




# “SKILLS FOR INDUSTRY” PROJECT




 Schweizerische Eidgenossenschaft  
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Swiss Agency for Development and Cooperation SDC


 Swiss Programme for Research on Global Issues for Development

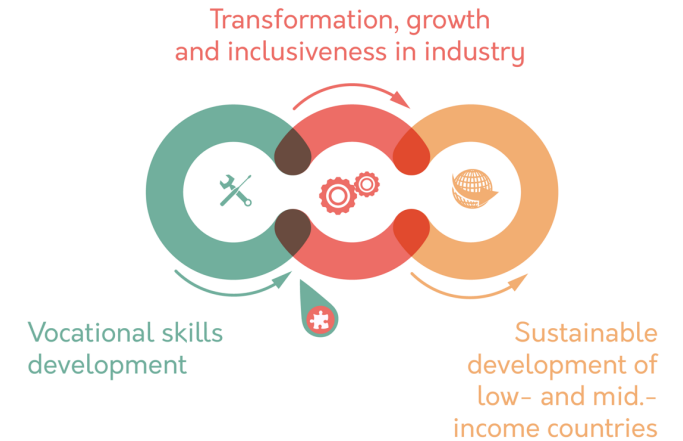

 SWISS NATIONAL SCIENCE FOUNDATION

# RESEARCH FOCUS

The aim of the “Skills for Industry” project is to identify the critical factors that help or hinder vocational skills development (VSD) in low and middle-income countries to contribute to inclusive industrial transformation and growth.

## Hypotheses

- VSD initiatives that focus on higher skill levels are more likely to contribute to inclusive industrial growth and transformation.
- VSD initiatives that aim at helping companies to access low-qualified labour are less likely to contribute to inclusive industrial growth and transformation.
- VSD initiatives in countries with a clear strategy and the respective capacity to link education and training to industrial development are more likely to contribute to inclusive industrial growth and transformation.



# MAIN PARTNERS

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<b>Vietnam</b>	Ho Chi Minh City University of Technology and Education: Vi Dang



# DOES THE FORMAL TVET SYSTEM FACILITATE INDUSTRIAL TRANSFORMATION

**TABLE 1: PERCEPTION OF STAKEHOLDERS ON TVET SYSTEM BEING IMPORTANT FOR TRANSFORMATION**

	Automobile	Electronics	Food and beverage	Garment	Leather and shoes	Metal	Other	Pharma
Government	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Not relevant
TVET Providers	Mixed	Relevant	Relevant	Cambodia; Ethiopia; Bangladesh; Laos; Vietnam South Africa	Relevant	Relevant	Relevant	Not relevant
Industry Associations	Mixed	Cambodia Vietnam	Cambodia; South Africa Vietnam Laos	Cambodia; Ethiopia; South Africa Bangladesh; Laos; Vietnam	Relevant	Relevant	Not relevant	
Companies	Not Relevant	Mixed	Cambodia; Vietnam Laos; South Africa	Cambodia; Vietnam Bangladesh; Ethiopia; Laos; South Africa	Not relevant	Relevant	Not relevant	Not relevant

