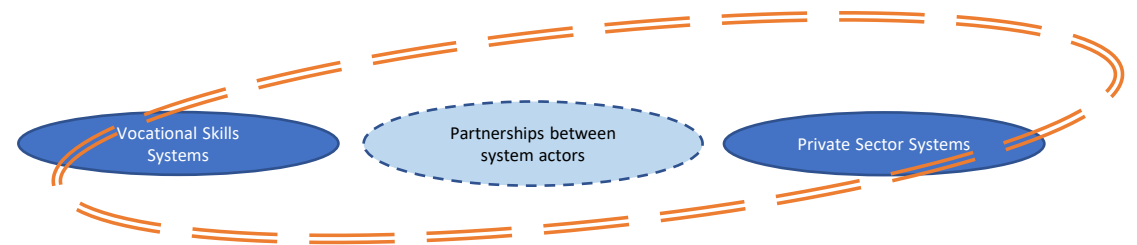
The training focuses on life skills, learnability and employability. Training plans and training content are adapted to the needs of the hiring companies, and the participants receive a skills assessment certificate. Most of the training is based on real life cases, with exploring and discovery as the major training methodologies.

For more information see the program's webpage Valentina

The previous tips and examples focused on how SDC (and SDC financed programs) partner with the private sector (PSE, delegated PSE).

Vocational Skills Systems

Program interventions

Private Sector actor(s)

Managing programs

VSD Program

Initiating, steering and funding programs

SDC | Private Sector Actor

The following tips and examples will focus on how **VET institutions** partner with the private sector (this might be facilitated by a program but is not considered PSE).

Vocational Skills Systems

Partnerships between system actors

Private Sector Systems

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

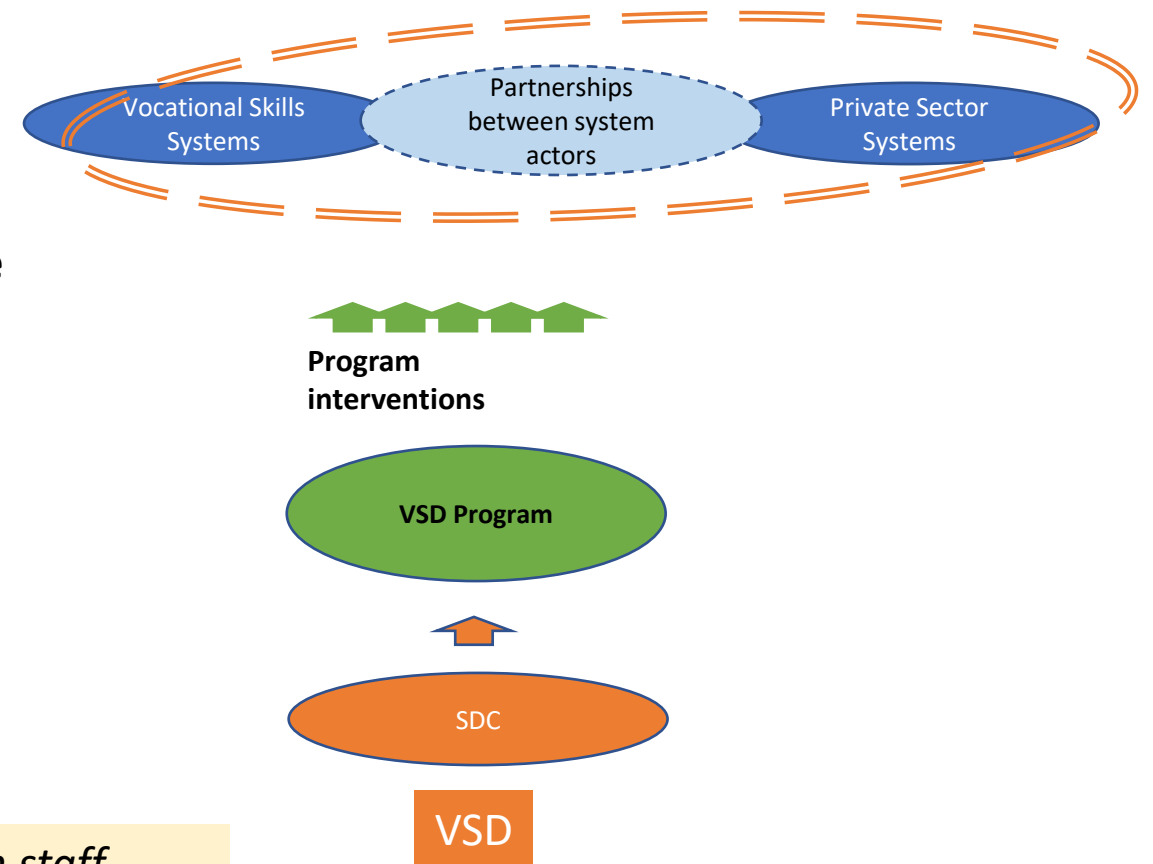| | | | Examples | Labour Market Assessment | Training Content | Work-Based Learning |

