The problem
World of Work and Globalization
While hundreds of millions stay unemployed for years, the same numbers may lose their jobs at any moment. The reason is that the World of Work is increasingly affected by globalization of markets. The wave of rapid economic and technological change that goes along with it and the rise of a knowledge-intensive world economy is putting increasing demands on the skills and performance of workers. Skills in demand today may be obsolete tomorrow.

Effective and targeted human resources development, education and training are therefore essential, particularly in the developing world. Companies in these countries often perceive inadequate skills of workers as a major obstacle to their commercial operations.

Bridge between World of Education and the World of Work
Investments in human capital building are essential for economic development and creating meaningful life opportunities. Just educating people is not enough. Jobs also need to be made available. Many governments are struggling to build this indispensable bridge between the World of Education and the World of Work.

Challenges of VET
Vocational Education and Training [VET] is increasingly seen as a master key to poverty alleviation and social cohesion and a chance for countries to jump on the bandwagon of development and globalization. VET is a highly diversified educational supply system. It responds to individual abilities and preferences and provides people with skills to succeed in an ever faster changing working environment. VET therefore, more than general education, can contribute to economic development, create employment and respond to the labour market.

The need for establishing VET systems is increasingly recognized, but their actual implementation remains challenging. The difficulties originate in the complex requirements that have to be fulfilled and in finding funds. Costs to develop VET curricula, train staff and equip classrooms for specialized subjects are generally three times higher than for general courses. Therefore funds for VET are often not sufficiently available.

Another bottleneck is that VET is often limited to the primary and secondary education level. This makes VET for bright students who want to continue their studies at a higher level less attractive. To make VET an appealing choice for the current preference for general academic education, it needs to cover all levels of qualifications needed in the labour market.

Another VET challenge is to adapt its standards, curriculum and teaching methods to the changing demands from the economic environment and keep abreast with the latest technological developments. VET is to be flexible to respond to the opportunities provided by the labour market.

VET systems often lack sound management, horizontal integration and vertical decentralization. Presently different ministries, regional or local
authorities are responsible for their management which causes a negative divergence in policies, competence and ownership.

At the VET school level there is insufficient autonomy to select staff, define appropriate curricula and to manage funds.

**Strategic framework for VET development**

In making VET systems successful a new, innovative and comprehensive approach is urgently needed through the design of a Strategic Framework. Such a framework allows governments to identify policy requirements to realize a modern market oriented, flexible VET system.

In developing VET, various strategic building blocks have to be considered. Major questions are how the system should look like (input standards); what it should do (process standards); what it should produce (output standards); for whom it is meant (accessibility); how it should be managed; and how it should be financed.

<table>
<thead>
<tr>
<th>Strategic building blocks for VET development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Input standards</strong></td>
</tr>
<tr>
<td>Supply system (education, training)</td>
</tr>
<tr>
<td>Continuity</td>
</tr>
<tr>
<td>Accreditation</td>
</tr>
<tr>
<td><strong>Process standards</strong></td>
</tr>
<tr>
<td>Curriculum content</td>
</tr>
<tr>
<td>Teaching/learning methods</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Counselling</td>
</tr>
<tr>
<td><strong>Output standards</strong></td>
</tr>
<tr>
<td>Qualifications responding to labor market requirements</td>
</tr>
<tr>
<td>Involvement of social partners</td>
</tr>
</tbody>
</table>

**Strategic directions for an effective VET system**

**Input Standards**

Defining the supply system

VET needs to respond to the overall requirements and socio-economic context of a specific society. Therefore there has to be an overall legally recognized VET strategic framework with various forms of VET supply.

In general three levels of vocational education need to be defined, namely primary, middle and higher vocational education. Higher vocational or professional education in several countries is provided by Polytechnics and Community Colleges.

A system for vocational training must also be defined. Usually vocational training is considered to be a part of the labour market and employment development system. The system could concern initial training after the compulsory schooling period, upon which the participant enters the employment market with initial occupational qualifications.

Another option is continuing vocational training allowing the unemployed to re-enter the labour market or providing training to the employed, to upgrade their skills for other employment opportunities.

**Continuity**

For VET, continuation between the different levels and types of vocational education and training is important. The progression routes should be defined in the education laws.

The workforce also needs to have the opportunity for lifelong learning according to preference and market requirements. Even though modern VET systems are now providing students with more market oriented education and introduce new subjects like entrepreneurial education, they are not yet able to ensure longer term employment and income perspectives.

**Accreditation**

The VET system has to be made understandable for students, parents, teachers and employers through a national accreditation system. This system should be incorporated in the law on VET and an independent state body for accreditation established. The system should provide for the accreditation of educational competences or qualifications by ensuring that awarded certifications will reflect the subjects, the level of education and the performance of the student. The system also should serve for the accreditation of vocational training programs and
curricula, teachers and trainers, educational institutions and educational infrastructure in general.

In developing VET systems comparability and compatibility with international educational developments also need to be addressed. This is important for the international recognition of educational certificates. Equivalence and recognition of qualifications is conducive to international mobility and to providing career opportunities in other countries.