# DOES THE FORMAL TVET SYSTEM FACILITATE GROWTH

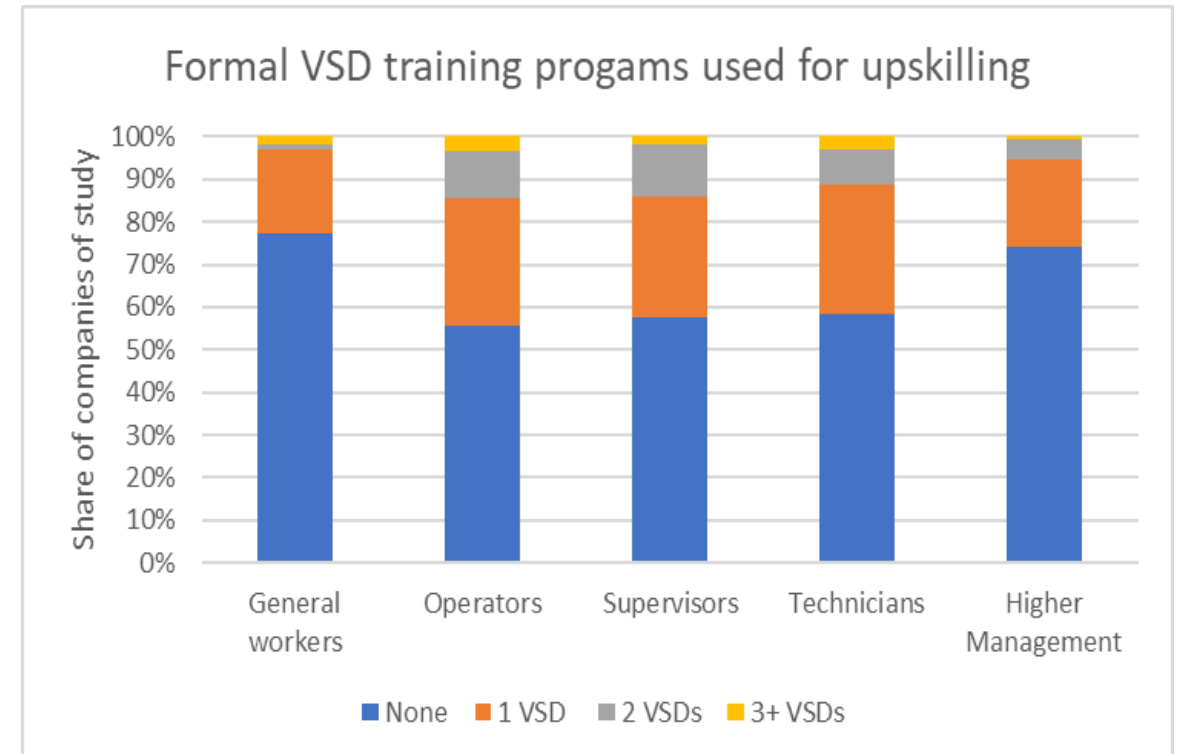
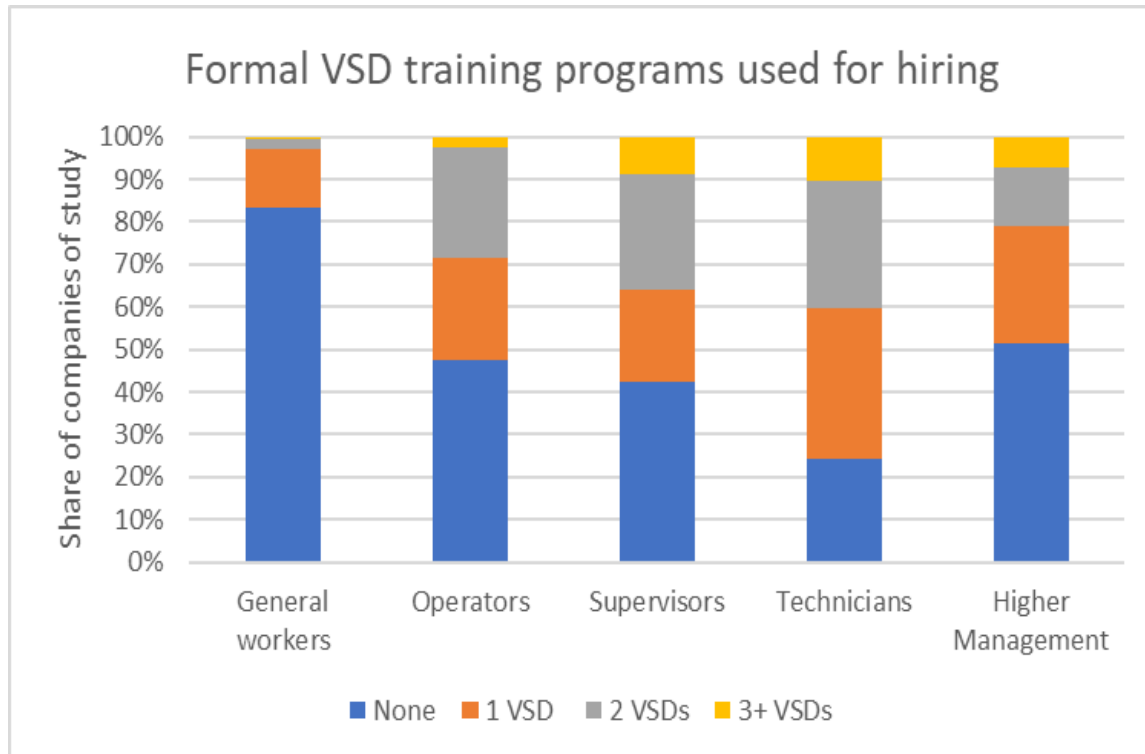
**TABLE 2: PERCEPTION OF STAKEHOLDERS ON TVET SYSTEM BEING IMPORTANT FOR GROWTH**