VET institutions (facilitated by VSD projects) forming partnerships with the private sector

The following 3 slides explain **why and how VET institutions** (such as training providers) **can form partnerships with private sector actors,** and hence **why and how VSD programs can facilitate these partnerships** *(not considered PSE).*

After that, specific tips are presented on why and how to form these partnerships in a selected number of VSD 'functions' where most VSD projects have their main impact:

Assess Labour Market Needs,
Revise Training Content and
Develop Work Based Learning

"You" in this section refers to program staff, although its also interesting for SDC staff

Program interventions

VSD Program

SDC

VSD

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

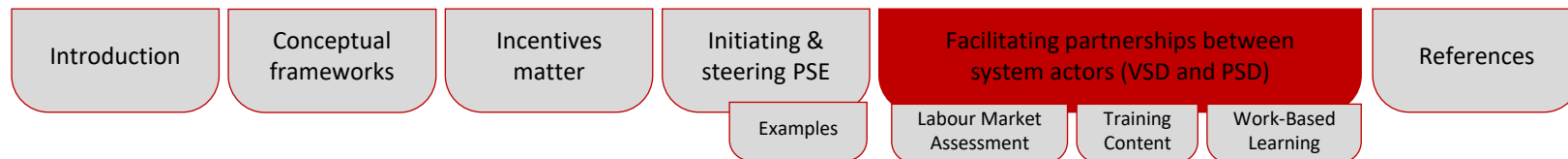# VET institutions forming partnerships with the private sector

for example, to identify labour market needs, to revise training content, to introduce Work Based Learning.

Purpose. Who you wish to partner with, follows from what you want them to do.

Search. Look for champions, irrespective of nationality, although those that are familiar with the Dual VET system may be easier to partner with.

Who. Talk with those that have authority and incentives, within sectors and within companies.

Profile. Look for the combination of a successful business, a public figure and your gut feeling about their interest.

Dating. Explain why you selected them and what you expect from them. It's trial and error.

Focus. Search for leverage and momentum by initiating partnerships in one or two (sub-)sectors, then broadening and deepening networks by building on initial success

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| | | | Examples | Labour Market Assessment | Training Content | Work-Based Learning | |
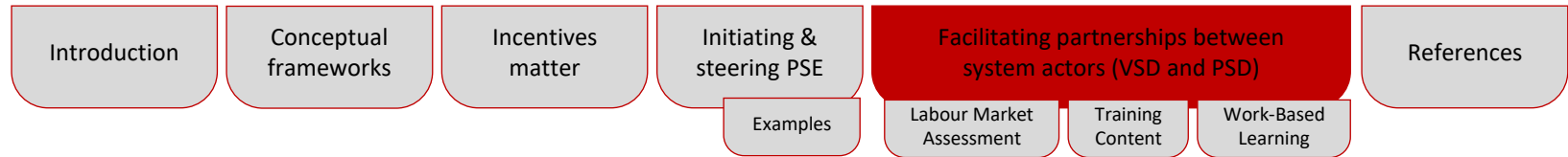
Perception of management and staff in the VET institution

It's crucial to understand what the perception is of the people working in the (public) VET institution towards working with the private sector: are businesses seen as *"the enemy where profit is the main driver at the expense of all other values"*, or are businesses perceived as the ultimate '*end-beneficiary*' (a potential employer of the VET graduates) and as potential provider of valuable contributions for the VET institution, such as *access to modern technologies and specific expertise*?

Do they perceive the proposed role and influence of the private sector as *a threat* to their role as teachers, their authority, their expertise and their existence, or do they see it as *an opportunity* to also learn new technologies and skills, and that it creates space for them to focus on other aspects of VET?

There are no easy answers. It's a sensitive yet crucial element that needs to be addressed, and that starts with recognizing that perceptions are important, that they need to be analysed and that they need to be addressed.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples

Labour Market Assessment | Training Content | Work-Based Learning

Aspects to address

Resource allocation.

Assessing local labour market needs, developing training content, managing a WBL scheme: they all require time and resources. Time that is often not budgeted for when budgets are often based on "teaching hours". Specific skills that are often not present. Financial means that are often too limited.

Creating these conditions – in a sustainable way – is crucial. The S4J program provides insightful lessons on how they try to do that in Albania.

Cultures.

Businesses think, talk and act differently than public institutions. There is the risk of stereotyping.

