

VSD TYPOLOGY

ORIENTATION AND IMPACT OF VOCATIONAL SKILLS DEVELOPMENT

Purpose of this Paper

Vocational skills development (VSD) is a cornerstone of Swiss development cooperation. However, VSD is not a uniform instrument. VSD is multifaceted, belongs to different policy areas, serves different purposes, produces different outcomes and requires multi-stakeholder cooperation. **This paper aims to support SDC operations in defining the orientation of their VSD interventions**, in selecting the right partners, and thus in managing their projects and project portfolios in line with the relevant SDC strategies, the policy goals of partner countries, and professional standards. This paper is particularly useful at the beginning and the end of project cycles, i.e. in the design stage and in evaluating VSD interventions. It supports the formulation of realistic and plausible outcome and impact expectations of VSD projects.

VSD in Swiss Development Cooperation

In the *Dispatch 2017–2020*,ⁱ the Federal Council defines basic education and vocational skills development as a priority area for Swiss development cooperation, and it substantially increases the resources allocated to it. In 2017 SDC launched its *Education Strategy*,ⁱⁱ comprising both basic education and vocational skills development. This strategy elaborates on the intersections between basic education and VSD and to a lesser extent on the equally important intersections with private sector development and employment. SDC's *Employment and Income Medium Term Orientation 2015–2019*ⁱⁱⁱ explains the social policy and economic policy rationale of VSD and its intersection with employment, Private Sector Development (PSD) and Financial Sector Development (FSD). The State Secretariat for Economic Affairs' position paper *Skills Development in Economic Development Cooperation*^{iv} guides SECO's increased engagement in this area.

VSD in Different Policy Areas

VSD belongs to different policy areas, namely Social Policy, Economic Policy and Education Policy (see Figure 1). Through contributions to the Sustainable Development Goals SDG 4 (Inclusive Quality Education), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), VSD also has an impact on SDG 1 (No Poverty).



Figure 1: VSD and its policy dimensions

As instrument in development cooperation, vocational skills development is either used to address social problems such as youth unemployment, underemployment, poverty and inequality, or to address economic challenges such as the supply of skilled labour for increased quality, productivity and competitiveness. Sometimes VSD projects are confronted with excessive and unrealistic expectations regarding outreach, employment creation, income increase and system development.

VSD is neither a magic wand nor a silver bullet – it can only make targeted contributions in selected areas.

Vocational training and active labour market policies can indeed be the missing pieces in the puzzle of tackling social and economic challenges. In the long run however, the mitigation of social problems and the promotion of economic development are not the result of individual projects but require well-developed national Vocational Education and Training (VET) and Active Labour Market Policy (ALMP) systems, as well as an economy which is capable of absorbing the increasing number of young people entering the labour market.

National VET systems are never uniform. They are always a puzzle of different approaches and sub-systems in different industries and economic sectors. The ability to manage such diversity is a specific strength of the Swiss VET system.

The VSD Coordinate System

As VSD belongs to different policy areas, there is no one-size-fits-all approach. **Vocational skills development serves different purposes and pursues different, sometimes even conflicting objectives** – even if they all have employment and income as a long-term purpose. The **VSD coordinate system** (see Figure 2) structures the landscape of possible VSD interventions and supports the identification of prototypical VSD approaches. Some VSD projects and programmes may find a clearly defined place in the VSD coordinate system, while others are made up of various interventions (e.g. projects components) in different areas.

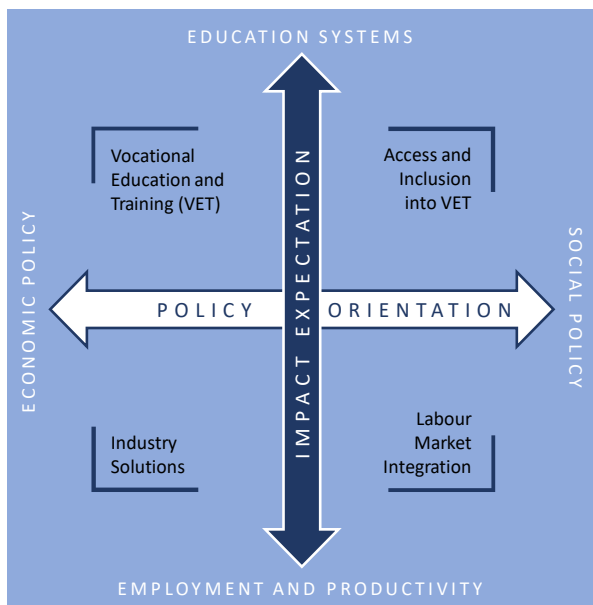


Figure 2: VSD Coordinate System

In general, mature VET systems serve both economic and social policy objectives. They are an integral part of national education systems and have an impact on individuals in terms of employment and income and on companies in terms of quality and productivity. However, such mature VET systems are a jigsaw puzzle of different educational and training programs at different qualification levels, of different durations, and financed by different sources and budgets.