**Process Standards**

**Qualitative provision of services**

VET process standards concern the implementation of learning programmes, application of teaching methods, education and training of the teachers, use of assessment systems and counselling of students.

**Curriculum content**

Present-day process standards define that curricula should present up-to-date knowledge and skills based upon recent technological developments and needs in the labour market.

Modern national curriculum standards are needed for VET. The curriculum should ensure that VET is providing broad knowledge and skills development, allowing the students to prepare for continuous learning, and to easily adapt to the changing requirements in the labour market. Subjects such as foreign languages, management, entrepreneurial education, and environmental management should be included.

**Teaching and learning methods**

Teaching and learning methods for VET should be based upon participative and practical learning with focus on skills development and on the use of ICT. This should be supported by the supply of modern teaching and learning equipment.

**Teacher training**

Teachers should be trained in modern teaching and learning methods and in key-competences to enable them to provide relevant education and training to their students. Continuous teacher training in VET must be available for this purpose.

**Assessment**

Formative student assessment systems must be applied. This implies that assessment is intended to support the student in reaching his intended educational achievements rather than to decide whether the student will continue to the next grade.

**Counselling of students**

The provision of skills according to personal aptitude is a basic principle for effective VET. Students have to be assisted in a systematic and stimulating way for choosing their vocational itinerary. The main aim is to provide sufficient information on further educational possibilities and professional perspectives.

Similarly, vocational guidance can play a significant role in supporting those entering or re-entering the labour market. It enables them in selecting training activities to prepare for new employment or entrepreneurial activities.

**Output standards**

**Qualifications responding to labour market requirements**

The output of VET institutions should respond to the needs and opportunities in the economy and the labour market. Availability of crucial information on the developments in supply and demand of quantities and qualities of manpower is therefore important. This will benefit the design of required educational qualification profiles and the development and adaptation of curriculum profiles and teaching methods.

The main actors in the labour market should all actively be involved in generating and exchanging information on developments in technology, emerging economic activities, international economic agreements, demographic trends and educational developments.

A decision making instrument is required directing the VET system in its supply activities. This instrument will be supported by adequate information on the kind of human resources needed in the society. It should have legal recognition and close involvement of the social partners, the employers and workers associations.
Involvement of Social Partners
The identification of training needs, modernisation of curricula, teachers training, accreditation system, funding, coordination and management of VET should be decided upon a bipartite or tripartite basis with the social partners presenting the required skills in the labour market.

A national tri-partite VET council for instance would consist of representatives from employers’ organisations, trade unions and from various ministries with an interest in VET.

Access
A major principle in modern VET is that everybody has access to it. This includes entering or re-entering at a later stage, according to individual needs and circumstances.

Access to VET can be improved by increasing the attractiveness of VET. This requires legal actions including arrangements for participation by the poorer families, for whom VET is often the only way for upward mobility.

Governance and Management
Centralized policies and decentralized school management
Through a lack of horizontal integration and vertical decentralization making the VET system dependent on many different authorities and departments, there is a clear need for centralization of overall responsibilities for policy development and governance through the Ministry of Education for the vocational education institutions, and through the Ministry of Labour and Social Issues for the vocational training providers.

Decentralization of decision-making authority to the schools themselves is an important requirement. This does not only hold for the appointment of directors and teaching staff but also participating in program development, selecting teaching methods, linking to the local labour market and society, defining budgets and fund management.

Financing VET
Financial sources and cost efficiency
Reforming VET will need increased expenditure. The contribution of international donors can cover some of the needs. Other approaches will also be needed to reach a viable VET budget, especially through public-private partnership in funding. Through mixed funding, the government will endeavour to make a maximum contribution from the national budget, and additional funds to be obtained from the social partners. Joint financing of VET should be institutionalised, and a legal basis should be created for the establishment of a vocational training fund.

Other measures to reach a more viable financial position for VET include the rationalisation of the operational costs of the VET system. This involves the restructuring of the network of schools in relation to the number of students and type of education and training provided. This may result in decreasing the number of schools and reallocation of tasks to schools and institutions.

Our invitation
The Social Sector Product Group of BMB Mott McDonald assists governments and institutions in transition and developing countries to develop their Vocational Education and Training Systems in line with the requirements of the market economy and needs for individual development. BMB Mott McDonald has the capacity to address resource management and service delivery in the social sector in a comprehensive way.

We invite you to contact us to explore the opportunity to work together in developing the vocational education sector in the interest of creating an ever more relevant educational supply system for the social and economic development of the society and for creating meaningful life opportunities to individuals.

You are welcome to contact us:
Ms. Moniek Van de Ven, Knowledge and Information Manager (Moniek.Ven@mottmac.nl), or Mr. Gerben van der Molen Senior Consultant Human Resources and Institutional Development (gerben.molen@mottmac.nl)
BMB Mott MacDonald
Amsterdamseweg 15, 6814 CM ARNHEM,
The Netherlands. Telp: +31 26 3577111
www.bmb.mottmac.nl