"Why are staff often risk-averse senior technicians and teachers, and not so much young, entrepreneurial, and diverse people that are ambitious and risk taking?"
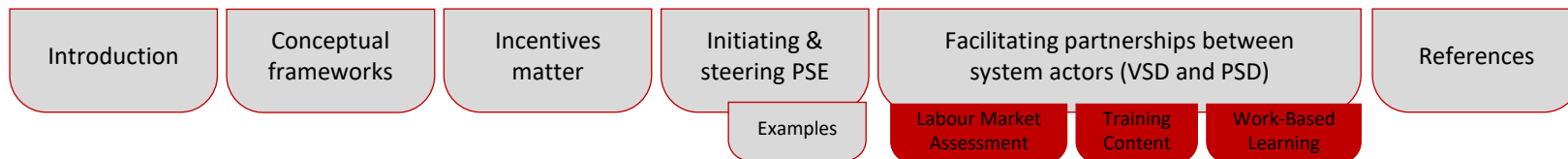
A PSD practitioner

Yet differences in management styles need to be addressed. There are plenty publications on 'management' that provide in-depth guidance and tools. But it all starts with realizing that there are differences and finding practical (baby-) steps that help to bridge differences.
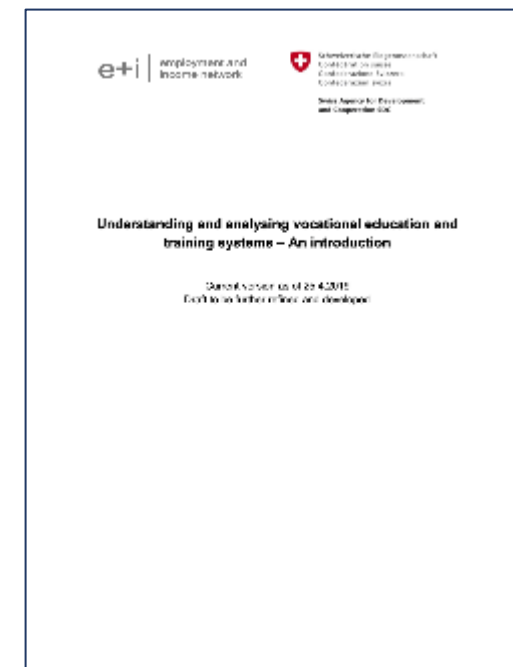
 A focus on transparency and results helps.

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Examples

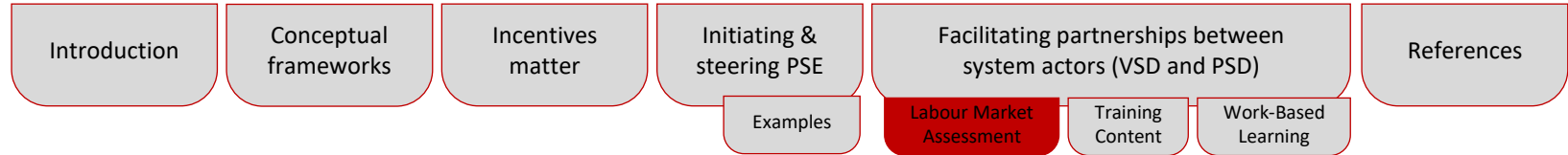Labour Market Assessment | Training Content | Work-Based Learning

Three areas where there is a lot of experience in facilitating partnerships between VET institutions and the private sector, the once most experienced by SDC programmes are:

- **Assessing Labour Market Needs**

- **Developing Training Content**

- **Developing Work Based Learning**

Key lessons and tips specific to those three areas are highlighted hereafter

Understanding and analysing vocational education and training systems – An introduction

[Read this](#) to learn more about the key mechanisms of VET systems…

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | **Labour Market Assessment** | Training Content | Work-Based Learning

Assessing Labour Market Needs: Why involving the private sector?
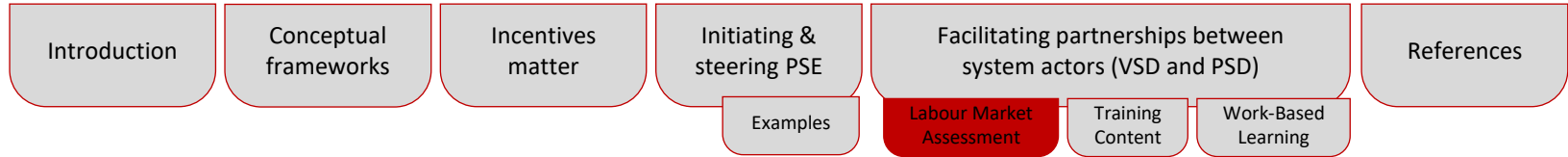
Labour demand

Labour supply

If Vocational Skills Development provides people with the right skills sets to meet the real demand of the private sector, people will more easily find gainful employment and income, and the private sector will be more able to thrive.

The private sector can be defined as "*a basic organising principle for economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk taking set activities in motion*" (OECD).

That encompasses all types of companies: micro, small, medium and large Enterprises, formal and informal, national, international and multinationals.