	Automobile	Electronics	Food And Beverage	Garment	Leather And Shoes	Metal	Other	Pharma
Government	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Not Relevant
TVET Providers	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Not Relevant
Industry Associations	Relevant	Mixed	Laos; South Africa Cambodia; Vietnam	Laos, Ethiopia; South Africa Cambodia; Vietnam Bangladesh	Relevant	Relevant	Relevant	Not Relevant
Companies	Not Relevant	Vietnam Cambodia	Laos; Vietnam Cambodia; South Africa	Laos, Ethiopia Vietnam Bangladesh; Cambodia; South Africa	Relevant	Relevant	Mixed	Not Relevant

# FORMAL VSD UPTAKE FOR HIRING AND UPSKILLING

Formal VSDs are used to screen applicants, especially for higher skill levels

However, VSDs are not used to upskill employees across the occupational levels



# FACTORS THAT ARE CORRELATED WITH VSD UPTAKE

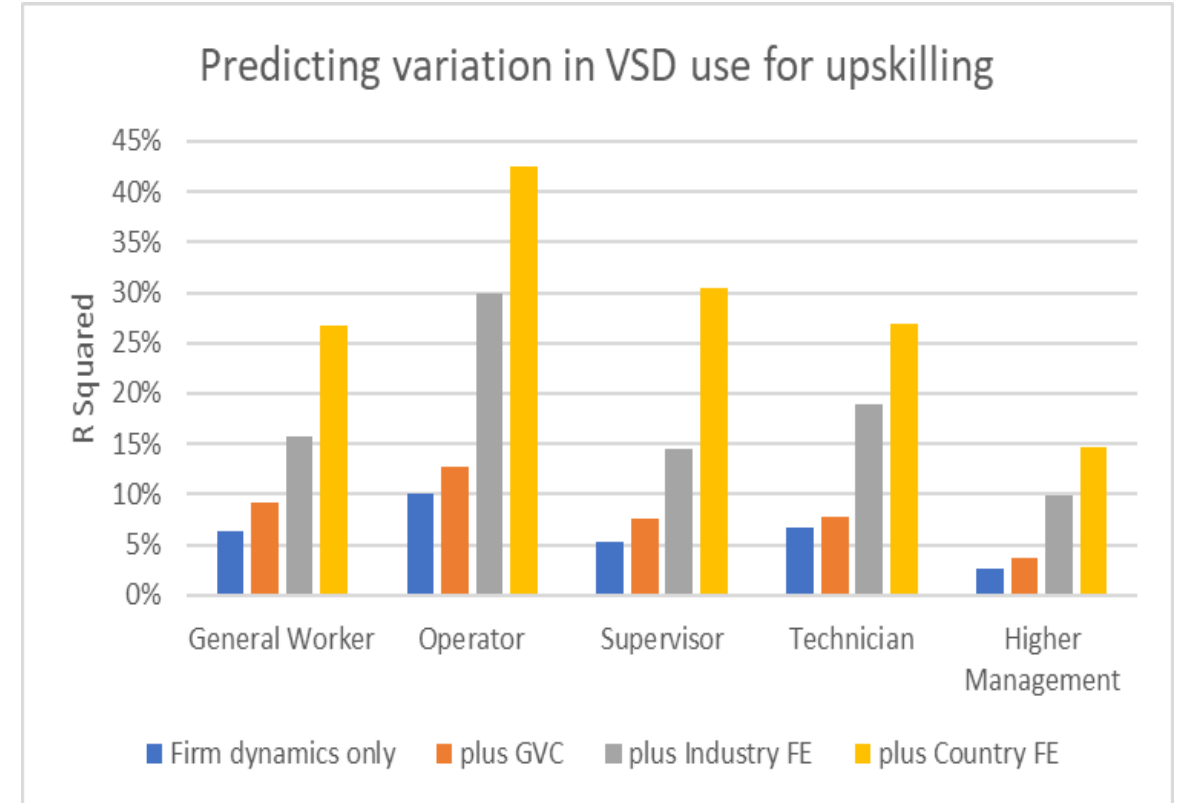
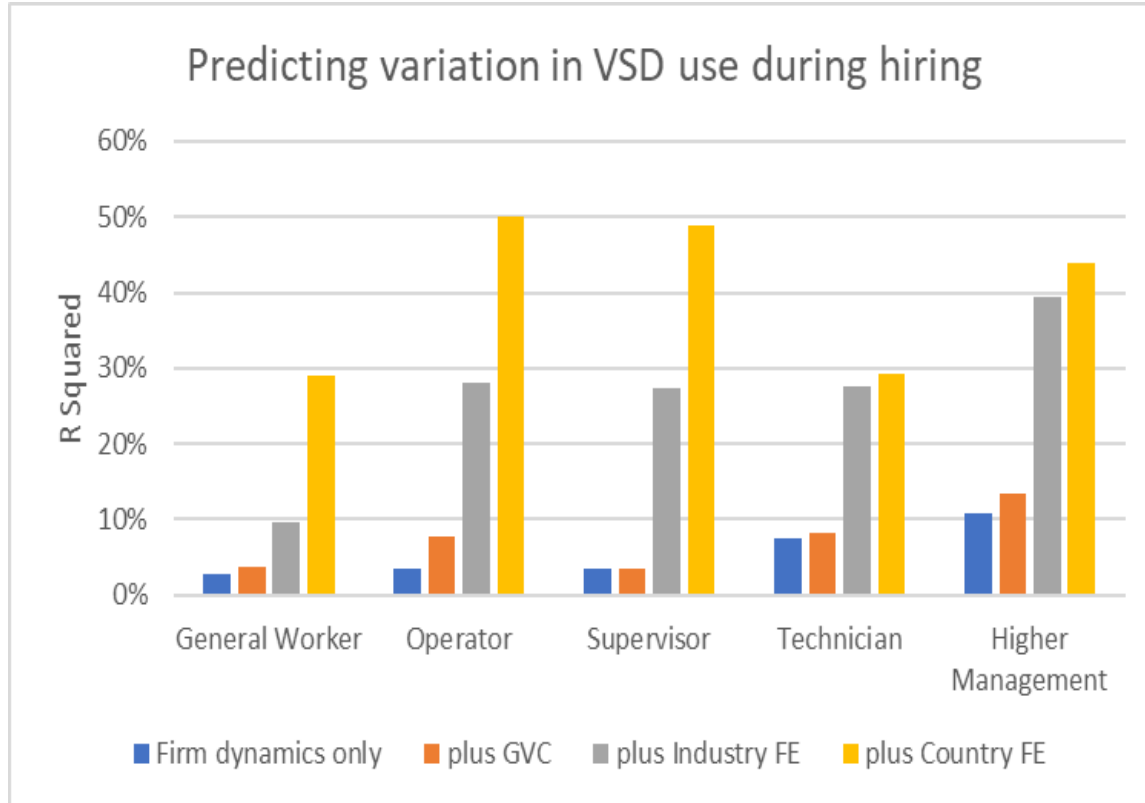
Older, domestic companies are more likely to use VSD to hire and upskill, transformation is correlated with VSD uptake for operators and technicians; industry integration into GVCs is correlated with VSD use

