

Skills for Development: Paradigm Shift



22 February 2018

Ministerial Roundtable
20th Conference of Commonwealth Education Ministers
Nadi, Fiji

Presented by
Dr K. Balasubramanian
Vice President, Commonwealth of Learning (COL)

My presentation will emphasise on the need for a paradigm shift in skills development. The premises for my arguments are based on various research studies and experiences all over the world and I have tried to synthesise them to find out how far skills development can help in achieving SDGs.

My presentation would like to submit the following points:

- Skills Development programmes such as TVET has been facing challenges due to their inability in generating developmental externalities
- Rigid formal systems and business as usual approach are the major reasons for such a state.
- Skills development can learn from non-formal education to play a major role in sustainable development process

A successful skills development programme can show many development externalities and help not only in achieving SDG4 but also the other 16 goals. But let me underline the words: “ If successful”.

Let us start with the issue of inclusion and let’s focus on gender. SDG4 target 4.5. wants to eliminate by 2030 , gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

In Vocational education all over world except in Latin America and Caribbean, only 40% of are girls. The developed countries are also no exception. South Asia and West Asia have less than 30% girl’s enrollment.

A study in South Africa by World Bank indicates the stereotyping in vocational education. Manufacturing, carpentry, electrical etc. are male dominated while food processing , office administration are supposed be the women’s world.

In Africa only around 1 to 10% of the young people can access vocational training. Only around 5% of the public education expenditure goes to technical and vocational education. Even this limited investment focuses only on formal TVET system.

Asian Development Bank analysed various studies conducted in many parts of the world and found out while the programmes showed impact in terms of employment, they did not show much impact in terms of earning. This could be a typical case of disguised employment where the marginal productivity could

be zero. Hence Skills development programmes such as TVET has serious challenges in their ability to influence earnings.

A Meta analysis of 289 studies from 84 countries by the World Bank shows that when cost effectiveness is taken into account less than 15% of the skills development interventions are effective even in developed countries.

Asian Development Bank quoting a survey points out that 48% of the employers in Asia Pacific region are facing challenges in filling up the vacancies since employees with adequate skills suitable for labour market are not emerging from the TVET based institutions.

This figure shows how the profile of job market is rapidly changing in US. Such a trend can also be seen in many developing countries. Non routine analytic and interactive jobs such as medical diagnosis, legal writing, managing others etc. are increasing whereas as the routine jobs such as record keeping, bank teller jobs are declining. Studies have pointed out the mismatch between the dynamism of the labour market and the slow response from skills development institutions.

Let me share some of the experiences of the Commonwealth of Learning (COL) and relate them to the challenges faced by the skill development institutions. COL is working with Koforidua polytechnic in Ghana in developing skills among youth particularly among women. A tracer study shows that there has been a substantial increase in self-confidence and esteem among female students with good economic opportunities after acquiring the diploma.

We went one step further and assessed the cost efficiency of our interventions. Various studies covering over 40,000 rural women in Kenya, Uganda, India and Tanzania showed some interesting results. These women acquire skill development in animal husbandry, agriculture, banking and finance, and enterprise management through formal, non-formal and informal learning. We developed an empowerment index and compared the empowerment of women under the programme with a control group. As the graph shows the empowerment of women under the programme was much higher than the men under the control group. Every \$ invested in the programme yielded \$ 9 worth of returns to the community. The financial institutions who gave credit, earned 8 times more profit when they gave credit to the women under this programme. The cost of skills development was six times cheaper than conventional agricultural skill development programme. We also found out that a 1% increase in empowerment acquired through skills development yielded 2.3% increase in the profit of the enterprise.

Another programme of COL focused on speed and scale in addressing skills development of vulnerable girls who are susceptible to early marriage system. In two years time we reached more than 30,000 girls and enhanced the probability of employment, income and livelihood which helped to address the issue of early forced marriages.

COL's experiences resonate well with the findings of the World Bank which argued that when programmes are well targeted, the interventions can become cost effective and lead to positive impacts. While the table presented here points out that women based intervention are not as effective as other interventions, COL's experience shows that women based intervention also yield good results. Why?

We have not taken a conventional supply centric diploma route. We have taken a demand driven skills development route with a Constituency based approach. The Bottom Up process develop courses which fit with people and market needs and do not expect people to fit with the courses. The multi sector approach involves financial institutions, civil society, labour market, experts and community based organizations.

The outcome based approach is the most important dimension in skills development strategy. Completion of a TVET intervention is a mere output and the accountability of many skills development institutions stops here. This is the crux of the problem. A clear strategy for outcomes and impacts are needed and skills development institutions should be made accountable for such outcomes and impacts.

ADB has listed out the differences between a supply oriented training system vis-a-vis the demand oriented system. Market, governance, stronger accountability, and budget earned through outcome based performance are the differentiating factors between the two systems.

Honourable Ministers, Ladies and Gentleman,

If Skills development has to make a meaningful contribution in achieving sustainable development goals, we need a paradigm shift: A shift in terms of programme targeting, constituency mobilization, demand based system, multi-sectoral approach, blending formal, non-formal and informal learning systems, and accountability for outcomes and impacts.

Thank You.

Note: The references are given in the slides.