- The private sector provides most employment opportunities

- The private sector is dynamic: sectors may grow or shrink

- Sectors may change the way they function

- Companies may need people with different skills sets

- Companies are the ones that know best what they need now and in the near future

Introduction	Conceptual frameworks	Incentives matter	Initiating & steering PSE	Facilitating partnerships between system actors (VSD and PSD)	References

| | | | Examples | Labour Market Assessment | Training Content | Work-Based Learning |

Assessing Labour Market Needs

The devil is in the detail

Assessing labour market needs goes beyond assessing needs of sectors, goes beyond sub-sectors, goes beyond national markets to detect regional differences, goes beyond generic labour needs. It needs to go down all the way down to careers and job profiles, often at company levels.
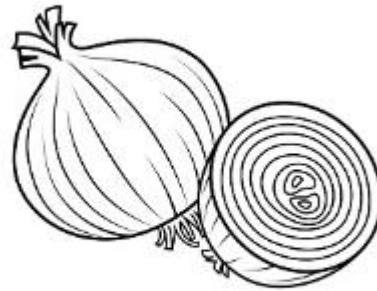
It's not just vacancies…..it's skills sets needed for specific positions……..today and tomorrow….   VSD expert

How to start?

Certainly making use of secondary information, but definitely by conducting primary research.

Who to partner with?

Often the institutional landscape shows that there such a natural partner is missing: an institution that is able and willing to conduct a labour needs assessment.

It's about understanding the needs of companies, hence their input (and involvement) is crucial.

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Examples | Labour Market Assessment | Training Content | Work-Based Learning
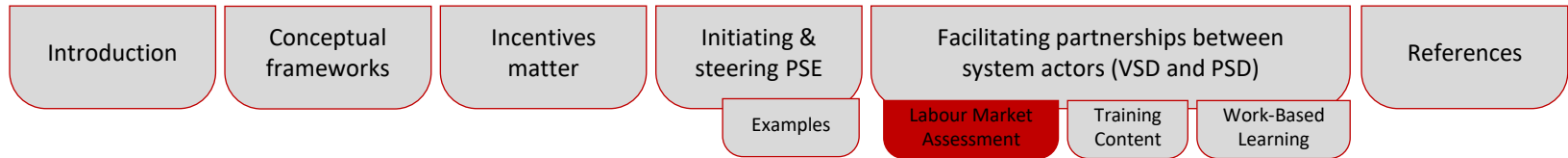
Assessing Labour Market Needs

Pitfalls 👎

- Depending on sector representatives who claim to know what companies need.

- Engaging education experts rather than labour market experts.

Search for gaps

potential demand for skilled labour
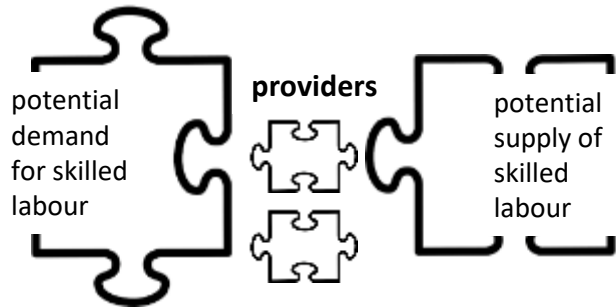
Providers

potential supply of skilled labour
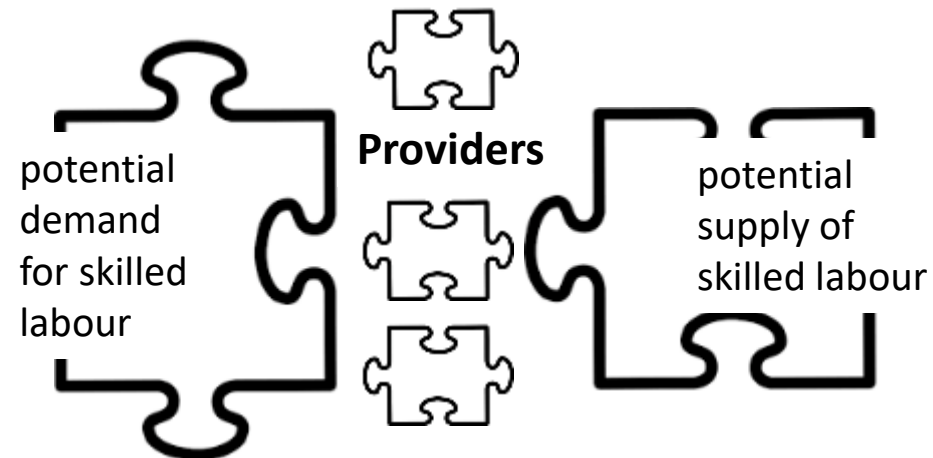
Given the specific labour market needs:

- *Which skills development providers target those specific segments and needs?*
- *How do they perform?*
- *Who do they target?*
- *Is there a need for more or a different type of providers?*
- *Is there a need for different delivery modalities?*

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC

e+i | employment and income network

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

Assessing Labour Market Needs
Some questions to answer:

potential demand for skilled labour

providers

potential supply of skilled labour

Search for gaps

- Short term skills enhancement training that can be offered relatively quick?

- Long term Technical and Vocational Training that prepares youth for employment?

- Is it specific technical skills they need?