VSD used during hiring process					
	General Worker	Operator	Supervisor	Technician	Higher Management
Age of company (years)		+	+	+	+
Foreign ownership		-	-	-	-
Change in Work-organization				+	(+)
Introduced advanced product				+	+
Implemented advanced technology	(+)		(+)		
Exporting			(+)	(+)	
Export destination (high income)	(+)	-	+	+	(+)
Net export ratio	(+)	+	-		-

VSD uptake to upskill employees					
	General Worker	Operator	Supervisor	Technician	Higher Management
Age of company (years)	+	+	+	+	
Foreign ownership	+	-		-	-
Change in Work-organization			(+)		
Introduced advanced product					+
Implemented advanced technology		+		(+)	-
Exporting	(+)	(+)	(+)	(+)	(+)
Export destination (high income)	(+)	-	+	-	-
Net export ratio	+	+	+	+	+

# FACTORS THAT ARE CORRELATED WITH VSD UPTAKE

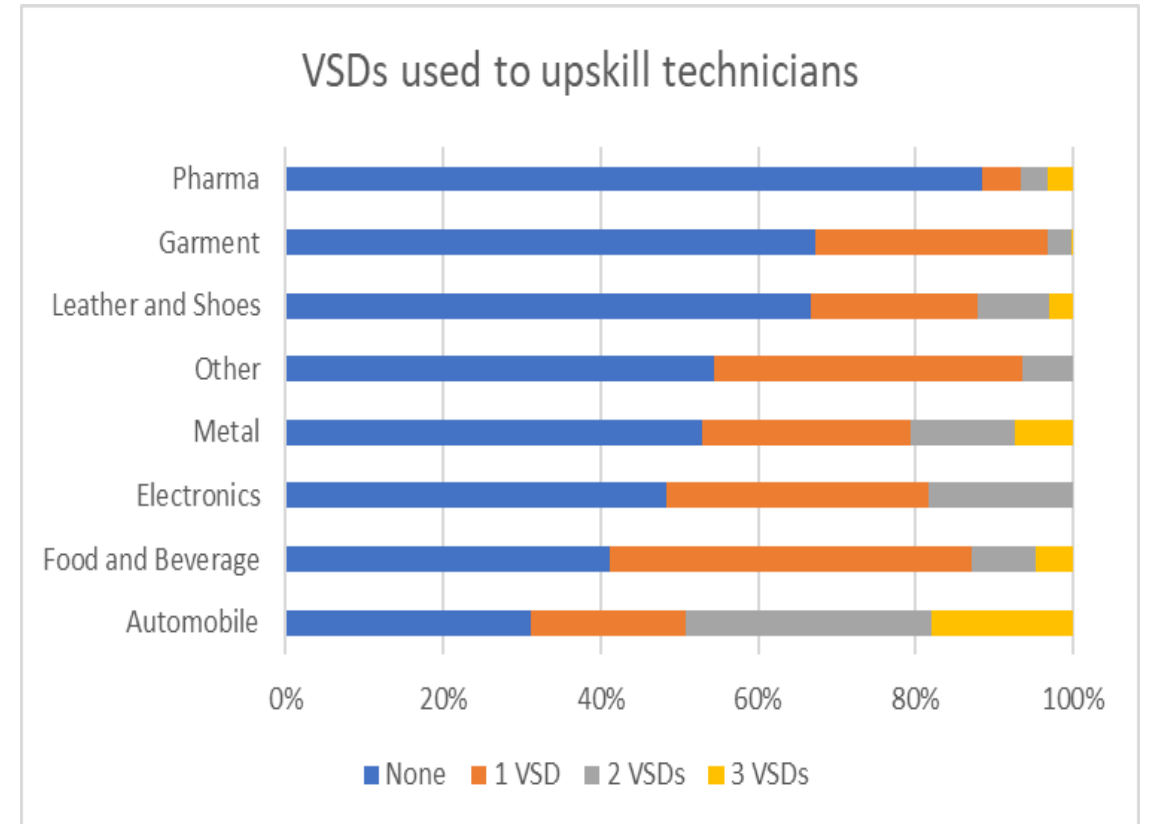
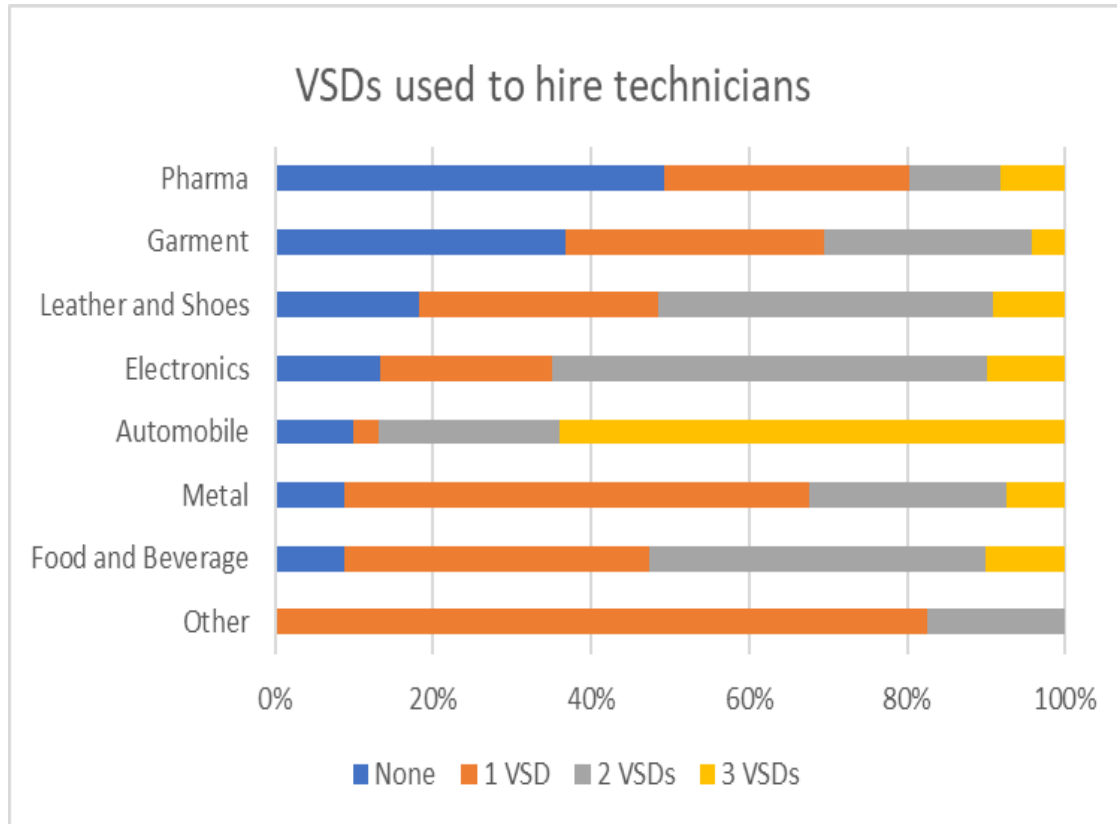
While companies decide on uptake, company characteristics account little for the variation in uptake; industry and country characteristics explain more.



