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How can TVET work effectively with the private sector in fast-changing economies?

Online: 23-25 November, 2021

Speaker article

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Africa's Technical and Vocational Education and Training sector has the potential to drive growth if infrastructure and skills gaps are addressed

By Hendrina Chalwe Doroba, African Development Bank

The hashtag for the Technical and Vocational Education and Training (TVET) seminar on November 23—25 could not have been more apt: #RelevantSkillsforAll. Labour market needs, such as skills to deliver information technology-based training and to develop vaccines, brought on by the Covid-19 crisis have accentuated skills relevance — putting a spotlight on the fragility of Africa's education and labour market.

In 2020, Africa lost <u>26 weeks</u> of academic learning due to pandemic-related lockdowns. Almost <u>50%</u> of Sub-Saharan Africa's school children did not have access to remote learning.

Covid-19 has brought the importance of being digitally agile into sharp focus. Major aspects of life — schooling, business transactions etc. — are now dependent on fourth industrial revolution technologies. A steady march towards the digital economy seems inevitable and irreversible.

Although digitisation has brought real benefits, it is changing labour markets radically. For example, machines are replacing some workers, especially those who lack <u>technical and digital skills</u>. Even highly skilled workers who do jobs that require soft skills that machines can't provide, such as communication and team building, will need reskilling to meet the ever-changing job demands. The world of work has become unpredictable.

Investing in STEM through TVET could help Africa build back better

For Africa to build back better, we need to invest in science, technology, engineering, and mathematics (STEM) at TVET and higher education levels — as well as entrepreneurship and innovation. STEM skills create workers with more flexible careers, especially in the unknown world of work.

Successful STEM professionals are well grounded in core skills, such as critical thinking, problem solving, communication and teamwork. Entrepreneurship education, on the other hand, can equip young people facing a bleak prospect of unemployment to employ themselves.

By its nature, TVET can play a complementary and essential role by offering an ideal platform for the integration of STEM. High-quality TVET or advanced technology programs can provide a strong foundation for, and serve as a delivery system of, STEM competencies and skills for students.

TVET's orientation towards the world of work and its provision of in-demand skills means that it is well placed to overcome the skills mismatch — or the discrepancy between the skills employers want and the skills job seekers possess.

The International Labour Organisation has identified four categories of skills mismatch:

- 1. skills gaps, when workers lack skills to do their jobs effectively;
- 2. skills shortages, when employers cannot find enough professionals with the right qualifications and skills;
- 3. skills obsolescence, when workers lose their skills over time due to lack of use or when the skills become irrelevant due to changes in the world of work;
- 4. over/under skilling, when workers have skills above or below those required for the job.

All four apply to TVET graduates in many African countries.

Although TVET has the potential to drive economic growth and development in Africa, it remains underfunded. Africa spends precious little on the TVET sub-sector — <u>about 4% of the education</u> budget, translating to about 0.2% of GDP, relative to 1.24% of GDP in high-income countries.

Despite the enormous physical infrastructure needs, over 80% of public funding in the TVET sector in Africa is spent on salaries and operating costs. Furthermore, there is limited investment by development partners in the sub-sector.

This has led to dilapidated infrastructure, a damaged public perception, and low student enrolment numbers. Inadequate funding has also raised questions about the quality and relevance of TVET programmes. For a long time, industry players have raised concerns about a lack of in-demand skills.

The fallout from Covid-19 means a large share of the education and training budget in many African countries has been devoted to emergency health and social protection, depriving TVET of the resources it needs. Before Covid-19, Africa needed \$40 billion annually to bridge the education financing gap by 2030.

The African Development Bank's role in helping the private sector address TVET's financial woes

To make progress, Africa needs to invest in innovative financing, mainly leveraging on private sector support. The African Development Bank has placed TVET and skills development at the centre of its human capital development agenda, including mobilising private sector support.

The Bank is playing a leading role in the establishment of the African Education Science Technology and Innovation Fund in partnership with African governments and the African Union. The initiative will raise around \$300 million from, among others, the private sector, including foundations, trusts and philanthropists.

The Bank's skills development operations in its African member countries involve strengthening infrastructure for STEM and entrepreneurship development. Most of the Bank operations leverage on private sector support. For instance, the Bank's TVET support in countries such as <u>Ghana</u>, <u>Malawi</u>, <u>Morocco</u>, <u>Namibia</u> and <u>Zambia</u> has seen the private sector playing a role in crafting TVET curricula to ensure that graduates get skills that are in sync with labour market needs.

In Zambia, Bank support involved fostering collaboration between TVET institutions and Zambia's Consolidated Copper Mines, under a private-public partnership, to train 2,000 youth and equip them with skills relevant for the mining sector.

In Ghana, Bank support has involved mobilising the private sector to create internship opportunities for the youth.

More importantly, the Bank is leading the establishment of Skills Enhancement Zones in Africa to spearhead the development of a skilled workforce aligned to employer needs by creating demand-led training and job placement programmes within industrial clusters.

Rather than the traditional 2—3-year approach used in vocational schools, the Skills Enhancement Zones involve a partnership with the private sector to promote a fast response to economic opportunities through six-month training programs targeting specific, in-demand skillsets.

TVET is still reeling from the COVID-19 fallout. It is not clear how long full recovery will take. But if TVET continues to work collaboratively with the private sector and capitalises on the continent's demographic dividend—Africa is the world—it can be the driver for skills development.

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VET Toolbox is a partnership of leading European development agencies, including British Council (UK), Enabel (Belgium), Expertise France (France), GIZ (Germany), LuxDev (Luxembourg) and AFD (France).

The project is co-funded by the European Union and by the German FederalMinistry of Economic Cooperation and Development (BMZ).

The consortium is led by Enabel.