- What are the industry-specific regulations?

- is it more generic soft skills that support 'learnability and employability'?

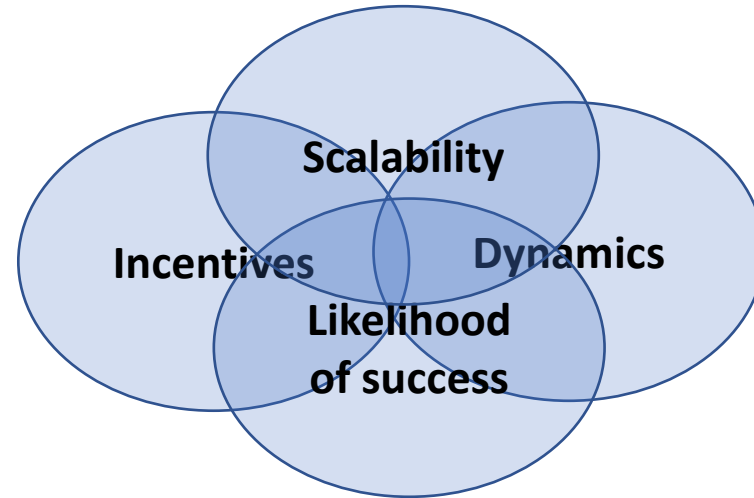- is it for employment or self-employment?

The best informed people to tell you are working in that sector:
top management to understand driving forces, middle management to give more insight on needs, human resource managers to search for options.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning

Assessing Labour Market Needs
Where to focus?

Scalability

Incentives   **Dynamics**

Likelihood of success

Support champions that are willing to invest, don continue flogging dead horses.

There is no need to focus on the biggest companies or to focus on the smallest companies: focus on those companies and people that have the most expertise to inform you on what is needed and what is feasible, and what they think is "wishful thinking" – your reality check!

There are no blue books. It depends on your objectives and the specific context. However, emerging sectors often are most dynamic, often in need of skilled labour that is insufficiently catered for, hence incentives are often high. Emerging sector have less rigid structures and processes that are more easily moulded. Search for solutions that are more likely to be successful, and that offer scope for scalability.

Further readings on Assessing LM needs
- EU VET toolbox (2020)
- ETF/Cedefop/ILO: Skills needs anticipation (2016)

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

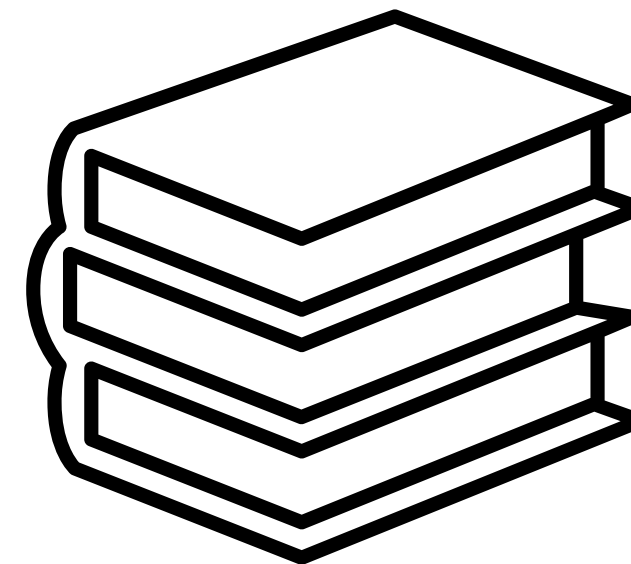Examples | Labour Market Assessment | Training Content | Work-Based Learning

Developing Training Content: Why and how?

Our main objective is not always to change the national formal curricula only, but to create conditions for public or private providers to offer trainings that enable the graduates to be employed. Revised national curricula are a means to an end.

Often national curricula and occupational standards define what to teach, less so how to teach: that creates room to innovate and enrich existing curricula.

If it doesn't fit the national curricula and occupational standards, develop and position it as an elective, while continuing to create room in the national curricula.

"What isn't forbidden, is allowed"
VSD expert

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

Developing Training Content
It's a sensitive process

Why. If curricula and occupational standards are to lead to reflect the labour needs of the private sector, then the private sector should provide input and own the process. That implies that one must raise their interest – and then to support them to perform their role.

Who. It depends on the context which organisation is most suitable to take that facilitating role: typically Chambers of Commerce, Business Member Organisations or another specialised agency that represents the private sector interests.

This requires specialised and experienced facilitators

A facilitators' profile:

- Skilled in developing training content
- Knowledgeable of local industries
- Well connected to the public and private sector
- Recognized as an authority
- Professional behavior
- Able to communicate with industry experts, company CEOs and the company labour force
- Able to bridge 'cultures and languages' between the private sector and educational departments

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

Developing Training Content
In practice this means:

- Search your network to get introduced: often their Business Member Organizations.