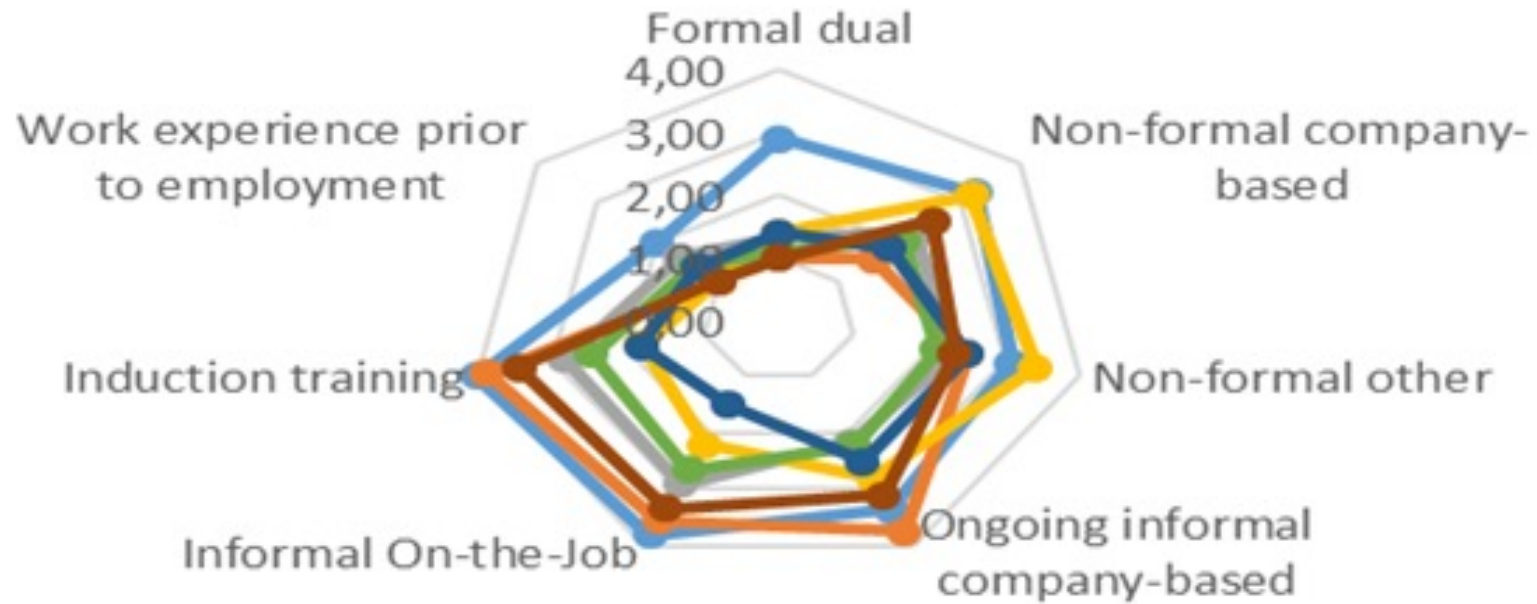


# FORMAL VSD UPTAKE FOR HIRING AND UPSKILLING

The uptake of Formal VSDs differs significantly across industries



# ALTERNATIVE FORMS OF TRAINING TO UPSKILL WORKERS



# DOES THE FORMAL TVET SYSTEM FACILITATE INCLUSIVITY

**TABLE 3: PERCEPTION OF STAKEHOLDERS ON TVET SYSTEM BEING IMPORTANT FOR INCLUSIVITY**

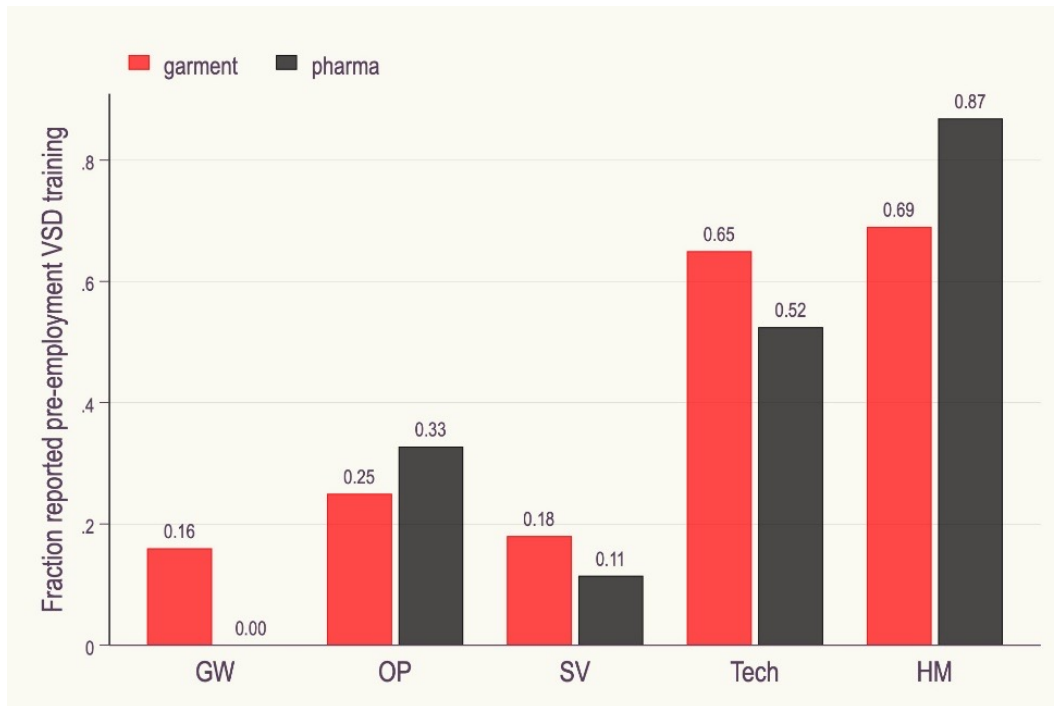
	Automobile	Electronics	Food And Beverage	Garment	Leather And Shoes	Metal	Other	Pharma
Government	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Not Relevant
TVET Providers	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Relevant	Not Relevant
Industry Associations	Relevant	Vietnam Cambodia	Laos; South Africa; Vietnam Cambodia	Ethiopia; Laos; South Africa; Vietnam Cambodia Bangladesh	Relevant	Relevant	Relevant	
Companies	Relevant	Vietnam Cambodia	South Africa Cambodia; Laos; Vietnam	Ethiopia; Laos; South Africa Cambodia; Vietnam Bangladesh	Relevant	Relevant	Relevant	Not Relevant