As opposed to mature VET systems, individual courses and VSD projects are more specific and find their place somewhere in the coordinate system depicted in Figure 2. As such, a project with the purpose of supporting the development of a high-quality and sustainable national VET system in a partner country cannot focus on disadvantaged groups only. National VET systems have to be attractive to the majority of school leavers. Another project, however, focusing on short courses for the labour market integration of specific target groups (e.g. in a refugee camp), may not intend to significantly strengthen the overall VET system.

Therefore, different types of VSD projects with different outcomes should find their place in the portfolio of SDC, according to the context and the specific challenges to be addressed.

THE POLICY ORIENTATION OF AN INTERVENTION (HORIZONTAL AXIS)

In the long run, VSD must serve both social *and* economic objectives. Specific interventions however (projects or project components), are usually designed to pursue during their lifetime *either* more social or more economic objectives:

- **Economic policy objectives** respond to the existing labour market demand and build the quality, productivity, competitiveness and innovation capacity of the national economy, of industries, and of individual companies. At a national level, economic objectives include the qualification of the workforce as a contribution to attracting investments. Quality basic education also constitutes an important basis for the performance of VET systems. At the level of individuals, economic objectives include qualification for quality jobs and attractive career paths.
- **Social policy objectives** respond to the social demand of young school-leavers, pursue the labour market integration of the unemployed, or facilitate the access and inclusion of any group with specific barriers hindering their participation in educational programmes. The combination of basic education with VSD is particularly relevant in SDC's support to catch-up education and labour market integration for early school-leavers and disadvantaged groups.

THE IMPACT EXPECTATION OF AN INTERVENTION (VERTICAL AXIS)

In the long run, VSD needs both, establishing sustainable national education systems on the one hand and having an impact on individuals in terms of productivity, competitiveness, employment and income on the other hand. However, specific interventions (projects or project components), adopt different approaches in order to achieve the expected impact during the lifetime of the project.

- Either they contribute primarily to the long-term goal of developing **sustainable national educational capacities and (inclusive) VET systems**;
- Or they are designed primarily to achieve an immediate and measurable impact on **reducing unemployment, underemployment or increasing productivity**, responding to skills shortages in companies, economic sectors or labour markets (including Quick Wins).

Prototypical Approaches and Related Swiss Expertise

Based on their policy orientation and intended impact, the VSD coordinate system divides the landscape of VSD projects into four prototypical approaches. The four approaches have a different focus and accordingly produce different outcomes. However, in reality many projects do not exclusively pursue one single approach. They rather combine different approaches in different project components, which may find their place in the coordinate system accordingly.



The identified orientation and expected outcomes of a VSD intervention constitute the basis for the definition of respective indicators, building on the SDC's list of Common Outcome Indicators (COI) for VSD^v.

Project Activities and Key Partners

The positioning of a project (or of individual project components) in the VSD coordinate system and their vicinity to one of the four prototypical approaches helps to clarify the focus and orientation of VSD interventions. It thus also supports the selection of adequate project activities and key partners.



¹ <https://www.eda.admin.ch/deza/en/home/sdc/strategy/legal-bases/message-international-cooperation-2017-2020/focal-areas-priorities.html>

² <https://www.shareweb.ch/site/EI/Pages/VSD/Key%20Documents.aspx>

³ <https://www.shareweb.ch/site/EI/Pages/VSD/Key%20Documents.aspx>

⁴ <https://www.seco-cooperation.admin.ch/secocoop/en/home/documentation/publications/technical-brochures/entwicklung-von-fachkompetenzen.html>

⁵ The SDC's Common Outcome Indicators for VSD (COI) have been revised to ensure alignment with the Aggregated Reference Indicators (ARI) and with this typology. You can find the current indicator sets here:

<https://www.shareweb.ch/site/EI/Page/VSD/Key%20Documents.aspx>

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