- You need to talk with company owners to get their support, but you need to talk with company experts to get their inputs.

- Meet them when and where it's convenient for them: that often implies you (and not them) need to travel to their locations during times most convenient to them (which is often outside 9 to 5 and not during their peak season)

- **Be prepared**. Some actors may become too dominant. Facilitation skills are crucial.

- **Be transparent**. Constantly give feedback to your 'informants' what is happening, or not yet happening, and why. Manage your relationships.
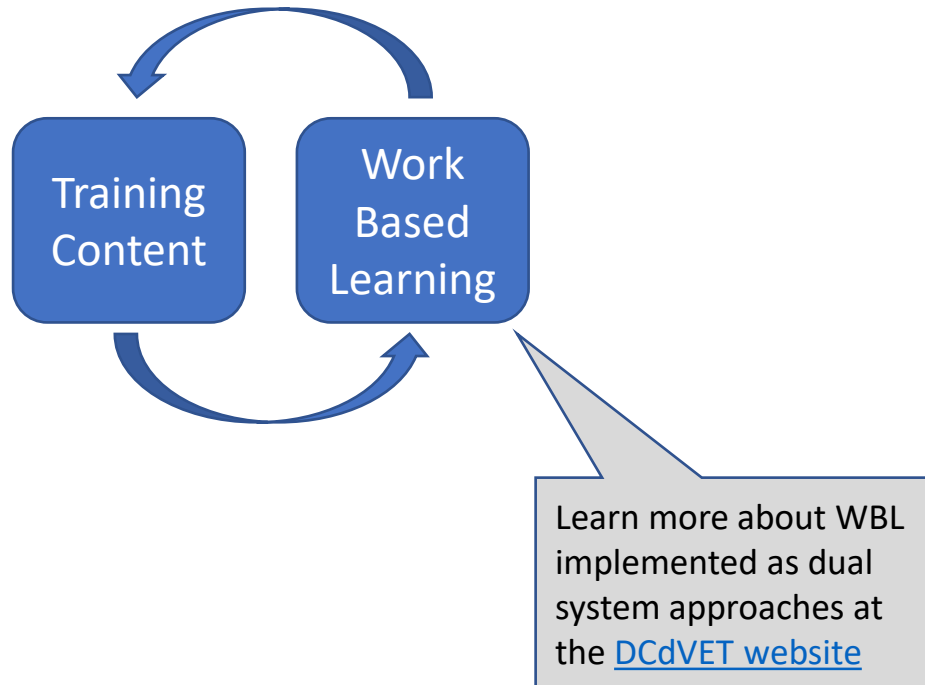
Further readings on Training Content development
- [DACUM](#)
- [The Situation-based approach of SFIVET](#) (2019)
- [CEDEFOP Learning outcomes approaches](#) (2010)

Work Based Learning

Revising Training Content and Work Based Learning go hand-in-hand. **There are synergies**. Companies involved in revising training content, are more likely to be interested in WBL, and visa versa.

There are 2 questions to be addressed: the first focusing on the private sector actor, the second focusing more on the VET institution.
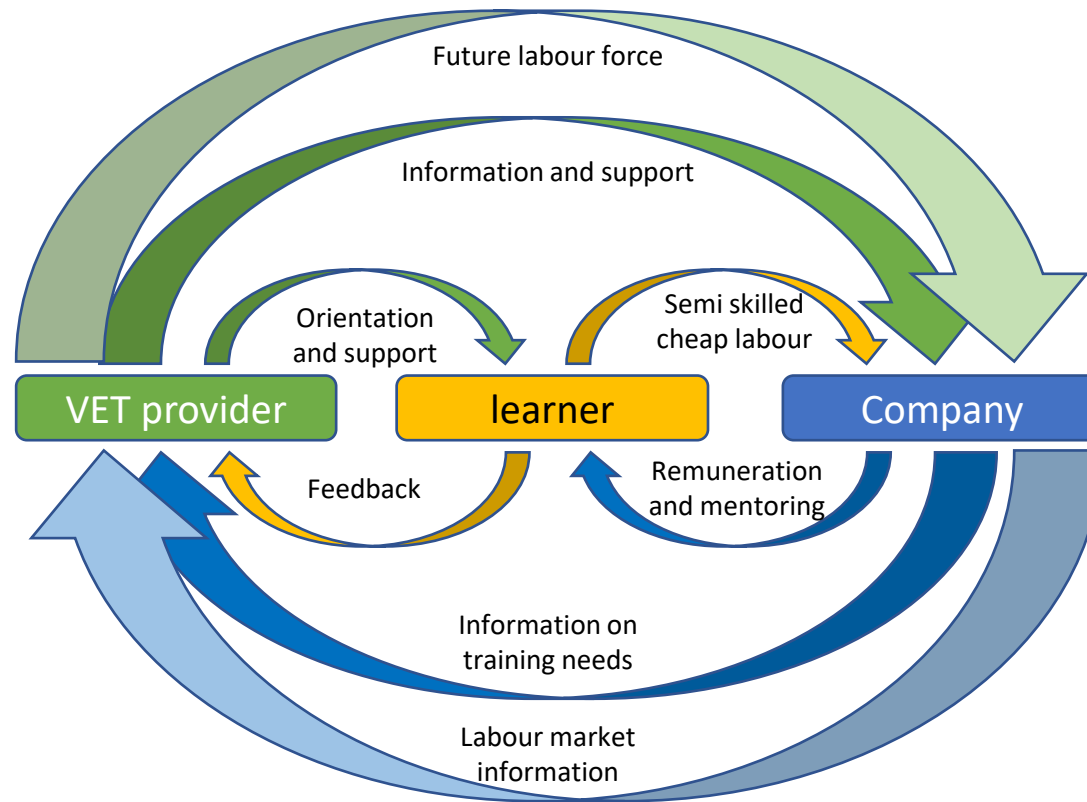
How to engage companies to offer WBL?