## WOMEN PARTICIPATE IN LOW LEVEL TVET PROGRAMMES

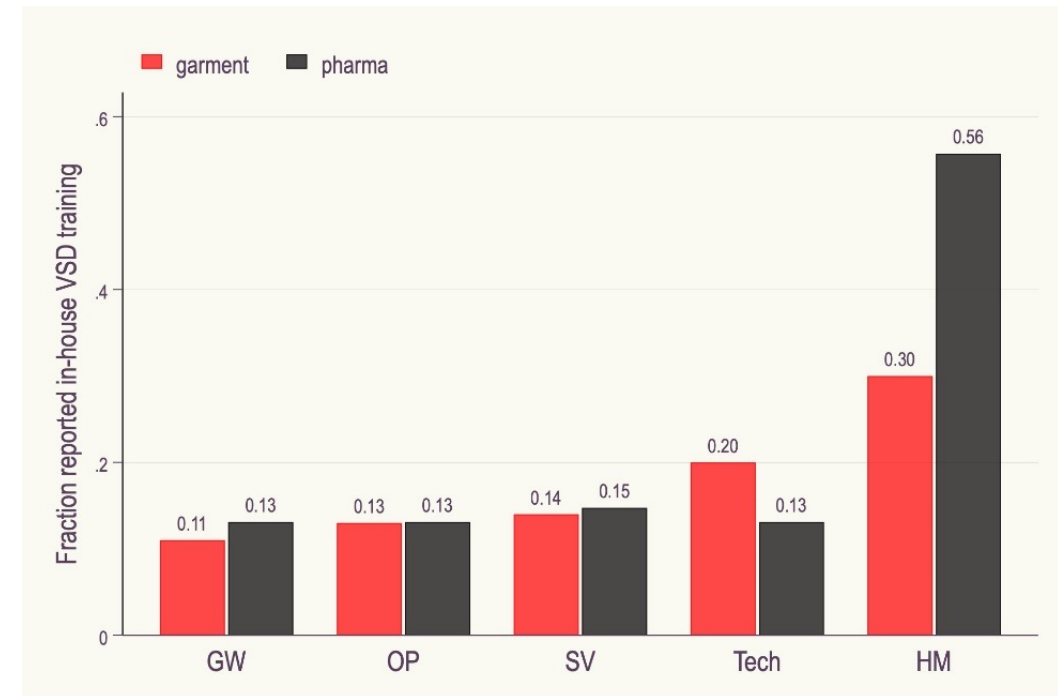
- Public and private training institutes and NGOs in Bangladesh, funded by various donor agencies, provide training for the lower level positions which are ineffective.
- Whereas, women are not participating in the commercial-run training institutions due to lack of opportunity to get jobs in RMG industry in mid- and higher- level positions.

# THE USE OF FORMAL TVET IS CURRENTLY VERY LOW, ESPECIALLY AT THE LOWER SKILL LEVELS

## Pre-employment trainings



## In-employment trainings



# LABOUR MARKET FACTORS AND ON-THE-JOB TRAINING

- Company recruitment in the Ready-Made Garment industry:
  - girls with little knowledge and experience are assigned to lower positions such as helpers and operators;
  - males are recruited for all the positions;
  - males are given preference for promotion to supervisor positions because:
    - lower level of education compared to the male workers in the same position, and
    - socio-cultural barriers in the industry for female participation.

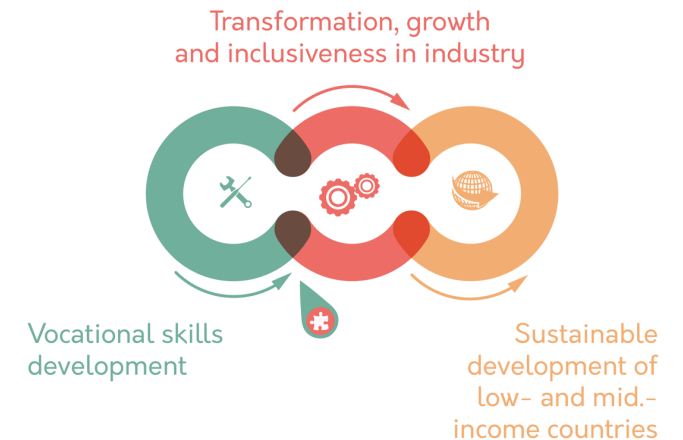
# CONCLUSIONS

Formal TVET seems to play a minimal role in relation to inclusivity in manufacturing companies, because

1. it is offered at lower levels, where there is little take up from industry (and highly marginalized groups can't even access these low levels of formal provision)
2. where there is take up at higher levels, it is for positions that employ in small numbers

And especially at higher levels the quals are not accessed by women.

The majority of people in our countries can be seen as marginalised and the vast majority of work is not in formal sectors.



# CONCLUSIONS

- Formal TVET seems to play a minimal role in relation to industrial transformation and growth in most manufacturing companies, with some exceptions where there are coordinated industrial strategies.
- Policy focus tends to be on national skills systems—but sectors and industries vary dramatically. This may explain very low levels of take up of formal vocational qualifications by companies, but a strong sense from providers and policy makers of excellent engagement.
- TVET does not seem to be a mass education solution that is assisting access to labour markets.