How to ensure that VET providers are able to manage WBL?

Training Content ⇄ Work Based Learning

Learn more about WBL implemented as dual system approaches at the DCdVET website

Introduction	Conceptual frameworks	Incentives matter	Initiating & steering PSE	Facilitating partnerships between system actors (VSD and PSD)	References

Examples | Labour Market Assessment | Training Content | **Work-Based Learning**

Work Based Learning

It is all about getting the incentives right

Each of the actors in the business model, the VET provider, the company and the learner, must perceive that its worthwhile **to continue participating** because they assess that their benefits outweigh their costs.

Future labour force

Information and support

Orientation and support

Semi skilled cheap labour

VET provider — **learner** — **Company**

Feedback

Remuneration and mentoring

Information on training needs

Labour market information

What are the present and future costs and benefits for **the learner**?

What are the present and future costs and benefits for **the company**?

What are the present and future costs and benefits for **the VET provider**?

Source: Swisscontact Albania (p.6)

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

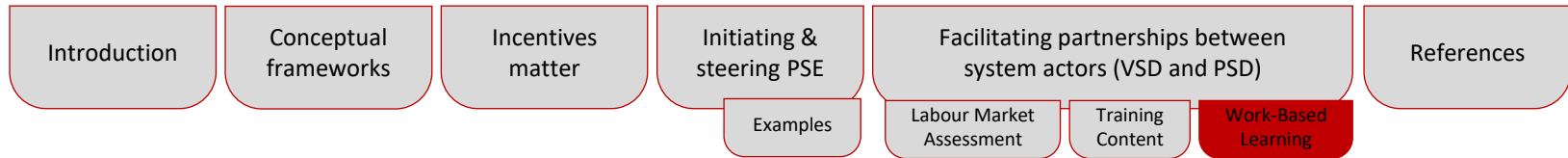Examples | Labour Market Assessment | Training Content | Work-Based Learning

Work Based Learning

Where to start, who to engage?

➢ Those companies that face (skilled) labour shortages and who realise that this affects competitiveness and growth.

➢ Those companies that are involved in other elements of VET such as developing training content: look for synergies and dynamics.

Search for champions and early adaptors.

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning
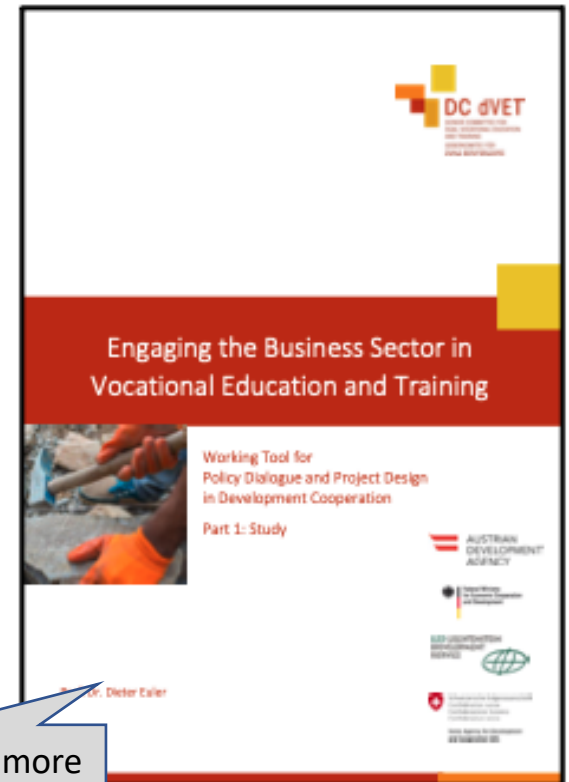
Work Based Learning

How to start, how to engage in WBL?

Focus on the benefits for the company: a source of labour, a source of information, potential spin-off effects and its reputation in their business and social environment.
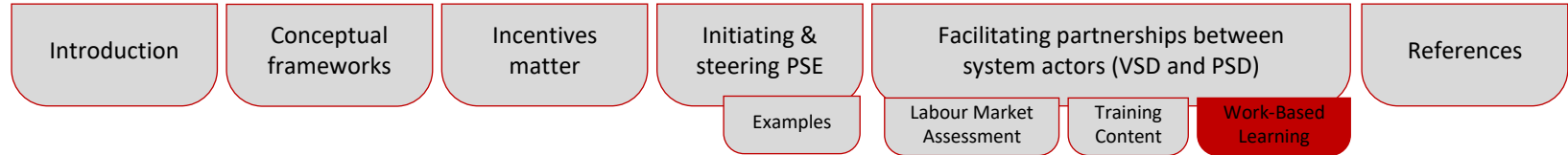
Offer to build their capacities: ensure that companies are able to mentor learners/apprentices, help them train their staff to be skilled mentors.

Address legislation: form coalitions to advocate for (long term) policy changes, and while doing that work your way around legislation: develop protocols, sign Memoranda of Understanding that specify responsibilities and liabilities.

Create the capacity of the VET institution to manage WBL: they need the right attitude, the right skills and enough time and financial resources to manage WBL.

Read this to learn more

| Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References |

Examples | Labour Market Assessment | Training Content | Work-Based Learning

Work Based Learning

Practical aspects to address

Transport: how will the learner reach there? Who pays or who provides?

Food: where will they eat? Who pays or who provides?

Clothing: do they need uniforms/protective clothing? Who pays or who provides?

Safety: how to ensure a safe workplace and environment?

Paying: to reflect appreciation by the company, and is different from an employee's salary, but is not leading to exploitation of learners as a form of too cheap labour.

Build flexible WBL schedules that match the business cycles and business hours for learners to actually practice, learn and be productive for the company.

Don't pay companies to offer WBL: its not sustainable, there are no scaling options, and once 'paying for WBL' has become the norm it's difficult to reverse.

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Examples | Labour Market Assessment | Training Content | Work-Based Learning

Work Based Learning

Mentorships are crucial
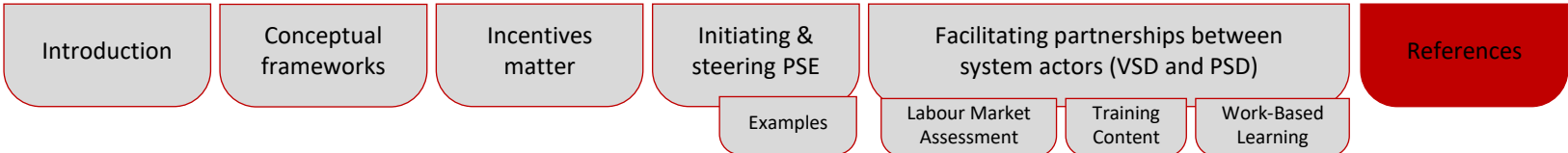**They may serve a dual objective**:

- to ensure learners are properly mentored
- to offer something additional to companies and the mentors
- it strengthens the relationship and interaction between the VET provider and the company.

Often it is technical staff that are appointed to mentor learners. They may benefit from additional didactical and soft skills. Possibly useful skills for mentoring employees too. Involve them in assessing the progress of the learners.

It takes time and efforts to develop and conduct mentorships training; one may search for specialized training providers to offer such trainings.
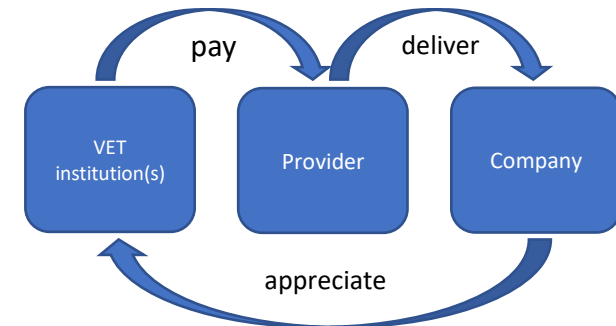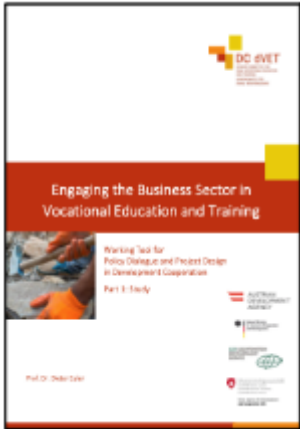

E. g. if VET providers don't have the resources (time and skills) to do that, or scale becomes an issue. It's unlikely that companies will pay for them, but VET providers might.

Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References

Examples | Labour Market Assessment | Training Content | Work-Based Learning

Please have a closer look at these publications

and look for more publications at the

VSD and PSE: forming partnerships with the private sector

Introduction | Conceptual frameworks | Incentives matter | Initiating & steering PSE | Facilitating partnerships between system actors (VSD and PSD) | References

Examples | Labour Market Assessment | Training Content | Work-Based Learning

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